



COVERSHEET

Minister	Hon Chris Penk	Portfolio	Building and Construction
Title of Cabinet paper	Incentivising residential solar generation	Date to be published	September 2025

List of documents that have been proactively released

Date	Title	Author
April 2025	Incentivising residential solar generation	Office of the Minister for Building and Construction
9 April 2025	Incentivising residential solar generation ECO-25-MIN-0054 Minute	Cabinet Office
April 2025	Regulatory Impact Statement: Incentivising residential solar generation	MBIE
August 2024	Energy Efficiency Requirements for Homes	Office of the Minister for Building and Construction
6 August 2024	Energy Efficiency Requirements for Homes EXP-24-MIN-0039 Minute	Cabinet Office
April 2025	Refocused climate work programme for building and construction	Office of the Minister for Building and Construction
9 April 2025	Refocused climate work programme for building and construction ECO-24-MIN-0312 Minute	Cabinet Office
14 August 2024	Briefing 2425-0569: Updating the building chapter of the First Emissions Reduction Plan to reflect your portfolio priorities	MBIE
18 September 2024	Briefing 2425-0886: Opportunities to include buildings in the Second Emissions Reduction Plan	MBIE

Information redacted

Yes

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

- Confidential Advice to Government
- Privacy of Natural Persons
- Legal Professional Privilege
- Commercial Information

In Confidence

Office of the Minister for Building and Construction
Cabinet Economic Policy Committee (ECO)

Incentivising residential solar generation

Proposal

- 1 This paper seeks Cabinet's agreement to amend the Building Act 2004 to:
 - 1.1 fast-track building consents for new residential buildings with solar generation Confidential advice to Government.
 - 1.2 exempt rooftop solar installation from requiring a building consent in existing buildings.

Relation to government priorities

- 2 The proposals will support Government priorities including:
 - 2.1 Going for Housing Growth by making it easier to build affordable homes.
 - 2.2 Reducing the cost of living, as buildings with solar generation have lower ongoing power bills.
 - 2.3 Reducing net greenhouse gas emissions by 2030.
 - 2.4 Increasing energy security by contributing towards a modern, affordable and secure energy system.

Executive summary

- 3 In December 2024, I presented to Cabinet my climate work programme focused on supporting our climate change objectives without adding costs to consumers.
- 4 This was a significant change in direction to the previous Government's plan to mandate various requirements which would have made it harder and more expensive to build homes.
- 5 Cabinet directed officials to report back to me with advice on how fast-tracking building consents could support the government's climate obligations while also making building easier.
- 6 Following this advice, I am proposing to incentivise residential solar generation Confidential iden by requiring building consents to be processed within 10 working days.
- 7 I also propose to exempt rooftop solar panels from requiring a building consent in existing homes to make installing solar panels easier.

- 8 Introducing the fast-track incentive for solar electricity generation [redacted] Confidential advice to Government and clarifying regulatory requirements for rooftop solar panel installation, will support a range of Government objectives such as making it easier to build, increasing energy security, reducing the cost of living and climate change.
- 9 Accordingly, I seek Cabinet's agreement to amend the Building Act 2004 (**the Act**) to progress these changes.

Background


- 10 Following the changes to make it easier to build granny flats, I am proposing further initiatives to streamline the building consent system to achieve the Government's objective of improving housing affordability. They focus on reducing inspection wait times, providing opt-in expedited assurance pathways for trusted practitioners and companies, and removing barriers to make it easier for people to build homes that suit their needs.
- 11 These proposals will also help to make it easier, faster and cheaper to build a home. Residential buildings account for around 34 per cent of New Zealand's electricity consumption. Buildings account for around 11 per cent of New Zealand's gross domestic greenhouse gas emissions.
- 12 Buildings with solar electricity generation (ie solar panels) can help reduce energy supply pressure and reduce emissions. They also benefit building occupants by reducing power bills. In line with this, there are a range of initiatives in the Energy portfolio working to increase distributed solar generation uptake.
- 13 Solar generation uptake is low compared to countries such as Australia, generally because of upfront costs and a lack of incentives. As at 28 February 2025, there were 64,807 residential solar connection points in New Zealand, whereas in Australia approximately four million households have solar generation.
- 14 Currently there is inconsistency across Building Consent Authorities (**BCAs**) requiring a building consent for solar generation. If solar generation is planned for a new build, this will be in the building consent application. However, the solar installation component alone generally does not require a building consent unless specifically required by the BCA. While retrofitting solar panel installation is considered energy work under the Act, and so exempt from requiring a building consent, attaching anything with weight to a roof often requires a building consent to ensure structural integrity and weathertightness is maintained.
- 15 [redacted] Confidential advice to Government Buildings with solar generation [redacted] Confidential advice to Government can help reduce: emissions; pressure on security of energy supply; [redacted] Confidential advice to Government They also benefit building occupants by reducing power bills and improving health outcomes.

