



**LICENSED
BUILDING
PRACTITIONERS**
Building confidence

PROPOSING CHANGES TO LBP LICENSING CLASSES – ASSESSMENT CRITERIA AND TEMPLATE

PURPOSE

Since the Licensed Building Practitioner (LBP) scheme was established in 2007, a number of trade groups and individuals have contacted the Registrar of Building Practitioners proposing new licensing classes and areas of practice under the scheme, or amending the existing classes.

The purpose of this document is to provide building practitioners with more clarity about how the Ministry of Business, Innovation and Employment (MBIE) assesses these proposals. This document sets out:

- › the criteria that MBIE uses to assess whether changes to LBP licensing classes are required
- › a template outlining the types of supporting information that help MBIE assess whether a proposal meets the criteria.

BACKGROUND

The LBP licensing classes cover broad types of building and design work that are crucial to a building's performance, such as Carpentry or Roofing. Most licensing classes include areas of practice, which are specialised types of work within the scope of the licensing class that require specific competencies, skills or experience.

The scheme wasn't designed to cover every trade and specialist area in the building industry, and changes to licensing classes are not the only way to address issues in the industry. It's up to the Government and the Building Practitioners Board to decide whether changes to licensing classes are needed, based on what will work best for consumers, building practitioners and taxpayers.

MBIE uses the criteria in this document to assess whether a proposal needs to be considered further by decision-makers. If you have a proposal for change, you can use the template at the end of the document to provide MBIE with appropriate information and supporting evidence about your proposal.



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

New Zealand Government

MBIE'S APPROACH TO ASSESSING PROPOSALS

MBIE assesses proposals for change in three steps:

STEP 1 THE NEED FOR CHANGE

Changes to LBP licensing classes will usually have costs and consequences for practitioners, consumers and taxpayers. So, MBIE has to make sure that licensing classes are only changed when there's a significant problem with how the scheme is working, or a significant opportunity to make the scheme work better.

STEP 2 THE RIGHT TYPE OF CHANGE

If there's a need for change, MBIE needs to assess whether a change to licensing classes is the right type of change. MBIE will look at all of the potential options that could address the issue – for example creating new licensing classes/areas of practice, amending existing ones, changes to other parts of the building system, or non-statutory guidance.

STEP 3 THE RIGHT TIME FOR CHANGE

If a change to licensing classes appears to be the right solution, we need to time the change carefully so that it can be implemented smoothly and efficiently. We also have to prioritise issues based on their significance and what else is going on in the building industry at the time.

Each step has a specific set of criteria, outlined below.

STEP 1: THE NEED FOR CHANGE

The criteria that MBIE considers when assessing whether there is a need for change are:

- A. Alignment with the objectives of the LBP scheme** – These objectives provide a good guide as to whether a problem or opportunity is relevant to the scheme. The objectives of the scheme are to raise the quality of building and construction and consumer confidence in the industry by:
 - > improving the competence of people carrying out restricted building work
 - > strengthening accountability of individual building practitioners
 - > improving transparency of responsibility for building quality
 - > focusing on the production of quality buildings that are healthy and safe.
- B. The significance of the problem or opportunity** – Below are some examples of problems and opportunities that MBIE might see as significant and requiring a change to the status quo:
 - > If the scheme allows practitioners to carry out or supervise work that they may not be competent to do, and this work poses a significant risk to the structural integrity or weather-tightness of residential buildings
 - > If the scheme doesn't allow practitioners to carry out or supervise work that they're competent in, and this is adding significant costs for consumers and/or practitioners

- > If the scope and structure of a licensing class or area of practice no longer reflects how the industry works or how practitioners are trained
- > If the LBP scheme offers a low-cost way to significantly improve the skills and accountability of a given trade group
- > If consumers are making poor and costly choices about who to employ because they aren't getting vital information about the competence of building practitioners.

STEP 2: THE RIGHT TYPE OF CHANGE

The criteria that MBIE uses to assess the potential options for addressing the issue are:

- A. Cost of making the change is outweighed by benefits** – Changing the scheme is costly, so we need to make sure that the benefits of the change are worth it.
- B. Scope of practice is aligned with scope of competence** – Practitioners should be allowed to carry out and supervise work they are competent to do, and discouraged or prevented from carrying out high-risk building work that they're not competent to do.
- C. Ongoing cost and administrative burden of the scheme are minimised** – Getting licensed and maintaining a licence costs practitioners their money and time, and we need to keep these costs to a minimum.
- D. Changes to the design of the scheme are as simple as possible** – We need building practitioners and consumers to understand how the LBP scheme works, so the overall design of the scheme needs to be kept relatively consistent and as simple as possible.

STEP 3: THE RIGHT TIME FOR CHANGE

The criteria that MBIE takes into account when considering the potential timing of changes to the LBP licensing classes are:

- A. The relative priority of the problem or opportunity** – This is primarily based on the significance of the issue, but may also involve the following factors:
 - > How clear the evidence is about the impacts of the problem
 - > The urgency and importance of other planned changes to the LBP scheme
 - > Whether the issue is linked to other Government priorities (e.g. housing affordability).
- B. The trade group is ready to be licensed** – If the change would extend the scheme to include a new trade group, the following steps may need to be completed before licensing can be introduced:
 - > Establishing a national association or other organisation that can represent the views of the trade group
 - > Defining the competencies a new LBP would need to demonstrate in order to be licensed under the licensing class/area of practice
 - > Identifying or developing a high-quality qualification that gives a practitioner these competencies
 - > Confirming that are enough competent practitioners available to meet demand if licensing becomes mandatory.

C. The changes are aligned with other reforms in the building sector – The timing of a change to licensing classes should take into account the other projects and changes currently underway in the LBP scheme and the broader building system.

TEMPLATE – SUPPORTING INFORMATION THAT BUILDING PRACTITIONERS AND INDUSTRY GROUPS CAN PROVIDE

If you have a proposal for changes to the LBP licensing classes and areas of practice, you can help MBIE work through the criteria outlined in this document by providing us with appropriate information and supporting evidence. The template below identifies the kind of information that will be useful. If there is not enough space below, please provide additional pages or other information to support your case.

QUESTION	YOUR CURRENT INFORMATION/UNDERSTANDING
Your details	
What is the problem/opportunity?	
What are you proposing?	

QUESTION	YOUR CURRENT INFORMATION/UNDERSTANDING
<p>Who would fit under the new/ amended licensing classes or areas of practice?</p>	
<p>What do others have to say about this proposal?</p>	

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