



# **Building consents overhaul: Government unveils next wave of simplification**

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Earlier this week, Prime Minister Christopher Luxon and Building and Construction Minister Chris Penk announced what is being described as the most significant reform to New Zealand's building consent system since the enactment of the Building Act 2004. The proposed changes aim to address long-standing issues around liability, delays in the consent process, and regulatory complexity. This article outlines what homeowners, property investors and councils need to

understand about these sweeping reforms and why they matter.

One of the central changes is the replacement of the current “joint and several liability” framework with a “proportionate liability” model. Under the existing system, councils can be held responsible for the full cost of building defects, even if their involvement was minimal. This has frequently left councils the “last party standing” in legal disputes, leading to cautious and risk-averse behaviour that can slow down the consent process. Under the new model, each party involved, such as builders, engineers, and councils, would only be liable for the portion of responsibility they actually hold. This shift is intended to reduce councils’ exposure to risk and enable more efficient and practical decision-making.

To ensure homeowners are still protected if something goes wrong, the Government is considering additional safeguards. These include mandatory home warranties covering structural defects, deposit protection mechanisms to safeguard prepayments, and professional indemnity insurance for licensed builders and contractors. While the details are still being developed, these measures are intended to give homeowners greater confidence that they won’t be left out of pocket if a builder or contractor fails to fix defective work.

Another key proposal is to allow Building Consent Authorities (BCAs) to voluntarily pool resources, standardise practices and share technical expertise. Currently, New Zealand has 66 BCAs, resulting in varying interpretations and application of the Building Code across the country. This fragmentation has reportedly led to inconsistent decisions and unnecessary delays. By enabling councils to pool resources and expertise, the Government hopes to create a more consistent and streamlined consent process across regions.

A Bill covering these changes is expected to be introduced to Parliament in early 2026. In the meantime, the current rules remain in place. Homeowners planning new builds or renovations should stay informed, particularly where liability or consent complexity may arise, and consider seeking legal advice to navigate the transitional period.

These changes build upon a series of reforms announced by the Government earlier this month targeting specific hurdles for homeowners and builders, including expanded exemptions for low-risk building work, like certain garden sheds and

sleep-outs, which will soon no longer require building consent. These separate changes will also occur through amendments to the Building Act, which are signalled to be in place by the end of 2025.

For tailored advice on how these proposed reforms may affect you and your property or development plans, please contact a member of our Property & Development or Resource Management team.