



**LICENSED
BUILDING
PRACTITIONERS**
Building confidence

CODE OF ETHICS

GUIDELINES FOR LICENSED
BUILDING PRACTITIONERS



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI

New Zealand Government



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI

Ministry of Business, Innovation and Employment (MBIE) Hīkina Whakatutuki – Lifting to make successful

MBIE develops and delivers policy, services, advice and regulation to support economic growth and the prosperity and wellbeing of New Zealanders.

The Code of Ethics Guidelines for Licensed Building Practitioners document is produced by the Building System Performance branch.

This document is issued as guidance under section 175 of the Building Act 2004.

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The Code of Ethics can be found on the New Zealand Legislation [website](#).

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Contents

Purpose	_____	2
1. Work safely	_____	4
2. Act within the law	_____	6
3. Take responsibility for your actions	_____	8
4. Behave professionally	_____	10
Breaching the Code of Ethics	_____	12

PURPOSE

The purpose of this guidance document is to help you navigate the Code of Ethics (COE) for Licensed Building Practitioners (LBP) by providing explanations and practical examples.

The content (including the examples) of this document serves as guide only and there will be unique circumstances and situations that differ from the examples detailed.

These guidelines do not limit the application or meaning of the Code of Ethics, nor do they provide a complete description of your obligations.

Who is this guidance for?

- › Licensed Building Practitioners
- › The general public who have commissioned an LBP to carry out or supervise building work
- › Building Consent Authorities.

This guidance seeks to provide clarity on the Code of Ethics:

On 26 October 2021 the Code of Ethics was introduced by Government for LBPs with a one year transition period.

Licensed Building Practitioners should act in way that ensures that the public view the profession positively. The objectives of the Code of Ethics is to:

- › uphold the integrity of LBPs and the licensing regime and
- › protect the public and maintain their confidence in LBPs.

The Code of Ethics details the standards of ethical behaviour expected of all LBPs in Aotearoa New Zealand. Compliance with the Code of Ethics should assure the public that you have undertaken their building project with an acceptable standard of care and ethical behaviour.

The Code of Ethics is made up of nineteen standards, sitting under four key principles:



It is important that you understand your obligations under the Code of Ethics.

The obligations in the Code of Ethics generally apply to work which you carry out or supervise. However, certain obligations require you to take action in relation to behaviour of others which you become aware of in the course of your work.

Some obligations within the Code of Ethics are focussed on communicating with clients. If you are not responsible for communicating with the client, these obligations may not apply.

When does the Code of Ethics take affect?

From 25 October 2022 the Code of Ethics becomes enforceable by the Building Practitioners Board.

The Code of Ethics applies to all building work carried out or supervised by you after this date, including building work conducted as a volunteer.

What the law says

The Code of Ethics is set out in the Building (Code of Ethics for Licensed Building Practitioners) Order 2021.

- › The full Code of Ethics can be found on the New Zealand Legislation website.

Breaching the Code of Ethics may be grounds for discipline by the Building Practitioners Board (Section 317(1) (g) of the Building Act 2004).

Additional information about breaching the Code of Ethics can be found in the [Breaching the Code of Ethics](#) section of this document.

Information about the regulation of building practitioners can be found in [Part 4 of the Building Code 2004](#), and in the [Building Practitioners \(Complaints and Disciplinary Procedures\) Regulations 2008](#).



You must take reasonable steps to make sure that the work you undertake does not endanger the health or safety of yourself, your colleagues or anyone else, including people who work for you, your clients or anyone who will visit the site where building work is being carried out.

The Work Safety principle does not limit the [Health and Safety at Work Act 2015](#) or any legislation made under that Act.

1.1 Responsibilities for health and safety

You have a responsibility as an LBP that while carrying out or supervising building work, that you take reasonable care of your own health and safety, and take reasonable care to avoid doing things that might adversely affect the health and safety of others.

This means taking all reasonable steps to identify risks to health and safety, and eliminate or manage them in an appropriate way.

What the law says

You may find section F (Safety of Users) of the Building Code useful, which focusses on safeguarding people from injury or illness.

