

NUTS AND BOLTS OF LBP

The introduction of restricted building work will drive demand for builders and designers who are registered licensed building practitioners, but who exactly needs what licence takes time to sort out.

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From 1 March 2012, the licensing requirements in the residential building industry stepped up a gear, as all construction deemed critical to a residential building's integrity now has to be performed by a licensed building practitioner (LBP).

This new legislation gives more teeth to the LBP Scheme introduced with changes in the Building Act 2004. The LBP Scheme itself was launched in November 2007, with the aim of better recognising skills and increasing accountability within the building sector.

Scheme aims to improve houses

The overall goal of increased certification was to help ensure residential buildings are designed and built correctly the first time, so that leaky home-type disasters do not occur again.

The scheme is competency-based, where those with a good track record can be formally recognised, whether they are trade qualified or not. It gives builders – many of whom have no paper qualifications – a government-backed quality mark. Building designers can also receive a licence within a separate design category.

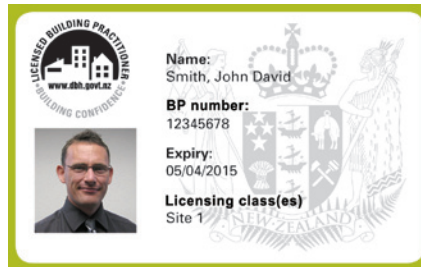
Licence ID cards are issued to those who meet the standards, and there is a public register of licensed building practitioners.

Restricted building work

Until now, there has been no enforceable requirement to have LBP certification. The March 2012 change finally put in place the requirement that builders and designers performing restricted building work (RBW) be licensed. If they are not licensed, they can be fined up to \$20,000.

Most individuals and businesses in the residential building industry will be affected, as most perform RBW, which is defined as:

- design and construction of primary structure, including foundations and framing
- design and construction of the external envelope, including roofing and cladding



- design of fire safety systems, including sprinklers and fire alarms.

The rationale is that only a competent, licensed person should carry out work critical to the integrity of a building. This seems a very sensible initiative: it makes sure that at least the most important structural and weathertightness aspects of a residential property are done correctly.

What's not restricted building work

It is important to note that RBW only applies to work that requires building consent. This means construction of many ancillary buildings, sheds, garages and decks cannot be classified as RBW.

At this stage, RBW only applies to residential property, whether single-level dwellings or multi-storey apartments. Existing legislation around commercial construction is currently deemed to be appropriate.

The process of applying

Many individual builders and building companies have been thinking about who should apply for licences. Application forms take a couple of hours to complete and several weeks to be processed. A significant component of the application covers descriptions of recent previous work and reference checks.

Who needs what licence?

There are seven primary categories of licence, which essentially cover various aspects of constructing a dwelling (see Table 1).

Registered plumbers, gasfitters and architects plus chartered professional engineers

are treated under the scheme as if they hold an LBP licence since they are licensed under their own specific registrations.

Site, design and foundation licences are defined by the size of the structure being built – category 1, 2 and 3 buildings (see Table 2).

Multiple licences may be necessary

It is likely that some construction practitioners will have to apply for multiple licences to cover them for when they perform, say, bricklaying and carpentry within a single build.

However, for many practitioners, there may be some ambiguity around knowing if the specific work they are going to do over the next few years is going to be RBW. Indeed, much of the carpentry work within a single-level house is non-structural and therefore non-RBW. Strictly speaking, a licence in this category may not be essential to satisfactorily perform the work.

The Department of Building and Housing – which administers the LBP Scheme – explains that some licences cover several areas: a carpentry licence, for example, covers lightweight steel roofing and foundation work, so separate licences are not required.

Practitioners may need to do a little research to decipher exactly what licences they need for the work they do, and what RBW can be carried out or supervised under that licence.

Additionally, many practitioners will not need to concern themselves with the full application process. This is because holding a recognised national certificate or trade certificate in a construction practice enables a streamlined application process.

From 2015, it is proposed that licensing will be based on qualifications and training in addition to track record. The government hopes this future change will encourage on-going formal skills and knowledge development within the industry.

