

8/01/2026

Committee Secretariat
Transport and Infrastructure Committee
Parliament Buildings
Wellington

Dear members of the Committee

The Manawatū District Council (MDC) thanks the Transport and Infrastructure Committee (“the Committee”) for the opportunity to provide feedback on the Building and Construction Sector (Strengthening Occupational Licensing Regimes) Amendment Bill (“the Bill”).

Building Services for the Manawatū District Council (MDC) are provided via a contract arrangement with the Palmerston North City Council (PNCC) that has been in place since 2007. The scope of the contract includes all Building Consent Authority (BCA) functions. Our interest in the Bill reflects our statutory role in consenting and compliance, our exposure to legal and financial risk under current liability settings, and our responsibility to support safe, durable building outcomes for current and future building users.

General Comments – Risk-based consenting

MDC supports the intent of the Bill to strengthen occupational licensing regimes and agrees that a stronger licensing system can enable a more risk-based approach to building consent processes. While stronger licensing and disciplinary settings can improve system assurance, the Council considers that any policy shift that reduces consenting oversight for some categories of work must be carefully designed to avoid creating unintended risk transfer to councils and consumers.

Accordingly, if occupational licensing reform is intended to facilitate risk-based consenting, the Council recommends that the Government ensure implementation settings include:

- 1) clear criteria for what constitutes low-risk work, supported by evidence and regularly reviewed;
- 2) a nationally consistent approach so that risk settings do not vary significantly across the country;
- 3) effective monitoring and enforcement of licensed practitioner performance; and
- 4) data and information-sharing arrangements so that councils can rely on licensing signals when determining the appropriate level of consenting and inspection effort.

MDC also recommends that consumer protections be explicitly considered where reduced consenting oversight is applied, including clarity on liability and recourse where licensed work does not meet the Building Code. Without these safeguards, there is a risk that reduced consenting oversight may shift costs and risk to councils and homeowners, including increased remediation, compliance action, and reputational impacts for the sector.

Objectives of the Bill – imposition of penalties

MDC generally supports the objectives of the Bill. In particular, we support the proposal to enhance the complaints and disciplinary functions of existing regulatory regimes for building and construction professionals to ensure their effectiveness. In MDC's experience, delays and inconsistent outcomes undermine confidence and can result in councils being treated as the default risk holder.

MDC supports in part the proposal to separate the functions of the Building Practitioners Board, the Electrical Workers Registration Board, and the Plumbers, Gasfitters, and Drainlayers Board ("the Boards") and the registrars, and to expand the registrars' powers to triage and investigate complaints. However, we note that the Bill does not include a definition of "frivolous" or "vexatious." There could therefore be some uncertainty around which complaints might be considered "valid." To ensure consistency, MDC recommends that clear guidance is developed by the Ministry or by the Building Practitioners Board, the Electrical Workers Registration Board, and the Plumbers, Gasfitters, and Drainlayers Board. If claims are rejected too easily, this will deter complaints from being lodged in the first place. Such guidance should be developed in consultation with the Building Officials Institute of New Zealand (BOINZ), on behalf of BCA's, to ensure that they are practical and enforceable.

It has been our experience that the Building Practitioners Board in particular encourages complaints being brought to the Board by BCAs. However, BCAs often see little value in doing so. The money it costs BCAs to bring a complaint to the board is often far greater than the perceived severity of the penalty awarded in response.

MDC supports the proposed amendments to section 318 that given the Board a greater degree of flexibility when imposing disciplinary penalties. In particular, we support the ability for the Board to impose more than one disciplinary penalty at one time. MDC considers that such changes will be more effective than the current penalty regime, particularly in relation to serious or repeat offences.

Decisions sought:

1. That guidance is developed to help clarify what is meant by a "frivolous" or "vexatious" complaint. This guidance should be developed by the Ministry or by the Building Practitioners Board, the Electrical Workers Registration Board, and the Plumbers, Gasfitters, and Drainlayers Board, in consultation with BOINZ or BCAs.
2. With the exception of the maximum suspension period under clause 318(1)(c), that the proposed amendments to section 318 of the Building Act 2004 are retained as drafted. In particular, the ability for the Board to impose more than one disciplinary penalty at one time (new Clause 318(2B)) should be retained.