You will also have overlapping duties under the Health and Safety at Work Act 2015 (HSWA), which you should also familiarise yourself with. You can find more information on your responsibilities at www.worksafe.govt.nz/managing-health-and-safety/businesses/general-requirements-for-workplaces/.

1.2 Report unsafe behaviour by others on building site

If, during the course of your work, you see other people engaging in unsafe behaviour or work practices on a building site, then you have an obligation to raise this with the appropriate person. This may be the person engaging in unsafe behaviour, or the supervisor, building site manager, or the person responsible for the building site. If you do not believe that the behaviour has been resolved, then take other appropriate action. Appropriate action will depend on the circumstances. You might consider, for example, raising it with the individual again, or alerting Worksafe of the issue.

What the law says

You also have protections under the HSWA which you should familiarise yourself with. You can generally stop or refuse to work if you believe it would expose you or someone else to a serious risk to health and safety. You are protected in this situation. It is against the law for a person or business to discriminate against you, or terminate your employment, for raising a health and safety issue or stopping unsafe work.

Example

Matiu noticed that one of the other LBPs on site, Colin, is working in a very unsafe manner and he is concerned that this may cause serious harm to Colin and/or the others on the worksite. He raises his concerns with Kyle who is his employer and the site manager. This is a good first step in line with the Code of Ethics. Note that Matiu also has a responsibility under the HSWA as a worker to speak up when he has a health and safety concern. He has also met this obligation.

Kyle discusses the concerns around Colin's behaviour with Colin directly, who subsequently doesn't seem to change his behaviour. Kyle raises the matter with Colin again, this time with success. Kyle then involves the workers on site to put in place clearer processes and practices to manage health and safety on site to reduce the chances of such behaviours happening again. Kyle has met his obligations under the Code. Also note that Kyle is a PCBU (a Person Conducting a Business or Undertaking) under the HSWA and so he has a duty to manage health and safety risks in the vicinity where work is being carried out.

The Building Practitioners Board could also have been notified about the actions of Colin.

1.3 Avoid harming the environment

When carrying out or supervising building work you must take all reasonable steps to avoid harming the environment.

Being aware of the impact your work has on the environment is important, including with regards to how you dispose of materials and manage waste on site. This is likely to involve ensuring that chemicals do not spill or are not disposed of by pouring into drains, lightweight materials such as plastics are secured and do not blow away, and the site is left in a tidy manner once work is complete.

What the law says

You should also consider your obligations under the [Health and Safety at Work \(Hazardous Substances\) Regulations 2017](#) and the [Hazardous Substances and New Organisms Act 1996](#).

Example

Angela notices that her workmates are about to remove the textured plaster and moulding from the ceiling of a 1970s-era house, and are planning to dump it in the skip bin on the worksite. She reports this to her site supervisor Tim, as there is a high chance that the plastered ceiling may contain asbestos that the workers are unaware of. Tim takes immediate action to stop this and prevent any damage being caused. Tim also notifies the owners of the need to remove asbestos from their property, and that it needs to be done by someone who is licensed to remove it.

In this situation, Angela and Tim have met their obligations under the Code of Ethics by being aware of the impact that removing asbestos incorrectly could have on the environment, taking steps to avoid that, and also being aware of the impact it may have on the worker's health.

As an LBP you must act within the law.

2.1 You must comply with the law

If you are an employed LBP, then your obligation is limited to the matters that you are responsible for carrying out or supervising under your employer's directions.

If you are self-employed, then your obligation is limited to the matters that you are responsible for carrying out or supervising, to the person who has engaged you (e.g. the person who has commissioned the work).

The [Building Act 2004](#), and regulations under that Act, lay out the rules for the building sector in relation to the regulation of work on new and existing buildings in New Zealand (such as construction, alteration, demolition and maintenance). This works alongside other key pieces of legislation covering health, safety, use of land and consumer protection.

The [Building Code](#) sits within building legislation and sets the performance requirements for buildings. All building work undertaken, regardless of whether a building consent is required, must comply with the Building Code. The purpose of this is to ensure that buildings are safe, healthy and robust.

[Part 4A](#) of the Building Act 2004 outlines consumer rights and remedies in relation to residential building work. The [consumer protection measures](#) encourage a professional, no-surprises relationship between you and your clients.

