



Building system explainer

Background

The Government has been progressing a comprehensive programme of building system reform, with few aspects left untouched by Building and Construction Minister Chris Penk. This has included everything from making it easier to build granny flats and expanding the range of building materials able to be used in New Zealand, to more fundamental settings changes affecting building consent authorities (BCAs).

The overarching theme is reducing what the Government sees as excessive regulation and a lack of flexibility in the system, which has contributed to the housing crisis and increased costs for the construction sector. Councils have been in the firing line, with the time they take to process consents under particular scrutiny. However, the Government has also recognised the disproportionate risk councils take on through the system of joint and several liability, which it has recently pledged to replace with a more proportional approach.

A number of reforms have already been completed. This includes Public Works Act changes that remove the need for consents for “granny flats”, and new obligations for reporting of consenting data by BCAs. But many changes are ongoing, as covered in the next section.

Key issues and reforms underway

New targets for consenting

As alluded to above, BCAs are now required to complete at least 80 percent of building inspections within three working days of the date requested by the building owner. To monitor compliance, MBIE will publish quarterly wait time data for every BCA, with the first release coming in the final quarter of 2025.

Liability changes and Building Consent Authority (BCA) amalgamation

Earlier this year, the Government announced two key changes affecting how councils fulfil their roles as BCAs.

Firstly, the system of joint and several liability, which often sees councils in a position of taking full legal responsibility for any defects in a build regardless of their responsibility for causing them, will be replaced with a new system of proportional liability. While the exact details of how this will work are still being determined, it will significantly reduce the financial liability that BCAs take on through consenting. In theory, it will reduce the risk of adverse behaviour by councils that many believe this system has incentivised.

Secondly, it will be easier for BCAs to collaborate on consenting or transfer their responsibilities to another BCA entirely. This is being done to simplify the system, which currently has a large number of BCAs all separately interpreting the Building Act, as well as allow for greater economies of scale.



Legislation to progress these reforms is expected to be introduced to the House in early 2026.

Self-certification

The Government is introducing a new self-certification scheme that will allow approved building firms, plumbers and drainlayers to sign off their own work for “simple residential dwellings”. BCAs will still be required to provide a nominal consent for entire simple homes where self-certification is taking place.

Legislation to effect this change is expected by the end of 2025 or early 2026.

Seismic strengthening

The Government is moving to reform New Zealand’s seismic strengthening regime, following a comprehensive review. This review was overseen by a steering group, which LGNZ helped ensure had appropriate local government experience.

The current system, which divides the country into low-, medium-, and high-risk seismic risk areas with different obligations for remediating earthquake-prone buildings, lacks flexibility and is seen as overly risk-adverse.

The new system removes the New Building Standard approach, which compares an existing building to a hypothetical new one designed to current codes. The new system is focussed on concrete buildings three stories or higher and buildings with unreinforced masonry. Only buildings in medium- or high-risk seismic zones will be captured by the new approach.

Remediation requirements are also changing and will vary by building type and location.

How the reforms will affect councils

The big reform programme underway, and the particular focus on BCA efficiency, will mean council performance remains under the spotlight. The Government will expect its new measures to lighten the burden for BCAs and flow through into quicker consents. These measures include those mentioned above as well as things like allowing for more remote inspections and defining minor variations.

Councils will need to take a close look at their roles as BCAs. This includes whether it would make sense to collaborate with neighbouring councils or even give up their consenting role entirely, as new legislation will allow them to do. The answer will depend on a range of factors, including council size and the nature of construction activity in their district. Councils will also need to keep a close eye on consenting performance to ensure they meet the new targets in place for BCAs.

The seismic-strengthening changes will be a source of relief to many councils, both directly in terms of quake-prone property councils hold themselves, and indirectly through reducing disused and derelict buildings in CBDs. The reforms will also reduce councils’ need to administer the system, freeing up resources for other work.



LGNZ's position and what we've been doing

While building system reform was not an explicit advocacy priority for LGNZ this term, we have taken an interest in the reforms given their relevance for local government and given our long history of advocacy to change the system of joint and several liability.

We want to see a building system that builds more houses, ensures local knowledge and experience is reflected in consenting decisions, and avoids councils taking on disproportionate risk for defective builds. We have engaged constructively with the Government to this end, including canvassing it in meetings with Minister Penk and officials at MBIE.

We have made a number of submissions on topics like [judicial review of BCA decisions](#), the [use of remote inspections](#), and [seismic strengthening](#). We have also met many times with Minister Penk and his officials.

We established a group chaired by Michael Ford (previously Manawatu Deputy Mayor and now Mayor) to guide LGNZ's engagement on seismic strengthening reform, and [welcomed the reforms](#) announced in September 2025.

Further reading

[Press release from Minister Penk outlining the full range of building reforms underway \(from October 2024\)](#)

[Earthquake-prone Building and Seismic Risk Management Review: Report](#)

Key milestones to watch for

Late 2025 – First quarterly
BCA consenting data
release by MBIE

Early 2026 – BCA and
liability reform legislation
expected to be introduced



Late 2025/Early 2026 –
Legislation for new self-
certification scheme
expected to be introduced