

Departmental Disclosure Statement

Building and Construction Sector (Strengthening Occupational Licensing Regimes) Amendment Bill
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The departmental disclosure statement for a government Bill seeks to bring together in one place a range of information to support and enhance the Parliamentary and public scrutiny of that Bill.

It identifies:

- the general policy intent of the Bill and other background policy material;
- some of the key quality assurance products and processes used to develop and test the content of the Bill;
- the presence of certain significant powers or features in the Bill that might be of particular Parliamentary or public interest and warrant an explanation.

This disclosure statement was prepared by the Ministry of Business, Innovation and Employment.

The Ministry of Business, Innovation and Employment certifies that, to the best of its knowledge and understanding, the information provided is complete and accurate at the date of finalisation below.

29 October 2025.

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Part One: General Policy Statement

This Bill is an omnibus Bill that amends more than 1 Act—it amends the Building Act 2004, the Plumbers, Gasfitters, and Drainlayers Act 2006, and the Electricity Act 1992. It is introduced under Standing Order 267(1)(a) because the amendments deal with an interrelated topic that can be regarded as implementing a single broad policy. The single broad policy is to strengthen occupational licensing regimes throughout the building and construction sector by improving their consistency, standards and procedures. The Bill supports the Government’s objective of making it easier, faster, and cheaper to build through a more efficient risk-based approach to building consents.

A central focus of the Bill is ensuring that licensed professionals in the building and construction sector can be appropriately held to account through complaints and disciplinary processes that are effective, efficient, robust, and sustainable. By strengthening those mechanisms, the Bill aims to reinforce expectations of professional conduct and competence, encouraging practitioners to consistently deliver safe, compliant, and high-quality building work.

These functions are critical to protecting consumers and maintaining public confidence in the system. Ensuring that poor performance or misconduct is addressed in a timely and effective way will support better regulatory performance and improve the experience for both practitioners and consumers.

The Bill also supports the Government’s objective of streamlining the building consent system through a risk-based consenting approach. This approach will reduce the level of oversight by building consent authorities for certain types of low-risk building work, such as small stand-alone dwellings (including granny flats) and straightforward plumbing or drainlaying, by placing greater reliance on the competence and accountability of the professionals undertaking the work.

By strengthening the integrity and performance of occupational licensing systems, the Bill helps to protect consumers and give them greater confidence that licensed professionals are competent, responsible, and accountable. It ensures that, as the system evolves, the public can continue to trust that building work will be carried out to a high standard and that clear and effective mechanisms are in place for when things go wrong.

Objectives of the Bill

The objectives of the Bill are to—

- improve regulatory oversight of building and construction professionals; and
- enhance the governance, administration, complaints, and disciplinary functions and processes of existing regulatory regimes for building and construction professionals to ensure that they are efficient, effective, and sustainable; and
- ensure that licensing standards are upheld consistently across professions in the building and construction sector.

To achieve those objectives, the Bill—

- clarifies and separates the functions of regulatory boards and registrars, and expands registrars’ powers to triage and investigate complaints, to help reduce delays in the complaints process:
- enables the making and enforcement of codes of ethics for licensed plumbers, gasfitters, and drainlayers, and licensed electrical workers, to support consistent expectations of professional conduct and enable regulators to take action against unethical or negligent behaviour:

- enables the Building Practitioners Board to enforce training orders, and removes restrictions on what disciplinary action can be taken in conjunction with other disciplinary actions:
- improves the licence renewal process for licensed building practitioners, reducing the administrative burden for both professionals and the Government:
- increases the membership of the Plumbers, Gasfitters, and Drainlayers Board to aid the hearing of complaints.

Registrars will have greater powers of investigation

The Building Practitioners Board is currently required to hear every complaint that is made against a licensed building practitioner, regardless of whether that complaint is frivolous or vexatious.

Separating the functions of the boards and the registrar, as well as introducing triaging powers for the registrar and increasing investigative powers, will mean that the board will not be required to hear every complaint made to them. This will address common issues regarding the time it takes for a complaint to be heard and how the board must investigate and hear every complaint brought before them; these changes will reduce that time by making the processes more efficient and ensuring that boards' resources are not used on matters that should not require the boards' attention.