What the law says

You must ensure that when you carry out your work, it is done so whilst adhering to the Building Act 2004, the [Building Code](#), the [Building \(Residential Consumer Rights and Remedies\) Regulations 2014](#), and any other legislation or bylaws that applies. This includes the following:

- › the [Resource Management Act 1991](#):
- › the [Hazardous Substances and New Organisms Act 1996](#):
- › the [Construction Contracts Act 2002](#):
- › the [Fair Trading Act 1986](#)
- › the [Consumer Guarantees Act 1993](#):
- › the [Health and Safety at Work Act 2015](#):
- › and any relevant regulations made under those Acts.

2.2 Duty to report breaches of the law

If during the course of your work, you become aware that someone is breaching these laws, then you must report your belief to an appropriate person. This may be the person believed to be contravening the law, or the supervisor, building site manager, or person responsible for the building site.

If the behaviour continues, then you must take other appropriate action (e.g. report the matter to WorkSafe).

What the law says

For more information about who to report the matter to please visit the following websites:

- › Building Act 2004
www.legislation.govt.nz/act/public/2004/0072/latest/dlm306036.Html
- › The Building Code
www.building.govt.nz/#building-code
- › The Building (Residential Consumer Rights and Remedies) Regulations 2014
<https://www.legislation.govt.nz/regulation/public/2014/0361/latest/whole.html#DLM6322548>
- › WorkSafe: Raise a health or safety concern
www.worksafe.govt.nz/notifications/health-or-safety-concern/

TAKE RESPONSIBILITY FOR YOUR ACTIONS

3

When undertaking work, you are representing yourself, your business or employer and the building profession. It is important to maintain a high level of trust with your clients. Not only should you be willing to get the job done to an acceptable standard for your client, you should also be prepared to engage appropriately with your client when things do not go well.

3.1 Be knowledgeable about what you are allowed to do

Make sure you know what is expected of you as an LBP, in particular what your license class permits you to do when conducting or supervising restricted building work. Carrying out or supervising work that you are not licensed to do may also be a breach of section 314B or 317(1)(c) of the Building Act 2004.

3.2 Explain risks to clients

If you are an employed LBP, then your obligation is limited to the matters that you are responsible for carrying out or supervising under your employer's directions.

If you are self-employed, then your obligation is limited to the matters that you are responsible for carrying out or supervising, to the person who has engaged you (e.g. the person who has commissioned the work).

You must take all reasonable steps to discuss the design and construction risks of a project or approach with your client, and make sure that they understand the options available to mitigate those risks before the work begins. Where risks arise during the course of your work, you must, as soon as practicable, advise your client in writing.

Be honest with your client if you disagree with what they have instructed you to carry out. Remember that your building work must be in accordance with the Building Code. You may find it useful to keep evidence to back up your reasons for disagreeing so that the client can understand your concerns and make an informed decision. This may also be useful should the relationship with your client break down.

3.3 Duty to inform and educate client

If you are an employed LBP, then your obligation is limited to the matters that you are responsible for carrying out or supervising under your employer's directions.

If you are self-employed, then your obligation is limited to the matters that you are responsible for carrying out or supervising, to the person who has engaged you (e.g. the person who has commissioned the work).

You are the building expert in most cases when dealing with a client. This means you must provide your client with sufficient information and advice to enable them to make an informed decision, to enable you to carry on with your building work. If you are unable to provide your client with the information or expertise required, then you may consider directing them to a suitable person (i.e. a designer, architect, engineer).

3.4 Be accountable

If you are an employed LBP, then your obligation is limited to the matters that you are responsible for carrying out or supervising under your employer's directions.

If you are self-employed, then your obligation is limited to the matters that you are responsible for carrying out or supervising, to the person who has engaged you (e.g. the person who has commissioned the work).

In the event of defects caused by yourself or someone you supervise, you must take all reasonable steps to communicate with your client in an honest and responsive way, and act with integrity when resolving the problem.

3.5 Advise clients of any delays as soon as they become apparent

If you are an employed LBP, then your obligation is limited to the matters that you are responsible for carrying out or supervising under your employer's directions.

If you are self-employed, then your obligation is limited to the matters that you are responsible for carrying out or supervising, to the person who has engaged you (e.g. the person who has commissioned the work).

