

**Reprint  
as at 1 April 2014**



**Building Research Levy Act 1969**

Public Act    1969 No 23  
Date of assent    11 September 1969  
Commencement    see section 1(2)

**Contents**

	Page
Title	2
1 Short Title and commencement	2
2 Interpretation	2
3 Act to bind the Crown	4
<i>Building research levy</i>	
4 Minister may prescribe rates of levy	5
5 Payment of levies by builders	5
6 Submissions to arbitration	7
7 Power to obtain information in order to assess amount of levy payable	7
8 Expenditure of levies	9
9 Power to appoint agents to collect levies	10
<i>Association membership</i>	
10 Membership of the association	11

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**Note**

Changes authorised by subpart 2 of Part 2 of the Legislation Act 2012 have been made in this official reprint.

Note 4 at the end of this reprint provides a list of the amendments incorporated.

**This Act is administered by the Ministry of Business, Innovation, and Employment.**

<i>Financial provisions</i>		
11	Accounting records must be kept	11
11A	Financial statements must be prepared	12
12	Appointment of auditor	12
12A	Auditing of financial statements	13
13	Copy of financial statements to be sent to Minister and members	14
14	Copy of rules to be sent to Minister	15
15	Financial provisions to apply notwithstanding anything to the contrary in association's rules	15
<i>Miscellaneous provision</i>		
16	Offences by officers of the association	15

**An Act to authorise the levying of building contractors to provide money for research into improved techniques and materials for use in the building industry**

**1 Short Title and commencement**

- (1) This Act may be cited as the Building Research Levy Act 1969.
- (2) This Act shall come into force on 1 January 1970.

**2 Interpretation**

In this Act, unless the context otherwise requires,—

**applicable auditing and assurance standard** has the same meaning as in section 5 of the Financial Reporting Act 2013

**association** means the Building Research Association of New Zealand (Incorporated), a society incorporated under the Incorporated Societies Act 1908; and, where appropriate, includes the board of the association

**builder**, in relation to any construction work, means—

- (a) in any case where there is a main contract by an employer for the performance of the construction work, the person with whom the contract is made:
- (b) in any case where there is no such contract and the construction work is performed by any person for the purposes of sale or leasing on his own account, that person:

- (c) in all other cases, the person responsible for the carrying out of the construction work

**building consent** means a building consent in terms of the Building Act 2004; but does not include a consent issued in respect of any demolition

**chief executive** means the chief executive of the Ministry (within the meaning of the Research, Science, and Technology Act 2010)

**consideration**, in relation to any contract, means the amount agreed between the employer and the builder at the time at which the contract is entered into as being the amount payable to the contractor under the contract; but does not include any addition to or reduction in the amount so agreed which is subsequently agreed on as a result of any variation of the contract made after the levy payable in respect of the contract becomes due

**construction work** or **work** means any work in connection with the construction, erection, renewal, alteration, or improvement of a building for which a building consent is required under the Building Act 2004

**contract** means a contract between an employer and a builder which is for the performance of construction work and which determines the amount of consideration payable to the builder in respect of the work

**employer** means any owner or other person who contracts with a builder for the performance of construction work by the builder, or at whose request, or on whose behalf or on whose credit, with his privity or consent, construction work is performed; and includes all persons claiming under him whose rights are acquired after the commencement of the work

**financial statements** has the same meaning as in section 6 of the Financial Reporting Act 2013

**financial year** means the period of 12 months ending with 31 March in any year

**generally accepted accounting practice** has the same meaning as in section 8 of the Financial Reporting Act 2013

**local authority** means a territorial authority within the meaning of the Local Government Act 2002

**Minister** means, subject to any enactment, the Minister of the Crown who, under the authority of any warrant or with the authority of the Prime Minister, is for the time being responsible for the administration of this Act

**owner** means the person to whom the land in respect of which any construction work is to be, is being, or has been performed belongs; and includes a person having a leasehold or other limited estate or interest in the land

**prescribed**, in relation to any levy imposed under this Act, means the rate of levy for the time being prescribed by the Minister by notice in the *Gazette*.

Section 2 **applicable auditing and assurance standard**: inserted, on 1 April 2014, by section 125 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Section 2 **builder**: substituted, on 9 October 1975, by section 2(1) of the Building Research Levy Amendment Act 1975 (1975 No 62).

Section 2 **building consent**: inserted, on 1 July 1992, by section 92(1) of the Building Act 1991 (1991 No 150).

Section 2 **building consent**: amended, on 31 March 2005, by section 414 of the Building Act 2004 (2004 No 72).