Incentivising and simplifying residential solar generation

Fast-tracking new build residential building consents


- 16 The Act requires BCAs to process building consent applications within 20 working days.
- 17 I propose the Act be amended to halve the time BCAs must process building consent applications for new residential buildings with solar electricity generation from 20 working days to 10.
- 18 This will enable building work to start sooner and will be a significant incentive without direct cost on the Government. A one-day delay to process a building consent has been estimated to cost builders around \$409.40.¹ Saving people 10 days of processing could be valued at \$4,094 per consent.
- 19 I also seek Cabinet agreement to create a new power in the Act for the Chief Executive of the Ministry of Business, Innovation and Employment (MBIE). This power would enable MBIE's Chief Executive to prescribe performance criteria, in secondary legislation, for the solar generation provision. For example, MBIE's Chief Executive could set performance criteria requiring a level of solar generation capacity to meet a given building's expected energy needs.

20 Confidential advice to Government




21 Confidential advice to Government MBIE officials will work with Statistics NZ and BCAs to cost-effectively (ie within existing resources) monitor uptake and any impact on other consent processing timeframes.

22 Confidential advice to Government



23 Confidential advice to Government



¹ Based on research by the Building Research Association of New Zealand in 2012, converted to 2024 dollars.

Exempting solar installation in existing homes from requiring a building consent

- 24 While solar installation is energy work and does not require a building consent under the Act, some BCAs require a building consent due to a view that installation can risk the structural integrity of the roof, weathertightness issues and safety should wind lift the panels.
- 25 While energy work is regulated under the Electricity (Safety) Regulations 2010 pursuant to the Electricity Act 1992, attaching the panels to the roof (pre-electrification) is relatively straightforward and low-risk, and there is already a building consent exemption for penetrations in a roof up to 300mm. Wellington City Council does not require a building consent for installing rooftop solar (in the windiest city in the world), and I am not aware of any safety events relating to unsuitable rooftop solar installation in New Zealand.
- 26 To provide absolute clarity to the market, I seek agreement to amend Schedule 1 of the Act to exempt rooftop solar panel installation from requiring a building consent, subject to technical consultation and further technical work to address any risks involved. This will help reduce regulatory barriers to the adoption of rooftop solar electricity generation and improve consistency across BCA practices.

Key risks and mitigations

- 27 Market uptake will be dependent on the performance criteria for solar generation. If the performance criteria are set too high then high upfront costs are likely to remain a barrier. Conversely, if the performance criteria are set too low, demand may exceed some BCAs' capability to meet the 10-working-day fast-tracked timeframe without diverting resources away from standard building consents.
- 28 MBIE officials will monitor uptake and consent processing times Confidential advice to Government. The risk of low or excessively high uptake is mitigated by enabling MBIE's Chief Executive to adjust the performance criteria over time. This will allow prudent and calibrated targeting of the fast-track incentive to keep up with market developments and any issues or opportunities identified by stakeholders.

Making high performing home designs freely available to the public

- 29 In December, I advised Cabinet I would work to make high-performing home designs available to the public to help reduce building design costs [ECO-24-MIN-0312 refers].
- 30 The Building Research Association of New Zealand (BRANZ) is currently developing a high-performing home design that could be made freely available, with or without Multiproof approval. Securing Multiproof approval would provide a 10-day building consent timeframe. MBIE officials are working with BRANZ for this design to be launched and made freely available to the public by mid-2025.

