



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

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## **Occupational Regulation: LBP Scheme workstream**

**Summary of stakeholder feedback from meetings held between July and September 2018**

**December 2018**

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# MBIE met with building sector stakeholders to understand problems with the LBP Scheme

**Between July and September 2018, MBIE met with the following stakeholders** to get feedback on the current problems, and initial ideas for change:

- Registered Master Builders
- New Zealand Certified Builders
- Building Officials Institute of New Zealand
- Home Owners and Buyers Association New Zealand
- New Zealand Institute of Building Surveyors
- A BCA Reference Group, set up by Local Government New Zealand
- The Association of Wall and Ceiling Industries

Written feedback was also received through other MBIE projects - the LBP Fees Review consultation and MBIE's Evaluation

## **The scope of the LBP work has changed following stakeholder feedback**

The original scope of the work focused on supervision settings and site licences. Stakeholders have highlighted broader issues with the LBP Scheme that could be improved with legislative change

Stakeholder feedback broadly confirms the issues that have been facing the regimes for some time, however additional issues were identified that were indicative of more systemic problems.

# There was a strong focus on accountability within the LBP Scheme

MBIE sought feedback on the following problems:

## Proportion of participants in residential building sector not held accountable

Prescriptive and inefficient complaints process

Insufficient monitoring, policing and enforcement of the rules

Poor information feedback loops on LBPs

Records of Work do not support accountability

LBP Designers not held accountable in practice

## Feedback included:

- The sector sees non-compliance by LBPs not addressed
- Records of Work:
  - Have become an ineffective marker for accountability
  - Are inefficient to complete – compliance is difficult
- LBPs rely on BCAs to carry the risk
- Designers avoid accountability and won't go on building sites
- Perceptions of unfair accountability on LBPs - linked to a proportion of LBPs demonstrating accountability avoidance behaviours
- Lack of accountability means the Scheme is perceived by some as a compliance exercise and not seen as a quality mark.
- LBPs unlikely to face consequences for poor supervision practices
- Concern that unlicensed LBPs working under supervision are not regulated

# There was a strong focus on competency within the LBP Scheme and requirements to join the Scheme

**MBIE sought feedback on the following problems:**

## **Proportion of low competence within the Scheme**

Scheme entry and skills maintenance requirements do not lift competence or reduce risk

Unclear behavioural and attitude expectations on LBPs

No robust assessments of Building Code knowledge or ability to read or draw building plans

Scheme does not recognise supervision as a different skill to carrying out Restricted Building Work

## **Feedback included:**

- The LBP Scheme was initially promoted to the sector as a benefit that would ease consenting processes, which has not occurred following implementation
- Concerns that people entering the Scheme without qualifications may be less competent and capable to carry out or supervise Restricted Building Work
- The entry bar to the LBP Scheme was originally meant to change over time
- Scheme does not recognise supervision is an additional skill to carrying out Restricted Building Work
- BCAs unwilling to change behaviour toward building inspections until the LBP Scheme is a reliable indication of skill
- Licence class settings do not distinguish between skill levels – no pathway
- LBPs would value feedback on what they need to upskill on
- The Scheme does not provide adequate incentives to professionalise

# There was a strong focus on LBP Scheme licence class settings and supervision

## MBIE sought feedback on the following problems:

### Licence Classes do not reflect industry practice or needs

Site licence is not providing oversight or value in the building process

Role connectivity in the building process is not required

Proportion of practitioners not meeting expectations of supervision requirements

No incentives to progress to become an LBP

No limits on number of people LBP can supervise

LBPs unlikely to face consequences for poor supervision practices

## Feedback included:

- The Site licence is not valuable in practice – unable to sign off work or link to the consenting process
- LBPs focus on their own work – there is a lack of connectivity and coordination in the building process
- There are regulatory gaps between licences
- The sector is specialising to ensure the build process is more efficient and affordable
- Licence class settings are not providing incentives to progress and upskill
- LBPs trying to comply with supervision guidelines find it difficult to do so:
  - Lack of skilled labour a major concern – supervisors have too many sites and are unable to spend long at each site
  - Large proportion of migrant workers on a site under the supervision of a single LBP – unable to provide appropriate level of supervision
- Supervision settings and licence class structures together drive some unintended behaviours - LBPs with less skill are supervising unlicensed practitioners with more higher skills.

# MBIE have confirmed focus areas that can be addressed in the Occupational Regulation project timeframe

## Our focus areas to improve the LBP Scheme in this project:

- Licence Classes
- Supervision settings
- Accountability and Complaints
- Competence

## How we established these focus areas:

- Your feedback, and other stakeholders in the building sector
- MBIE's Evaluation of the LBP Scheme
- Feedback from the LBP Fees Review
- Internal stakeholder expertise
- The Building Practitioners Board
- Data on complaints about LBPs
- Construction sector research (New Zealand and overseas)
- International issues and practice

# Timeframe for legislative change

**Legislative change is needed to make a significant impact to improve the Scheme.**

**The focus now is on developing preferred options for change.**

MBIE will continue to work with the sector throughout options development. MBIE will make preferred option recommendations to the Minister for Building and Construction in late November 2018.

The Minister for Building and Construction has agreed to **public consultation** on Policy proposals. This process ensures:

- wider input on issues and options – all building sector participants and consumers will have the opportunity to provide feedback on issues and options
- the incorporation of broader public comment into final policy proposals

**Public consultation will be carried out in the first quarter of 2019**

Cabinet decisions on changes are scheduled for mid 2019

The legislative process, including Bill introduction, is scheduled for late 2019