

Building law reforms: Raising the bar across the sector

The building sector is vital to our social and economic success

The building sector builds and maintains the places New Zealanders work and live. The sector helps deliver on government priorities like KiwiBuild, public housing and infrastructure. The building sector needs to deliver safe and durable buildings while being able to innovate as methods and practices evolve.

What we can achieve together

An efficient building regulatory system isn't the sole responsibility of government. Everyone in the sector must work together to lift quality so things go right the first time and, if they do go wrong, there are fairer outcomes.

Why reforms are needed

The building sector faces a number of long-standing problems. These problems range from low productivity and inefficient practices and processes, to skills and labour shortages, to poor health and safety.

We've talked to people across the sector about problems with how the regulatory system functions. Our conversations revealed three common themes:

- ✘ Roles and responsibilities are not clear.
- ✘ Information isn't available when it's needed.
- ✘ It's difficult to hold people to account for the quality of their work.



Have your say

We welcome your feedback on some or all of our proposals. Tell us what you think at:

www.MBIE.govt.nz/building-reform



What's in the reform package?



These are the most significant reforms since the current *Building Act* was introduced in 2004. They affect people, products and practices across the sector. The proposals are summarised below. There are more details about these proposals in the full discussion paper and summaries of each part.

PART 2

Building products and methods

- clarify roles and responsibilities for building products and methods
- require manufacturers and suppliers to provide information about building products
- strengthen the framework for product certification
- make consenting easier for modern methods of construction including off-site manufacturing.

PART 3

Occupational regulation

- change the licensed building practitioners scheme to raise the competence standards and broaden the definition of restricted building work
- introduce a new licensing scheme for engineers and restrict who can carry out safety-critical engineering work
- remove exemptions that allow unlicensed people to carry out plumbing, gasfitting and drainlaying work.

PART 4

Risk and liability

- require a guarantee and insurance product for residential new builds and significant alterations, and allow homeowners to actively opt out of it
- leave the liability settings for building consent authorities unchanged.

PART 5

Building levy

- reduce the building levy from \$2.01 including GST to \$1.50 including GST (per \$1,000)
- standardise the building levy threshold at \$20,444 including GST
- allow MBIE to spend funds raised by the building levy on broader stewardship of the building sector.

PART 6

Offences, penalties and public notification

- increase the maximum financial penalties
- set different maximum penalties for individuals and organisations
- extend the time enforcement agencies can lay a charge from six months to 12 months
- modify the definition of 'publicly notify' in section 7 of the *Building Act*.



**Submissions close
on 16 June 2019**

Next steps

We will use the information from the submissions to refine our proposals. The Minister for Building and Construction will then decide what changes to recommend to Cabinet.