Section 2 **chief executive**: inserted, on 2 August 1990, by section 14(1) of the Foundation for Research, Science, and Technology Act 1990 (1990 No 72).

Section 2 **chief executive**: amended, on 1 February 2011, by section 18 of the Research, Science, and Technology Act 2010 (2010 No 131).

Section 2 **construction work** or **work**: substituted, on 1 July 1992, by section 92(1) of the Building Act 1991 (1991 No 150).

Section 2 **construction work** or **work**: amended, on 31 March 2005, by section 414 of the Building Act 2004 (2004 No 72).

Section 2 **Director-General**: repealed, on 2 August 1990, by section 14(1) of the Foundation for Research, Science, and Technology Act 1990 (1990 No 72).

Section 2 **financial statements**: inserted, on 1 April 2014, by section 125 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Section 2 **generally accepted accounting practice**: inserted, on 1 April 2014, by section 125 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Section 2 **local authority**: substituted, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

Section 2 **Minister**: substituted, on 2 August 1990, by section 14(1) of the Foundation for Research, Science, and Technology Act 1990 (1990 No 72).

### 3 Act to bind the Crown

This Act shall bind the Crown.

*Building research levy*

**4 Minister may prescribe rates of levy**

- (1) Subject to the provisions of this Act, the Minister may from time to time, after consulting with the association and the New Zealand Master Builders' Federation Incorporated, prescribe by notice in the *Gazette* the rate of levy to be paid by builders for the purposes of this Act.
- (2) Subject to the provisions of this section, the rate so prescribed shall—
  - (a) in the case of construction work performed pursuant to a contract, be based on the total consideration payable under that contract; and
  - (b) in the case of construction work performed otherwise than pursuant to a contract, be based on the total value of the work as ascertained under section 5.
- (3) The prescribed rate shall not exceed \$1 for every \$1,000 (or part thereof) of the total consideration payable under any contract or the total value of construction work, as the case may be.
- (4) The rate of levy shall be notified in the *Gazette* at least 14 days before it is to come into force.
- (5) The Minister may at any time vary or revoke any notice made under subsection (1).

**5 Payment of levies by builders**

- (1) For the purposes of this Act, a levy, the rate of which is for the time being prescribed under section 4, shall be payable by every builder—
  - (a) in respect of the consideration payable to him under any contract entered into by him for the performance of construction work; or
  - (b) in any case where he performs or intends to perform any such work otherwise than pursuant to a contract, in respect of the value of the work as ascertained under subsection (2).
- (2) Where the value of any construction work is required to be ascertained for the purposes of paragraph (b) of subsection (1), that value shall be ascertained as follows:

- (a) the value (if any) specified in the building consent; or
  - (b) if no value is so specified, the value shall be such value as may be agreed upon between the association and the builder or, in default of such agreement, as may be determined by arbitration under section 6.
- (3) Every such levy shall become due and payable by the builder at the time the building consent is issued.
- (4) Notwithstanding the provisions of subsection (1)—
  - (a) where a levy is assessable on the consideration payable under any contract, no levy shall be payable if the consideration is less than \$20,000;
  - (b) where a levy is assessable on the value of construction work, no levy shall be payable if the value of that work is less than \$20,000.
- (5) If any builder contracts to perform construction work in stages, then, for the purpose of assessing what amount of levy is payable in respect of the work, the considerations payable in respect of each stage shall be added together and the appropriate levy shall be calculated on the basis of the total sum so ascertained.
- (6) Where any levy is assessable on the consideration payable under a contract, the entitlement of the association to the levy shall not be defeated, reduced, or otherwise affected by any counterclaim, set-off, or cross demand by or on the part of the employer with whom the contract was made.
- (7) Where a levy is payable by a builder under this section, he may pay it directly to the association or to such agent as the association may have appointed to collect levies on its behalf.
- (8) All money payable by way of levy under this section shall be recoverable as a debt due to the association.

Section 5(2)(a): substituted, on 1 July 1992, by section 92(1) of the Building Act 1991 (1991 No 150).

Section 5(2)(b): substituted, on 1 July 1992, by section 92(1) of the Building Act 1991 (1991 No 150).

Section 5(3): substituted, on 1 July 1992, by section 92(1) of the Building Act 1991 (1991 No 150).

Section 5(4)(a): amended, on 1 April 1988, by section 8(2) of the Finance Act 1987 (1987 No 200).

Section 5(4)(b): amended, on 1 April 1988, by section 8(2) of the Finance Act 1987 (1987 No 200).