You must keep your client up to date with progress on the work you are carrying out or supervising, and give realistic timeframes and promptly notify them if these timeframes change (particularly in the case of delays). You must advise the client about the reasons for delays, and take effort to ensure delays can be prevented wherever possible.

3.6 You must act in your client's interests

Your client is expecting a professional service and a finished product of an acceptable standard, so make sure any building work you conduct or supervise is up to an acceptable standard. Doing this will likely mean you get positive feedback from clients, and may increase the amount of word-of-mouth work you get in the future.

3.7 You must normally follow your client's instructions

If you are an employed LBP, then your obligation is limited to the matters that you are responsible for carrying out or supervising under your employer's directions.

If you are self-employed, then your obligation is limited to the matters that you are responsible for carrying out or supervising, to the person who has engaged you (e.g. the person who has commissioned the work).

The client is the end user of the work you are doing, so you should endeavour to follow their instructions. However, in instances where these are unlawful, dangerous to implement, contrary to the terms of the relevant building contract or contracts, or contrary to the terms of a resource or building consent, then you should discuss your concerns with the client and come to an arrangement. Where the client persists with instructions which are unlawful etc., then you should escalate it to the authority which issued the consent, or if no consent was issued, the relevant authority.

Example

Eleanor wants to build a sleepout in her back yard and has asked Jacob to construct it. Jacob takes a look at the design and believes that whilst the design Eleanor has chosen looks great, it is not actually able to be constructed in the way that Eleanor wants it.

Jacob explains this to Eleanor and makes suggestions on how they could amend the design to be able to build it. She changes her mind and works with Jacob and the designer to redo the design.

Had Jacob followed Eleanor's instructions and built using the initial design despite knowing that the design wasn't able to be constructed, he would not have been upfront with Eleanor about the design and construction risks. He also would have failed to consider whether the client's instructions were contrary to the Building Code and contractual agreements.

As a professional, you should behave in an appropriate and respectful way towards others. This doesn't solely apply to your face-to-face dealings with colleagues and clients, but also in your written and phone communications. At times, poor behaviour will come from someone else. In these instances you should maintain professionalism and respond appropriately without lowering your conduct to an inappropriate level.

4.1 Behave professionally

A client has employed you to carry out or supervise a job and has put their trust in you. Make sure that you act professionally and treat your clients and colleagues with respect.

4.2 Act in good faith during dispute resolution

If you are an employed LBP, then your obligation is limited to the matters that you are responsible for carrying out or supervising under your employer's directions.

If you are self-employed, then your obligation is limited to the matters that you are responsible for carrying out or supervising, to the person who has engaged you (e.g. the person who has commissioned the work).

In the event of a dispute, you should attempt to resolve this with the other parties. Ensure that you make yourself available to discuss the issue, and that all parties have an opportunity to express their views and be heard. You must be respectful and act in a professional manner at all times during the process, even in situations where the other parties' demands may seem unreasonable. Where both parties cannot come to an agreement for moving forward, you could seek mediation or a formal resolution process.

Example

Aakash and Simon are undertaking roofing work on Gary's new house when Gary tells them he's not happy with how they've installed the flashings. Aakash and Simon don't react well to this news and are quite angry, knowing that they strictly followed the designs and believe there is nothing wrong with it. Unwilling to discuss this further with Gary, they collect all their tools and any unused materials and walk off the job. They do not return to finish the work and do not return Gary's calls.

The actions of Aakash and Simon do not show them acting in good faith to resolve the dispute and therefore they are in breach of the Code of Ethics. They instead could have considered responding pragmatically and sat down with Gary and the designer to discuss the designs and how they carried out the work.

4.3 Price work fairly and reasonably

If you are an employed LBP, then your obligation is limited to the matters that you are responsible for carrying out or supervising under your employer's directions.

If you are self-employed, then your obligation is limited to the matters that you are responsible for carrying out or supervising, to the person who has engaged you (e.g. the person who has commissioned the work).

You must not use inappropriate methods to win a contract. This includes accepting or paying bribes, unfairly estimating costs, or quoting unrealistically low prices to gain a job and then adding on extra costs once work has commenced in order to make up costs. If you become aware that there will be additional costs, then advise your client and obtain their agreement before incurring those costs.