- 31 Confidential advice to Government

32 Confidential advice to Government

Implementation

33 Subject to Cabinet's agreement to the proposals outlined in this paper, I intend to return to the Cabinet Legislation Committee and Cabinet to introduce a Bill and a change to the schedule of exemptions Confidential advice to Government

34 MBIE officials will work Statistics NZ and BCAs to ensure cost effective (ie within existing resources) monitoring of uptake and any impact on consent processing times is in place Confidential advice to Government

Cost-of-living Implications

35 I expect the proposals will benefit households over the long-term through energy savings.

Financial Implications

36 There are no direct financial implications from the proposals in this paper.

Legislative Implications

37 The proposals in this paper require amending the Act. Confidential advice to Government

38 Secondary legislation made by the Chief Executive of MBIE is also required to prescribe the performance criteria and approved compliance methods.

Impact Analysis

Regulatory Impact Statement

39 The Cabinet Office circular CO (24) 7 Impact Analysis Requirements apply to the proposals in this paper. MBIE has prepared a Regulatory Impact Statement (RIS) assessing the impacts of the proposed changes to the Act (see **Appendix One**).

40 The MBIE Panel has reviewed the RIS and determined the information and analysis partially meets the Quality Assurance criteria.

Climate Implications of Policy Assessment

41 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to this policy proposal, as the threshold for significance is not met and any emissions impact would be indirect.

Population Implications

42 There are no population implications as a result of this paper.

Human Rights

- 43 There are no human rights implications arising from the proposals in this paper.

Use of external Resources

- 44 No external resources were used directly in the preparation of this paper.

Consultation

- 45 The following agencies have been consulted: the Department of the Prime Minister and Cabinet, the Department of Internal Affairs, the Ministry for Primary Industries, the Ministry of Housing and Urban Development, the Ministry for the Environment, the Ministry of Health, the Ministry for Regulation and the Treasury, Statistics New Zealand, Kāinga Ora, the National Emergency Management Agency, Te Waihanga and the Energy Efficiency and Conservation Authority.

Communications

- 46 I propose to publicise decisions in relation to this Cabinet paper in a way that complements the Government's climate policy messaging.

Proactive Release

- 47 This paper will be proactively released within 30 business days of decisions being confirmed by Cabinet, in accordance with the Cabinet Office Circular CO (18)4, with any appropriate redactions.

Recommendations

The Minister for Building and Construction recommends that the Committee:

- 1 **Note** that on 28 January 2025, Cabinet directed officials to report back to me with advice on how waiving the building levy and fast-tracking building consents for green buildings may be used to support the government's climate obligations [ECO-24-MIN-0312 refers].
- 2 **Note** that I consider fast-tracking building consents for new residential buildings with solar electricity generation would incentivise uptake of solar generation, benefit building occupants and support the Government's priorities.
- 3 **Agree** to require Building Consent Authorities to process building consent applications for new residential buildings which meet the performance criteria for solar electricity generation Confidential advice to Government within 10 working days.
- 4 Confidential advice to Government
- 5 **Agree** to introduce a new power for the Chief Executive of the Ministry for Business, Innovation and Employment to prescribe performance criteria, in secondary

legislation, for meeting the solar electricity generation provision

Confidential advice to
Government

- 6 **Agree** to amend Schedule 1 of the Building Act 2004 to exempt rooftop solar installation in existing residential buildings from requiring a building consent, subject to technical consultation and further technical work on any risks involved.
- 7 **Authorise** the Minister for Building and Construction to issue drafting instructions to Parliamentary Counsel Office to give effect to the proposals above by amending the Building Act 2004.
- 8 **Authorise** the Minister for Building and Construction to make decisions consistent with the intent of the proposals in this paper on any issues which arise during the drafting process.

Hon Chris Penk

Minister for Building and Construction

Appendices

Appendix One: Regulatory Impact Statement