Signing off others' work

An important question for many businesses will be whether to license all staff or just one or two

Table 1: Licence classes for licensed building practitioners.

Licence class	Area of practice	What they can do	Notes
Design	Design 1	Design category 1 buildings. May design any category of building if competent to do that work.	Chartered professional engineers and registered architects are treated as if they have a design licence in area of practice 3. They cannot be licensed.
	Design 2	Design category 2 buildings. May design any category of building if competent to do that work.	
	Design 3	Design category 3 buildings. May design category 1 and 2 buildings if competent to do that work.	
Site	Site 1	Coordinate and oversee construction or alteration of category 1 buildings.	Cannot supervise or undertake RBW. Chartered professional engineers are treated as if they are licensed in site area of practice 3.
	Site 2	Coordinate and oversee construction or alteration of category 1, 2 and 3 buildings.	
	Site 3	Manage some or all of the construction or alteration of category 1, 2 and 3 buildings.	
Carpentry		Carpenter on category 1, 2 or 3 buildings.	Carpentry LBPs can also: <ul style="list-style-type: none"> • construct foundations without a foundations licence • install lightweight profiled metal roofing without a roofing licence.
Roofing	Concrete or clay tile roof	Install roofs or roof materials for category 1, 2 or 3 buildings in the licensed area of practice. Can apply for one or more areas of practice.	Licensed or certifying plumbers or gasfitters are treated as if they are licensed in the licence classes: <ul style="list-style-type: none"> • bricklaying and blocklaying • roofing • external plastering.
	Profiled metal roof and/or wall cladding		
	Metal tile roof		
	Roof membrane		
	Torch-on roof membrane		
	Liquid membrane roof		
	Shingle or slate roof		
External plastering	Solid plastering	Apply external solid plaster or proprietary plaster cladding systems to category 1, 2 or 3 buildings. Can apply for one or both areas of practice.	
	Proprietary plaster cladding systems		
Bricklaying and blocklaying	Bricklaying and blocklaying 1: brick/masonry veneer	Lay bricks or blocks for category 1, 2 and 3 buildings in the licensed area of practice. Can apply for one or both areas of practice.	
	Bricklaying and blocklaying 2: structural masonry.		
Foundation	Concrete foundation walls and concrete slab-on-ground	Construct or alter foundations for category 1 or 2 buildings in the licensed area of practice. Can apply for one or both areas of practice.	Construction and alteration of category 3 buildings falls under a carpentry licence.
	Concrete or timber pile foundation		

supervisors who can sign off the construction work.

It's important to note that a site licensed LBP cannot sign off any RBW. Instead, a range of licences will need to be held as, for example, only a carpentry LBP can supervise non-LBPs doing carpentry RBW or a bricklaying and blocklaying LBP supervise non-LBPs laying bricks. The LBP must sign off (provide a record of work) taking responsibility for that work. If more than one LBP is carrying out or supervising RBW, they must all provide records of work identifying the work they did.

Having a few supervisors signing off work will mean many 'on the tools' staff will not actually need to get a licence to perform RBW. In this way, businesses with multiple workers can make significant savings on the cost of licensing

their staff. At around \$300 for a single licence, the costs to have a large team of staff licensed will be significant for some firms.

Only some designers need licence

Designers will also need to consider becoming licensed. Registered architects and chartered professional engineers are treated as if they hold a design licence. All other designers who want to do RBW must be either licensed or have their work signed off by a design LBP, registered architect or chartered professional engineer.

The registration fee for a design licence, category 2 (complex single-level homes) stands at \$894. For organisations with half a dozen designers, this would be a significant investment.

In some ways, the large fee may act to deter unqualified people who do a bit of design 'on →

Table 2: Building categories in Licensed Building Practitioner Scheme.

Building category	Description
Category 1	Single household dwellings with low or medium-risk envelope design (risk score ¹ of 12 or less for any external elevation).
Category 2	Single household dwellings with high-risk envelope design (risk score greater than 12 for any external elevation) or any other buildings with a building height ² less than 10 m.
Category 3	All buildings 10 m or greater in building height ² except single household dwellings.

¹ Risk score is based on the E2/AS1 risk matrix.