Accessibility of Records

MDC supports the proposed amendments to section 301 of the Building Act 2004 that requires the register to contain certain information relating to cancellations of a licensed building practitioner's licensing. Such transparency is beneficial for the public and will enable them to make an informed decision when engaging a practitioner.

However, MDC would like some further clarification with respect to new section 301(3). MDC supports this section if it relates to the removal of licenced building practitioners who have not held a licence for three or more years. However, if the intention is to also remove from the register information about an operating licensed building practitioner's past license suspensions, then we consider a period of three years to be insufficient. A period between 5 and 10 years may be more appropriate. We consider that members of the public have a right to know information about the past conduct of someone that they are engaging for services.

Decision sought:

3. That the Committee retain the proposed amendments to section 301 of the Building Act (Matters to be contained in register) but provide clarification as to whether section 301(3) applies to licensed building practitioners who have had their license reinstated, or only those who no longer hold a license.

Codes of Ethics for licensed plumbers, gasfitters and drainlayers

MDC supports proposed new clause 105A being added to the Plumbers, Gasfitters, and Drainlayers Act 2006. We understand that these provisions enable the making and enforcement of codes of ethics for licensed plumbers, gasfitters, and drainlayers to support consistent expectations of professional conduct and enable regulators to take action against unethical or negligent behaviour. MDC agrees that the making and enforcement of codes of ethics for these professionals will increase consumer confidence and will provide a framework for unethical behaviour to be addressed.

Decision sought:

4. That the Committee retain new clause 105A to the Plumbers, Gasfitters and Drainlayers Act 2006 as drafted in the Bill.

Powers of entry and inspection

MDC recognises the importance of occupier consent and the sensitivities associated with entry into household units and marae, and supports the intent of new clause 316F to protect those interests. However, MDC notes that there may be circumstances where the requirement for consent, or the ability to impose conditions on entry, could affect the timeliness and effectiveness of complaint investigations. MDC encourages the Committee to consider whether additional guidance or procedural clarity is required to ensure investigations can be carried out in a proportionate and practical manner, while maintaining appropriate protections for occupiers.

MDC generally supports new clauses 316G and 316H which make a failure to comply with notice to provide information or to knowingly provide false or misleading information. However, the costs associated with prosecuting an offender will likely exceed any fine that individual is liable to pay. MDC considers that instant fines would be more effective in disincentivising such behaviour.

Decision sought:

5. That the Committee recommend the development of guidance to support the use of powers of entry to ensure that requirements for consent do not unduly impact on the timeliness and effectiveness of complaint investigations.

Need for coherent and sequenced reform

MDC encourages the Government to continue to treat occupational licensing reform, liability reform, and consenting system reform as interdependent parts of the same system. Effective licensing reform should contribute to rebalancing risk away from councils and ratepayers and toward those who design and construct building work. This is important to reducing systemic risk and supporting proportionate, risk-based regulatory decision-making by BCAs.

In particular, MDC considers it important that:

- strengthened licensing regimes are fully operational before any reduction in regulatory oversight is expected;
- councils receive clear guidance on how reforms interact and what reliance is appropriate at each stage; and
- transitional arrangements do not expose councils or consumers to increased risk.

MDC supports progression of the Bill as an important step toward strengthening accountability in the building system. MDC also encourages continued engagement with local authorities to ensure subsequent reforms are practical, enforceable, and improve outcomes without increasing undue risk to councils and ratepayers.

Decisions sought:

6. That Government develop and publish a coordinated implementation and sequencing plan across occupational licensing reform, liability reform, and consenting system reform, including monitoring impacts on councils, consumers, and build quality outcomes.

Closing Remarks

Thank you again for the opportunity to provide feedback on the Construction Sector (Strengthening Occupational Licensing Regimes) Amendment Bill.

MDC does not wish to speak to the Committee with respect to this submission. However, we would be happy to provide any points of clarification or to respond to questions from the Committee, if this would be of assistance.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Shayne Harris'.

Shayne Harris

Chief Executive