Information will be easier to access

Currently, when a licensed building practitioner's licence is cancelled for disciplinary reasons, their name is removed from the public register. Amendments made by this Bill will mean that names will continue to be displayed on the register for 3 years. Making the records accessible will improve transparency and help consumers make more informed choices about practitioners.

Codes of ethics will set behavioural expectations

There are currently no codes of ethics for licensed plumbers, gasfitters, and drainlayers, or licensed electrical workers. Providing for the making and enforcement of codes of ethics will create expectations of behaviour for those professionals, so that consumers can have confidence that those who breach these standards can be held to account for their behaviour.

Relicensing processes will be improved

Currently, licensed building practitioners must renew their licences every year, but only need to complete skills maintenance every 2 years. Moving the relicensing process into the Licensed Building Practitioners Rules 2007 will allow for a more flexible and efficient system as renewal frequency can be aligned with skills maintenance, reducing the administrative burden on both practitioners and the regulator.

Processes will be more consistent across regimes

Changes made by this Bill will create a more consistent approach for the complaints processes within the sector so that licensees have clearer and more consistent obligations and expectations, regardless of which regime they are licensed under. Consumers will be able to expect a consistent approach when holding practitioners accountable, including consistent processes when filing complaints and consistent expectations of behaviour for the practitioners they hire.

Consequential amendments

The Bill also makes 2 small consequential amendments to Schedule 2 of the Search and Surveillance Act 2012 and 1 minor amendment to the Building Practitioners (Licensing Fees and Levy) Regulations 2010.

Implementation

Most clauses in the Bill will come into effect the day after Royal assent.

Clauses 11, 12, 13, and 15 will come into effect through Order in Council to for amendments to be made to the Licensed Building Practitioners Rules 2007.

Part Two: Background Material and Policy Information

Published reviews or evaluations

2.1. Are there any publicly available inquiry, review or evaluation reports that have informed, or are relevant to, the policy to be given effect by this Bill?	YES
<p>Amendments to the Plumbers, Gasfitters, and Drainlayers Act 2006 were informed by the 2021 statutory review: https://www.mbie.govt.nz/dmsdocument/13715-statutory-review-report-of-plumbers-gasfitters-and-drainlayers-act-2006.</p> <p>Amendments to the Electricity Act 1992 were informed by the 2021 statutory review: https://bills.parliament.nz/v/4/1a386acb-30ed-42e1-b0cc-f0ae32b0f4d8?lang=en.</p>	

Relevant international treaties

2.2. Does this Bill seek to give effect to New Zealand action in relation to an international treaty?	NO
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Regulatory impact analysis

2.3. Were any regulatory impact statements provided to inform the policy decisions that led to this Bill?	NO
<p>Exemptions from the requirement to provide a regulatory impact statement were sought at the times of Cabinet approvals. The exemptions were provided on the grounds that they have no or only minor impacts on businesses, individuals and not-for-profit entities.</p>	

Extent of impact analysis available

2.4. Has further impact analysis become available for any aspects of the policy to be given effect by this Bill?	NO
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2.5. For the policy to be given effect by this Bill, is there analysis available on:	
(a) the size of the potential costs and benefits?	NO
(b) the potential for any group of persons to suffer a substantial unavoidable loss of income or wealth?	NO

2.6. For the policy to be given effect by this Bill, are the potential costs or benefits likely to be impacted by:	
(a) the level of effective compliance or non-compliance with applicable obligations or standards?	NO
(b) the nature and level of regulator effort put into encouraging or securing compliance?	YES
<p>The LBP Registrar is being given greater powers of investigation and the PGD and EW Registrars are being given the ability to initiate complaints, and all three will have the power to triage complaints; how well these are utilised will affect the costs and benefits of the policy.</p>	

Part Three: Testing of Legislative Content

Consistency with New Zealand's international obligations

3.1. What steps have been taken to determine whether the policy to be given effect by this Bill is consistent with New Zealand's international obligations?
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No effects on New Zealand's international obligations have been identified, including obligations under the Trans-Tasman Mutual Recognition Act 1997.

Consistency with the government's Treaty of Waitangi obligations

3.2. What steps have been taken to determine whether the policy to be given effect by this Bill is consistent with the principles of the Treaty of Waitangi?

