

Fact Sheet 4

OFFENCES AND PENALTIES, BUILDING LEVY AND TIME TO LAY CHARGES

24 MARCH 2020

A Bill to amend the Building Act 2004 has been introduced to Parliament and may be passed as law later in 2020. This fact sheet helps you understand the proposed amendments and what they mean.

Current state

Offences and penalties

To ensure buildings are safe for New Zealanders, people must comply with the Building Act 2004. To achieve this, the Building Act contains a number of offences for failing to comply with the requirements in the Act. However, the current maximum financial penalties are not deterring people and organisations from poor behaviour or sub-standard work, and they don't cover the new Modern Methods of Construction or the strengthened production certification scheme proposed in the Bill.

Use of the building levy

The building levy is paid by successful building consent applicants. Currently, the Building Act prescribes what the Chief Executive (CE) of MBIE can use the levy funds for, restricting it to the performance of the CE's functions under the Building Act. This means there are some initiatives of the CE that may benefit levy payers that are unable to be funded from the building levy.

Time to lay charges

The Building Act currently gives a six month timeframe to investigate a potential offence and lay charges. This is considered to be too short given the complexity of undertaking some investigations.

What's changing

This Bill will:

- › ensure all schemes under the Building Act are supported with fair and consistent offences and penalties
- › increase the maximum penalties for individuals and organisations
- › widen the use of the building levy to allow MBIE to monitor, oversee and improve the performance of the building sector
- › extend the timeframe to investigate potential offences and lay a charge to 12 months.

What this means for you

Across the building sector:

- › compliance with the Building Act is likely to improve leading to higher build quality, and safe and durable buildings
- › MBIE can better support a high performing building system
- › higher penalties and better investigative powers will deter sub-standard work and poor behaviour.

Keep up-to-date with progress on the building law reforms at www.building.govt.nz.