Example

Trent is a self-employed LBP who is working with Jane and Tama to design their new home. He talks them both through his design, which includes a number of features that he is keen to see featured in the home. Jane and Tama are on a limited budget but like the look of Trent's design. They go through the building consenting process and are successful in gaining consent from the Council.

Trent knew that the cost of his design were likely going to cost more than what Jane and Tama had budgeted for, but he figured they could manage it financially.

Once the project is complete, Jane and Tama are faced with a higher bill than they expected. They make a complaint to the Building Practitioners Board as Trent had quoted an unrealistically low price with the expectation of charging additional costs later.

4.4 Declare and manage actual or potential conflicts of interest appropriately

Conflicts of interest exist when you or your family or company have a personal, or financial connection which may adversely affect your professional judgement or actions. For example, perhaps your professional judgement or actions could be influenced by the personal connection that you have to a particular job, product, supplier or client (e.g. rushing the job or insisting on the use of a particular product in order to get trade points from a particular manufacturer or retailer).

Conflicts of interest do not always mean that you cannot carry out a job; however it is important that you declare any actual or potential conflict to an appropriate person (for example your client, supervisor, or employer), and manage any conflicts appropriately. At times, despite your best efforts to manage the conflict, you or the other party may wish to seek an alternative person to undertake the job instead.

Example

Toby purchases timber wall framing from Jones Limited for all his projects as Jones Limited is owned by his brother. Toby completes a quote for building work for the client which includes timber wall framing. The quote says that the timber wall frames will be purchased from Bridges and Co, which the client stipulates based on ethical and sustainably grounds. Once the work is underway Toby instead purchases the timber frames off his brother as he knows he'll get some perks later. Toby does not let the client know that he has not used the product which is detailed on the invoice/quote.

His client discovers this and reports it to the Building Practitioners Board.

Toby could be disciplined by the Board for breaching the Code of Ethics. The Board rules there was a clear conflict of interest which Toby did not disclose or manage.

4.5 Maintain confidentiality of client details unless there is good reason for sharing information

If you become aware of a client's confidential information (for example, details of your client's private life or finances), then you must take all reasonable steps to keep that information confidential, unless you are required or authorised by law to disclose it.

4.6 Acknowledge and respect cultural norms and values of clients and colleagues

Make sure that you act in a way that is respectful to the cultures and values of your clients and workmates. You must consider how you work and communicate with those around you, making efforts not to intentionally cause offence to others.

4.7 Conduct your business in a methodical and responsible manner

Many LBPs will be running their own business. If this is the case for you, you should ensure that the way you operate is honest, fair and professional. You must make sure that you maintain accurate records of the money you receive and pay out, and record and maintain other appropriate documents.

BREACHING THE CODE OF ETHICS

The main aim of the Code of Ethics is to provide a resource for LBPs to measure themselves against and make sure that they are working to an acceptable standard and behaving ethically. However, there will be times when failure to act in accordance with the obligations in the Code of Ethics may result in disciplinary processes being undertaken by the Building Practitioners Board.

Where efforts to self-resolve have been unsuccessful, you may decide to make a complaint about a fellow LBP whose conduct falls within at least one of the grounds for discipline as outlined by the Building Practitioners Board. Details of these grounds and the complaint form can be found on the LBP website (www.lbp.govt.nz). Complaints cannot be made anonymously.

In the event that a complaint is made to the Building Practitioners Board, the Registrar of Building Practitioner Licensing (or their delegate) will investigate the complaint on behalf of the Building Practitioners Board. The Registrar's report on the matter will then be referred to the Building Practitioners Board for their consideration, and a decision will be made on how they will proceed: whether they will conduct a hearing, or will take no further action.

The Code of Ethics is not enforceable by the Building Practitioners Board until 25 October 2022. A complaint about someone breaching the Code of Ethics can only be made if the breach took place after the Code of Ethics came into effect. A complaint can only be made if the LBP held a licence, which was not inoperative, at the time of the alleged breach.

From 25 October 2022, to make a complaint, please visit
www.lbp.govt.nz/complaints-and-past-decisions/making-a-complaint