## **6 Submissions to arbitration**

- (1) Where the value of any construction work is required under subsection (2) of section 5 to be determined by arbitration, the arbitration shall, subject to the provisions of this section, be conducted by an arbitrator appointed by the association and the builder, or, if the association and the builder cannot agree on the appointment of an arbitrator, each such party shall appoint an arbitrator, and the arbitrators so appointed shall appoint an umpire.
- (2) Where either party to the arbitration fails to appoint an arbitrator within 21 days after being requested to do so by the other party, the arbitrator appointed by the other party shall alone conduct the arbitration, and his decision shall be binding on both parties.
- (3) If the arbitrators fail to agree on the matter within 28 days of its having been referred to them, the matter shall be determined by the umpire to be appointed by the arbitrators, and the decision of the umpire shall be binding on the parties.
- (4) Each party to the arbitration shall pay the costs, charges, and expenses of the arbitrator appointed by him. The costs, charges, and expenses of the umpire (if any) shall be borne equally by the parties.
- (5) Every arbitration under this section shall be carried out in the manner prescribed by the Arbitration Act 1996; and the provisions of that Act shall, subject to the provisions of this section, extend and apply to any such arbitration and to the arbitrators and to the umpire (if any).

Section 6(5): amended, on 1 July 1997, pursuant to section 20 of the Arbitration Act 1996 (1996 No 99).

## **7 Power to obtain information in order to assess amount of levy payable**

- (1) Where a levy is assessable on the consideration payable under any contract, the association may require the employer or the builder to provide such information relating to the consideration payable as may be necessary to enable the association to assess the amount of levy payable to it.
- (2) Where a levy is assessable on the total value of any construction work as specified in a building consent issued by a local

- authority, the association may require the builder or the local authority to provide such information relating to the value specified in the consent as may be necessary to enable the association to assess the amount of levy payable to it.
- (3) Subject to subsection (4), no person shall disclose otherwise than to the board of the association, or any officer or servant of the association, any information provided pursuant to subsection (1) or subsection (2)—
- (a) in the case of information provided under subsection (1), without the consent of the builder and employer to whose contract the information relates; or
  - (b) in the case of information provided under subsection (2), without the consent of the builder to whom the permit is issued and the local authority issuing the permit.
- (4) Subsection (3) shall not apply—
- (a) to the disclosure of information in the form of a summary of similar information provided by or obtained from a number of builders, local authorities, or employers, if the summary is so framed as not to enable particulars relating to any particular business to be ascertained from it; or
  - (b) to any disclosure of information made for the purpose of any legal proceedings pursuant to this Act or any other Act, or for the purposes of any report of any such proceedings.
- (5) If any person wilfully fails to comply with any requirements made under subsection (1) or subsection (2), he commits an offence and is liable on conviction to a fine not exceeding \$200, or on a second or subsequent conviction \$400.
- (6) If any person—
- (a) knowingly or recklessly provides, pursuant to any requirement made under subsection (1) or subsection (2), any information which is false in a material particular; or
  - (b) wilfully discloses any information in contravention of subsection (3)—

he commits an offence and is liable on conviction to imprisonment for a term not exceeding 3 months or to a fine not exceeding \$200 or to both.

- (7) Where an offence under this section committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary, or other similar officer of the body corporate, or any person who was purporting to act in any such capacity, he, as well as the body corporate, shall be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Section 7(2): amended, on 1 July 1992, by section 92(1) of the Building Act 1991 (1991 No 150).

Section 7(5): amended, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

Section 7(6): amended, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

## **8 Expenditure of levies**

- (1) The money received by the association from levies imposed under this Act or from any other source shall be used by the association for the purposes of promoting and conducting research and other scientific work in connection with the building construction industry.
- (2) Without limiting the generality of subsection (1), the money collected by way of levy under this Act or from any other source may be used by the association for all or any of the following purposes:
- (a) the establishment and equipment of laboratories for the purpose of facilitating building research:
  - (b) the carrying out of tests and experiments on materials used in the building construction industry:
  - (c) the carrying out of experiments to discover improved techniques for use in the building construction industry:
  - (d) the establishment and maintenance of a library of books and other publications relating to building construction techniques and materials:
  - (e) the encouragement of the study of building research and related matters:

- (f) the allocation of grants to any person, institution, or body conducting research into or in connection with techniques or materials (or both) used in the building construction industry in New Zealand:
- (g) the holding of lectures, seminars, exhibitions, or public meetings for the purpose of disseminating information relating to developments in the field of building research:
- (h) the publication from time to time of information relating to the activities of the association and developments in the field of building research:
- (i) the provision of general advisory services to members relating to building construction techniques and materials:
- (j) the acquisition of land and premises (whether by purchase, lease, or otherwise) for the purposes of the association:
- (k) the erection of premises for the purposes of the association, and the maintenance, alteration, repair, decoration, or improvement of the association's premises:
- (l) the acquisition of patents and licences relating to building construction techniques and materials:
- (m) the payment of honoraria to officers of the association, the payment of salaries, wages, and superannuation benefits to its servants, and the payment of travelling and accommodation expenses to any of them in connection with the carrying out of their duties:
- (n) the payment of expenses incurred in connection with—
  - (i) the day to day administration of the association:
  - (ii) meetings of persons conducting the affairs of the association, or meetings of any committee appointed by the association.

## **9 Power to appoint agents to collect levies**

- (1) Any person may, subject to his concurrence, be appointed by the association as an agent for the purpose of receiving any levies payable under this Act.
- (2) For the purpose of remunerating any agent appointed under subsection (1), the association may permit him to retain such

percentage of every levy collected by him as may be agreed upon by him and the association and approved by the Minister. The percentage shall not in any case be more than 5% of the amount of levies collected.

- (3) For the purposes of this section, the term **person** includes a local authority.

#### *Association membership*

### **10 Membership of the association**

- (1) Notwithstanding anything to the contrary in the rules of the association, but subject to the provisions of subsection (3), every person for the time being carrying on business as a builder who, being liable to pay a levy under this Act to the association, is not for the time being in arrears with the payment of the levy shall be entitled, by virtue of that fact and without payment of any membership or other fee,—
- (a) in the case of any such person who is not already a member of the association, to become a member on his making written application to the association for the purpose; or
- (b) in the case of any such person already being a member of the association, to continue to be a member.
- (2) Nothing in this section shall preclude the association from admitting to membership in accordance with its rules any person other than one who is entitled to be a member of the association by virtue of subsection (1).
- (3) Every person who is a member of the association shall, subject to his fulfilling his obligations as a member, be entitled to all the benefits of membership of the association conferred on members by its rules, including the right to exercise a vote at any general meeting of the association.

#### *Financial provisions*

### **11 Accounting records must be kept**

- (1) The association must ensure that there are kept at all times accounting records that—
- (a) correctly record the transactions of the association; and

- (b) will enable the association to ensure that the financial statements of the association comply with this Act; and
  - (c) will enable the financial statements of the association to be readily and properly audited.
- (2) The association must establish and maintain a satisfactory system of control of its accounting records.
- (3) The accounting records must be kept—
- (a) in written form in English; or
  - (b) in a form or manner in which they are easily accessible and convertible into written form in English.

Section 11: replaced, on 1 April 2014, by section 125 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

#### **11A Financial statements must be prepared**

The association must ensure that, within 3 months after the end of the financial year, financial statements that comply with generally accepted accounting practice are—

- (a) completed in relation to the association and that financial year; and
- (b) dated and signed on behalf of the association by 2 members of the board of the association.

Section 11A: inserted, on 1 April 2014, by section 125 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

#### **12 Appointment of auditor**

- (1) The association must, at its annual general meeting, appoint a person to hold office until its next annual general meeting as its auditor for the purpose of auditing its financial statements.
- (1A) No person is qualified for appointment as the auditor unless the person is a qualified auditor within the meaning of section 35 of the Financial Reporting Act 2013.
- (1B) *See* sections 37 to 39 of the Financial Reporting Act 2013 (which provide for the appointment of a partnership and access to information in relation to the association).
- (2) In the event of there being a vacancy in the office of auditor due to death, resignation, removal from office for misconduct, or inability to act, the board of the association may appoint a person qualified to hold office as auditor under subsection (1) to fill the vacancy until the next annual general meeting of the

association. While any such vacancy continues the surviving or continuing auditor or auditors (if any) may act.