The policy proposals are consistent with the principles of the Treaty of Waitangi. Te Puni Kōkiri was consulted during the development of policy proposals and on the draft Bill.

Consistency with the New Zealand Bill of Rights Act 1990

3.3. Has advice been provided to the Attorney-General on whether any provisions of this Bill appear to limit any of the rights and freedoms affirmed in the New Zealand Bill of Rights Act 1990?

IN PROGRESS

Advice provided to the Attorney-General by the Ministry of Justice, or a section 7 report of the Attorney-General, is generally expected to be available on the Ministry of Justice's website upon introduction of a Bill.
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Such advice, or report, will be accessible on the Ministry of Justice's website at: https://www.justice.govt.nz/justice-sector-policy/constitutional-issues-and-human-rights/the-bill-of-rights-act/advice/ .
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Offences, penalties and court jurisdictions

3.4. Does this Bill create, amend, or remove:
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(a) offences or penalties (including infringement offences or penalties and civil pecuniary penalty regimes)?
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YES

(b) the jurisdiction of a court or tribunal (including rights to judicial review or rights of appeal)?

YES

A table outlining the new offences and their associated penalties are included in Appendix One.

Appeals frameworks for the boards under the three Acts amended by this Bill have been aligned. Sections 335 and 336 of the Building Act 2004, sections 162 to 165 of the Plumbers, Gasfitters, and Drainlayers Act 2006 and sections 147ZA to 147ZE of the Electricity Act 1992 declare that an investigator's decision may be appealed to the appropriate board.

3.4.1. Was the Ministry of Justice consulted about these provisions?

YES

The Offence and Penalty team at the Ministry of Justice was consulted on the new penalties and offences both during drafting, and as part of departmental consultation. It has no concerns with the proposed offences or penalties.

Privacy issues

3.5. Does this Bill create, amend or remove any provisions relating to the collection, storage, access to, correction of, use or disclosure of personal information?	YES
Current section 301 of the Building Act 2004 will be amended in clause 14 of the Bill so that a licensed building practitioner's information is displayed on the public register for three years after a licence has been cancelled or suspended for disciplinary reasons. Currently, their information is removed after cancellation, however, this amendment is necessary so the public can make better informed decisions based on contractors' histories.	

3.5.1. Was the Privacy Commissioner consulted about these provisions?	YES
The Office of the Privacy Commissioner was consulted in August 2025 and no concerns were raised.	

External consultation

3.6. Has there been any external consultation on the policy to be given effect by this Bill, or on a draft of this Bill?	YES
<p>The Ministry of Business, Innovation and Employment (MBIE) has undertaken various consultations which have informed this Bill:</p> <ul style="list-style-type: none">• In 2024, the consultation on consent exemptions for small standalone dwellings asked about practitioners in the sector, with responses sharing concern for the quality of practitioners, including their reliance on the Request for Information process as quality control: https://www.mbie.govt.nz/assets/making-it-easier-to-build-granny-flats-summary-of-submissions.pdf.• In 2023, MBIE consulted on occupational regulation in the sector, including a provision for codes of ethics for licensed plumbers, gasfitters and drainlayers, and licensed electrical workers: https://www.mbie.govt.nz/dmsdocument/27274-occupational-regulation-reforms-building-and-constuction-sector-summary-of-submissions-pdf. The majority of submissions were in favour of the proposal.• In 2019, MBIE conducted a wider consultation on issues in the building sector, of which some proposals, such as those around licensed building practitioner relicensing, were raised: https://www.mbie.govt.nz/dmsdocument/6590-building-system-legislative-reform-programme-summary-of-submissions	

Other testing of proposals

3.7. Have the policy details to be given effect by this Bill been otherwise tested or assessed in any way to ensure the Bill's provisions are workable and complete?	YES
Testing was conducted throughout the drafting process, internally with the Registrar of Licensed Building Practitioners and Electrical Workers, as well as with a representative of the Plumbers, Gasfitters and Drainlayers Board and the Building Practitioners Board.	

Part Four: Significant Legislative Features

Compulsory acquisition of private property

4.1. Does this Bill contain any provisions that could result in the compulsory acquisition of private property?	NO
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Charges in the nature of a tax

4.2. Does this Bill create or amend a power to impose a fee, levy or charge in the nature of a tax?	NO
The existing levy power in section 303 of the Building Act 2004 was moved into its own provision, namely clause 10 new section 291A, for the purpose of clarity. No changes to the levy power have been made.	

