

Background

Find out about what the reforms involve and why we are making these changes.



Why are changes being made?

A high performing building and construction industry is crucial to New Zealand's economy and vital for delivering safe, healthy and durable buildings for New Zealanders.

Our building and construction sector is being held back by low productivity and inefficient practices and processes, skills and labour shortages, financial vulnerability and poor health and safety practices.

The changes in this work programme will be done in phases and will allow the sector to shift to new, more effective ways of working, help support productivity improvements, lift the efficiency and quality of building work and improve trust and confidence in the building regulatory system.

What is changing and what will this mean for New Zealanders?

The Building Amendment Bill

To address issues that can only be solved through legislation, the first bill, the Building (Building Products and Methods, Modular Components, and Other Matters) Amendment Bill was introduced to the House on May 8.

The Bill forms part of a wider law reform programme to lift performance of the regulatory system and drive better outcomes for the sector and for New Zealanders.

What does the Bill mean for New Zealanders?

Key changes in the Bill will:

- introduce minimum information requirements about building products to support better and more efficient decision-making;
- introduce a specialist framework for modern methods of construction such as offsite manufacturing and prefabrication and speed up the consenting process;
- strengthen the product certification framework (CodeMark) to improve trust and confidence in the scheme.

Note, the Building Levy decrease has been confirmed and took effect 1 July 2020.

What work is involved in phase two of the programme?

The next phase of the building reform programme is focused on occupational regulation, and will look at ways to strengthen the LBP scheme and the regulation of engineers. A strengthened LBP scheme will aim to ensure that builders have the right skills, knowledge, experience and behaviours to do quality building work, and increase accountability when LBPs do not meet the standards expected of them.

Strengthening the regulation of engineers will aim to ensure that engineers provide engineering services with reasonable care and skill, operate within their areas and level of competence, are held to account for substandard work or poor conduct and people have confidence in the engineering profession.

We have also received clear feedback during public consultation that the building insurance market is not currently in a position to meet the large increase in demand that would arise from a compulsory guarantee or insurance product. The Minister has asked us to report back in 2020 on options to address issues with risk, insurance and liability in the building system.

What have we consulted on?

In April 2019, MBIE released a discussion paper setting out its initial thinking on how to best address the problems facing the building sector. The paper proposed a number of legislative reforms across five key areas:

After inviting feedback on the discussion paper, MBIE received 470 submissions from people and organisations across the building sector. There was a high level of support for many of the proposals. Valuable feedback was also received on how the proposals can be refined to make sure they achieve the goals of the reform programme.

The sector was also very clear that the reforms shouldn't be implemented all at once – it would be too much change at one time. A phased approach makes sense, as it allows the Government to keep up the momentum with the reforms while continuing to work on those proposals that need further development and testing.

[Learn more about the building law reform public consultation \(https://www.mbie.govt.nz/have-your-say/building-system-legislative-reform-programme-public-consultation/\).](https://www.mbie.govt.nz/have-your-say/building-system-legislative-reform-programme-public-consultation/)

When will the changes happen?

Changes being made through the Building Amendment Bill, such as updated penalties, new public notification requirements and changes on what the levy may be used for, will commence as soon as the Bill becomes law.

Other changes rely on the development of regulations and rules which will require more time to develop so these will be phased in over time. We will keep you informed as this work unfolds.

- with compliance with the Building Act, it is published under section 175 of the Building Act
- with a Weathertight Services claim, it is published under section 12 of the Weathertight Homes Resolution Services Act 2006.