- (3) The remuneration of any auditor appointed under subsection (1) shall be fixed by the association at its annual general meeting. The remuneration of any auditor appointed under subsection (2) shall be fixed by the board of the association.
- (4) *[Repealed]*
- (5) *[Repealed]*
- (6) *[Repealed]*

Section 12 heading: replaced, on 1 April 2014, by section 125 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Section 12(1): replaced, on 1 April 2014, by section 125 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Section 12(1A): inserted, on 1 April 2014, by section 125 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Section 12(1B): inserted, on 1 April 2014, by section 125 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Section 12(4): repealed, on 1 April 2014, by section 125 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Section 12(5): repealed, on 1 April 2014, by section 125 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Section 12(6): repealed, on 1 April 2014, by section 125 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

## **12A Auditing of financial statements**

- (1) As soon as practicable after the end of each financial year, the board of the association must send the financial statements for the financial year to the auditor.
- (2) The auditor must, in carrying out an audit for the purposes of subsection (1), comply with all applicable auditing and assurance standards.
- (3) The auditor's report must comply with the requirements of all applicable auditing and assurance standards.
- (4) The board of the association must, after receiving a copy of the auditor's report, submit the financial statements and the report to the next annual general meeting of the association for the approval of the meeting.
- (5) Section 207W of the Companies Act 1993 (which relates to the auditor's right to attend a meeting of shareholders) applies

with all necessary modifications to the association as if it were a company registered under that Act.

Section 12A: inserted, on 1 April 2014, by section 125 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

### **13 Copy of financial statements to be sent to Minister and members**

- (1) The association shall, within 3 months after the expiration of each financial year or within such extended period as the Minister may allow, provide the Minister and the chief executive with a report on its proceedings and activities during that financial year. There shall be annexed to the report copies of the financial statements of the association together with a copy of the report of the auditor and auditors thereon.
- (2) The Minister shall lay before Parliament a copy of the report sent to him under subsection (1) (together with a copy of the association's financial statements for the year to which the report relates) within 28 days after the date of his receiving the report if Parliament is then in session or, if Parliament is not in session, within 28 days after the date of the commencement of the next ensuing session.
- (3) Within 3 months after the expiration of its financial year, the association shall send to each of its members a copy of the report sent to the Minister under subsection (1), together with a copy of its financial statements for that year and a copy of the report of the auditor or auditors in respect thereof.
- (4) Nothing in this section shall be construed so as to limit the application of the provisions of the Incorporated Societies Act 1908 to the association.

Section 13 heading: amended, on 1 April 2014, by section 125 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Section 13(1): amended, on 1 April 2014, by section 125 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Section 13(1): amended, on 2 August 1990, by section 14(1) of the Foundation for Research, Science, and Technology Act 1990 (1990 No 72).

Section 13(2): amended, on 1 April 2014, by section 125 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

Section 13(3): amended, on 1 April 2014, by section 125 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

**14 Copy of rules to be sent to Minister**

If so required by the Minister, the association shall, within such reasonable time as the Minister may specify, send him a copy of its rules, together with any amendments to them. Any such copy shall be duly certified by the Registrar of Incorporated Societies as being the registered rules of the association.

**15 Financial provisions to apply notwithstanding anything to the contrary in association's rules**

The provisions of sections 11 to 14 shall apply to the association notwithstanding anything to the contrary in its rules.

*Miscellaneous provision*

**16 Offences by officers of the association**

- (1) Every officer of the association commits an offence, and is liable on conviction to a fine not exceeding \$200, who—
- (a) fails, without reasonable excuse, to take all reasonable steps to secure compliance by the association with any requirement imposed on it by this Act; or
  - (b) wilfully does any act in contravention of the provisions of this Act, or, in any case where the association contravenes any such provision, connives at the contravention.
- (2) For the purposes of this section, the term **officer** means any member of the board of the association and any paid secretary thereof.

Section 16(1): amended, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

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## Reprints notes

### 1 *General*

This is a reprint of the Building Research Levy Act 1969 that incorporates all the amendments to that Act as at the date of the last amendment to it.

### 2 *Legal status*

Reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by any amendments to that enactment. Section 18 of the Legislation Act 2012 provides that this reprint, published in electronic form, has the status of an official version under section 17 of that Act. A printed version of the reprint produced directly from this official electronic version also has official status.

### 3 *Editorial and format changes*

Editorial and format changes to reprints are made using the powers under sections 24 to 26 of the Legislation Act 2012. See also <http://www.pco.parliament.govt.nz/editorial-conventions/>.

### 4 *Amendments incorporated in this reprint*

Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102): section 125

Criminal Procedure Act 2011 (2011 No 81): section 413

Research, Science, and Technology Act 2010 (2010 No 131): section 18

Building Act 2004 (2004 No 72): section 414

Local Government Act 2002 (2002 No 84): section 262

Arbitration Act 1996 (1996 No 99): section 20

Building Act 1991 (1991 No 150): section 92(1)

Foundation for Research, Science, and Technology Act 1990 (1990 No 72): section 14(1)

Finance Act 1987 (1987 No 200): section 8(2)

Building Research Levy Amendment Act 1969 (1975 No 62)

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