Retrospective effect

4.3. Does this Bill affect rights, freedoms, or impose obligations, retrospectively?	NO
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Strict liability or reversal of the usual burden of proof for offences

4.4. Does this Bill:	
(a) create or amend a strict or absolute liability offence?	YES
(b) reverse or modify the usual burden of proof for an offence or a civil pecuniary penalty proceeding?	NO
Clause 19 new section 316G of the Building Act 2004 includes a strict liability offence for failing to comply, without reasonable excuse, with a notice to provide information as part of an investigation. This is necessary to enforce the investigators' powers and to allow for action to be taken when they are not complied with.	

Civil or criminal immunity

4.5. Does this Bill create or amend a civil or criminal immunity for any person?	YES
Clause 19 new section 316(5) of the Building Act 2004 provides a personal liability protection for investigators acting in good faith in the performance of their functions, duties or powers under the Building Act 2004. This good faith immunity encourages unbiased and thorough investigations.	

Significant decision-making powers

4.6. Does this Bill create or amend a decision-making power to make a determination about a person's rights, obligations, or interests protected or recognised by law, and that could have a significant impact on those rights, obligations, or interests?	YES
<p>The Registrar of Licensed Building Practitioners will have expanded powers of investigation under the Building Act 2004, including investigator powers to enter premises or require information, and the power to dismiss complaints that they consider frivolous or vexatious.</p> <p>The Building Practitioners Board will have expanded powers available for issuing disciplinary action under section 318 of the Building Act 2004: restrictions around which penalties can be used alongside others will be removed. Before, licences could not be cancelled alongside other disciplinary action, such as a fine; this restriction has been removed.</p> <p>These powers will be safeguarded by powers for appeal against investigator and Registrar triage decisions, and board decisions. Investigators are only protected under the amendments by actions undertaken in good faith.</p>	

Powers to make delegated legislation

4.7. Does this Bill create or amend a power to make delegated legislation that could amend an Act, define the meaning of a term in an Act, or grant an exemption from an Act or delegated legislation?	NO
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4.8. Does this Bill create or amend any other powers to make delegated legislation?	YES
<p>The Bill amends the rule-making powers under existing section 353 of the Building Act 2004 to specify that the Licensed Building Practitioners Rules 2007 must also include details of the licence renewal process. This provision will come into force on a date set by Order in Council, after the secondary legislation has been drafted.</p> <p>The Bill also inserts powers into both the Plumbers, Gasfitters, and Drainlayers Act 2006 and the Electricity Act 1992 for codes of ethics to be created through secondary legislation.</p> <p>These powers provide the flexibility to amend complex technical matters that may require updating due to technical developments.</p> <p>The above powers are subject to the presentation, disallowance and publication safeguards that generally apply to secondary legislation. Regulations are made by Order in Council, which are subject to Cabinet scrutiny and drafting by the Parliamentary Counsel Office.</p>	

Any other unusual provisions or features

4.9. Does this Bill contain any provisions (other than those noted above) that are unusual or call for special comment?	NO
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Appendix One: Further Information Relating to Part Three

Offences, penalties and court jurisdictions – question 3.4

The below table outlines the offences being introduced by this Bill, and the associated penalties:

Clause & Section	Offence	Penalty
<i>Building Act 2004</i>		
c17 s316G	Failure to provide, without reasonable excuse, any information or document as required by an investigator.	A fine not exceeding \$10,000 (individual), or a fine not exceeding \$50,000 (any other case).
c17 s316H	Knowingly providing false or misleading information to an investigator.	A fine not exceeding \$10,000 (individual), or a fine not exceeding \$50,000 (any other case).
<i>Plumbers, Gasfitters, and Drainlayers Act 2006</i>		
c37 s89	Failure to comply with the code of ethics.	Any disciplinary penalty listed in existing section 106.
c52 s113D	Failure to comply with a summons.	A fine not exceeding \$5,000.
<i>Electricity Act 1992</i>		
c70 s143	Failure to comply with the code of ethics.	Any disciplinary penalty listed in existing section 147M.
c78 s147RF	Failure to comply with a summons.	A fine not exceeding \$5,000.