

The Ministry of Business, Innovation and Employment are proposing changes to the Building Act 2004. The proposed changes affect people, products and practices in the building sector. Changes have been identified to improve building laws in five key areas however the changes that are likely to impact on the kiwifruit industry are explained below

1. [Repeal sanitary plumbing exemptions for householders in specified areas and for rural districts.](#)

Under Schedule 2 of the Building Act, territorial and regional authority discretionary exemptions can be applied to certain work carried out by authorised plumbers or drainlayers. The proposed changes would remove the sanitary plumbing exemptions. NZKGI have been in discussions with Western Bay of Plenty District Council on applying this exemption for toilets on orchard which would mean a building consent is not required.

Tell us what you think



Have you encountered instances of hazards or health issues from sanitary plumbing work completed by unlicensed people?

Do you think that a person should be qualified to do sanitary plumbing work on your property?

How often do you find substandard work carried out under a supervision exemption?

What benefits (if any) do you see from regulating people who are currently exempted if they work under supervision?

What potential issues (if any) do you see from removing the exemptions for doing restricted work under supervision?

Do you support allowing people currently working under supervision exemptions to continue working as a regulated person under a new registration and licence?

2. Reduce the levy from \$2.01 to \$1.50 and standardise the threshold that the levy applies at \$20,444

The current levy rate is higher than it needs to be and was set in 2005 when there was significantly less building activity. The impact of reducing the levy would be lower building consent fees.

Different building consent authorities (BCAs) use different thresholds for the building levy. This is because when the GST rate increased in 2010, it had the effect of increasing the threshold. Not all BCAs adopted this change. Standardising the threshold at \$20,444 will reduce confusion about when the levy applies. It will also mean that fewer consent applicants would trigger the levy. The impact of BCAs moving to the new threshold is that building consents valued between \$20,000 and \$20,443 will no longer be subject to the levy. Those affected would benefit from a minor reduction in the costs of construction. Standardising the threshold supports reducing the costs of residential and commercial building consents that pay the levy.

Tell us what you think



Do you agree that the levy rate should be reduced from \$2.01 to \$1.50?

3. Increase maximum financial penalties for both individuals and organisations in proportion to the consequences of that offence

Penalties may not currently be fit for purpose or adequately deter poor or illegal behaviour. Increasing the maximum penalty amounts based on the seriousness of the offending will address the issue of adequacy. Greater consequences for not complying with the Building Act will contribute to the reform programme's aims of improving compliance by practitioners and organisations and deterring them from illegal or unethical behaviour.

LEVEL OF SERIOUSNESS
Very high

Types of offences:

- Offences that cause serious risk/death to people
- Other offences that may have serious consequences.

Building Act 2004

Example s128A: Failure to comply with a notice when issued where a territorial authority is satisfied that a building is dangerous, affected or insanitary.

Current penalty
\$200,000

Proposed individual penalty
\$300,000

Proposed organisational penalty
\$1.5 million

LEVEL OF SERIOUSNESS
High

Types of offences:

- Offences relating to dishonesty/fraud.
- Offences relating to risk/performance assessment and hazard identification.
- Offences relating to (failure to put in place) risk controls.

Building Act 2004

Example s116B(1)(b): A person uses a building, or knowingly permits another person to use a building, that has inadequate means of escape from fire.

Current penalty
\$100,000

Proposed individual penalty
\$150,000

Proposed organisational penalty
\$500,000

LEVEL OF SERIOUSNESS
Medium

Types of offences:

- Offences relating to administration and provision of information.
- Offences relating to notification.

Building Act 2004

Example s108(5)(a): A building owner fails to display a building warrant of fitness that is required to be displayed.

Current penalty
\$20,000

Proposed individual penalty
\$50,000

Proposed organisational penalty
\$150,000

LEVEL OF SERIOUSNESS
Low

Types of offences:

- Offences relating to record-keeping.

Building Act 2004

Example s114(3): A person fails to give written notice to the territorial authority that the owner proposes to change the use of a building.

Current penalty
\$5,000

Proposed individual penalty
\$5,000

Proposed organisational penalty
\$25,000



Tell us what you think



Are the current maximum penalty amounts in the *Building Act* appropriate?

Do you agree with the proposed increases to maximum penalties?

Please submit all feedback to sarah.cameron@nzkgi.org.nz by the end of May