² Building height is the vertical distance between the floors of the building's lowest and highest storeys.

the side' without measurable competencies. This high cost many prove to be valuable in that respect.

Scheme gets the thumbs up

Chief Executive of the Registered Master Builders Federation Warwick Quinn says that, by February 2012, approximately 13,000 practitioners – mostly carpenters – were licensed. He sees this as good progress and likes the LBP Scheme: 'It limits the risk to customers, given that they can now choose to employ qualified people.'

Warwick also likes the idea that, under the scheme, the practitioner who performs a job is discoverable years down the track: 'LBPs need to complete a work programme book at the end of each job recording who did what on the build,' he says. 'This means that, if anything is found to be defective in the future, legal teams can check the records and clearly see who may be at fault.'

'This will stop legal action being taken against individuals who actually may not have performed the defective piece of work. More detail makes it better for practitioners.'

DIYers are exempt but accountable

Home DIY is still a Kiwi institution, and in most respects, it is not affected by RBW and the LBP Scheme. Most DIY work around the home doesn't require a building consent. Therefore, by definition, it isn't RBW. This means DIYers can still renovate a kitchen or bathroom. Additionally, the RBW category will not be applied to work that does require a building consent but is deemed to be low risk, such as building a conservatory.

Larger-scale DIY work technically defined as RBW can also be carried out by homeowners. While most DIYers don't try to build additional bedrooms or their entire home, the opportunity is still there to do so if they like.

DIYers will shortly be able to claim an exemption from an RBW classification if they:

- are an individual – that is, not a company or trust
- have a legal, beneficial or equitable interest in the land
- live or intend to live there – including a bach or holiday home
- carry out the work themselves or with a close friend or relative.

The homeowner must complete statutory declarations confirming that these conditions are met. The declarations will be kept on council files. With information securely filed, a future purchaser will know a house is DIY built and, if they choose to buy, can contact the DIYer if any RBW-classified aspects of the work are defective.

DIYers will only be able to carry out RBW on one home every 3 years. This condition prevents unlicensed builders from pretending to be DIYers.

Needs consumer buy-in

The success of the scheme may come down to consumer awareness of the benefits of using an LBP. While the potential \$20,000 fine from performing RBW without a licence is a strong reason to get licensed, it may not be enough. If consumers actively choose only LBPs for work on their homes, there will be massive incentive for builders and designers to be licensed.

For more information, visit www.dbh.govt.nz/lbp. ■

CERTIFICATION JUST THE JOB

A Manawatu builder who was quick off the mark in getting certified as a licensed building practitioner won work on this basis for a client in a top-end project.

When medical practitioner Darshan Singh wanted a 2-storey home built on the rural approaches to Palmerston North, he requested that the building team was certified.

Darshan was taking no chances with his million dollar home and sought the opinion of his brother who had recently had his own home built, researching a number of builders and their qualifications. His choice was Fowler Homes and for a very good reason.

The Managing Director of Fowler Homes in Palmerston North, Shane Walker, had studied the government's Building Act Review and knew that the first of the review's major changes would be restricted building work.

With 20 years' experience and the required trade qualifications, he applied to the Department of Building and Housing early in



Darshan Singh with his builder, qualified licensed building practitioner Shane Walker.

2010 for licensed building practitioner (LBP) certification. Shane considered it 'a great idea'.

'Our industry has faced problems of shoddy workmanship,' he says. 'The restricted building work scheme will address that and eliminate builders who have produced substandard work.'

'Being an LBP means I'm accountable for the quality of my work. Personally, when I build

something, then the owner's got me for life. If there's a fault, it's my job to come and fix it.'

Whole team certified

When Shane Walker guaranteed that his subcontractors would also be certified, this appealed to Darshan, and he engaged Fowler Homes. Work began in March 2011 and his family moved in just before Christmas.

Is he happy? 'Absolutely,' he says. 'It was essential to have a builder who was licensed, and we're delighted with the standard of work.'

This is music to Shane Walker's ears. The appreciation and endorsement from the owners when the job's completed means everything.

'I'm now marketing my team as all certified,' he says. 'These credentials give me that point of difference when people are careful with their money during the recession.' ■