

CBS submission

Building Regulatory System Review

Building consent exemptions and wider system improvements

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Responses to consultation questions 4–7

4. What works well in relation to building work that does not need a building consent?

CBS supports the principle behind Schedule 1 exemptions: straightforward, low-risk building work should be able to proceed without the cost and administration of a full building consent, provided the exemption's conditions are met.

This works well for routine repairs and maintenance, qualifying small detached buildings, and work where appropriately qualified professionals provide the necessary expertise. It allows builders and homeowners to get on with suitable projects and helps councils focus their resources on more complex or higher-risk work.

For independent builders, certainty is particularly valuable. When the rules clearly identify what is exempt, builders can quote accurately, organise trades and complete work without unnecessary interruptions. Homeowners benefit from a simpler process and lower administration costs.

As an illustrative example, a homeowner wanting a small garden shed can use the relevant exemption where the proposed building meets all applicable conditions. This provides a proportionate pathway for a straightforward project while retaining Building Code compliance and any relevant planning requirements.

MBIE's guidance also provides a useful foundation, particularly its examples of work that is and is not exempt. These help translate the legislation into practical situations that builders and homeowners can understand.

CBS supports retaining these features: clear exemptions, practical examples, professional involvement where appropriate, and continued responsibility for compliant workmanship.

5. What problems or issues have you experienced or observed?

CBS's main concerns are uncertainty about exemption boundaries, inconsistent interpretation, and the risk that removing consent requirements simply shifts costs and responsibility elsewhere. We have not quantified how frequently these issues occur across our membership. The examples below illustrate the concerns rather than document individual member cases.

1. Difficulty establishing whether an exemption applies

A project may appear straightforward, but its eligibility can depend on details that homeowners—and sometimes practitioners—find difficult to interpret. These can include structural changes, boundary distances, intended use, plumbing or weathertightness considerations.

This uncertainty can create additional advice costs, delay quotations and disrupt scheduling. It can also lead homeowners to proceed without understanding the conditions.

For example, replacing a window within an existing opening and enlarging that opening may look like similar jobs to a homeowner, but they can involve substantially different structural and weathertightness risks.

2. Potential for inconsistent interpretation

Where exemption boundaries or discretionary assessment criteria are unclear, there is scope for different advice or outcomes between councils and practitioners.

For independent builders working across council boundaries, this can mean repeated enquiries, additional documentation and uncertainty when pricing work. CBS would like the review to establish how widespread this is through documented examples and comparison of council practices.

3. Uncertainty about other approvals

A homeowner may understand “no building consent required” to mean that no other approvals or requirements apply.

This can result in unexpected costs, redesign or delays when planning rules, service connections or other obligations are identified later. A detached building, for example, may meet a building consent exemption while still needing assessment against relevant district-plan requirements.

4. Unclear expectations for recording exempt work

Owners and builders need clearer guidance on what documentation should be retained and how it can be added to the property file.

Without suitable records, questions can arise during a sale, refinancing or insurance assessment. However, excessive documentation or processing fees could undermine the savings an exemption is intended to deliver.

5. Consent exemption being mistaken for low technical risk

Small or inexpensive work can still have significant consequences if carried out incorrectly. Window flashings and bathroom waterproofing are examples where defects can cause damage well beyond the original job's value.

Clear guidance should explain both when work is exempt and what competency and compliance requirements remain. CBS supports reducing unnecessary administration while keeping responsibility for quality clear.

6. What changes, if any, would you recommend?

CBS recommends the following changes.

1. Make exemption rules clearer and nationally consistent

Provide clear national definitions, assessment criteria and worked examples showing when an exemption applies and what takes work outside its scope. Standardise the information required for discretionary exemptions, with transparent fees and response timeframes.

This would reduce uncertainty for builders, homeowners and councils, particularly for businesses working across council boundaries. Developing guidance and training would involve an initial cost, but should reduce repeated enquiries and unnecessary applications. Genuine site-specific risks must still be considered.

2. Review opportunities for additional low-risk exemptions

Assess narrowly defined categories of routine work, including window and door replacements, non-structural internal alterations, minor kitchen and bathroom alterations, and simple garages or outbuildings. Some of this work is already exempt; the review should identify gaps and clarify existing boundaries.

Any expansion should be supported by evidence and clear conditions addressing structure, fire safety, weathertightness, sanitation and site hazards. Builders and homeowners could benefit from lower administration costs and faster delivery. Poorly defined exemptions could increase defects and remediation costs, so project size alone should not determine eligibility.

3. Use professional involvement where it provides proportionate assurance

Where additional exemptions require technical expertise, specify the appropriate involvement of a licensed building practitioner, engineer or licensed trade professional, and clearly define their responsibilities.

This could provide assurance without requiring a full consent process for suitable work. Professional fees would remain, but should reflect the actual risk and scope. Eligibility must be accessible to competent independent practitioners, without unnecessary accreditation costs or compulsory membership of a particular trade organisation.

4. Introduce simple, proportionate documentation

Develop standard templates for recording relevant exempt work, such as a scope description, photographs, drawings and practitioner details. Provide a straightforward way to lodge useful records on the property file.

This would help owners, future purchasers, lenders and insurers understand what was completed. Requirements and fees should be proportionate to the work. Record lodgement must be clearly distinguished from council inspection or certification, so it does not create false assurance or become a consent process in practice.

5. Provide one joined-up source of guidance

Improve existing MBIE guidance and consent-checking tools to explain Schedule 1 exemptions, Schedule 1A small standalone dwelling requirements, and any separate planning, service-connection or other obligations.

This would help homeowners and practitioners identify the correct pathway before committing to work. Maintaining the guidance would have an ongoing cost, but could prevent redesign, unexpected expenses and non-compliant work. Changes and commencement dates should be clearly displayed.

6. Target oversight at material risks and measure the results

Where expanded exemptions introduce material risks, consider targeted inspections or audits rather than blanket checks on every project. Any oversight should have a clear purpose, proportionate cost and defined responsibilities.

Monitor actual savings, defects, complaints and disputes, and review the changes after 12–24 months. This would help establish whether reform is benefiting homeowners and small businesses without compromising quality. Monitoring should use existing information where possible to avoid creating another reporting burden.

CBS's priority is a system where the process matches the risk, responsibilities are clear, and independent builders can deliver safe, quality work without unnecessary administration.

7. Other comments on the building regulatory system

1. Consistent interpretation across Building Consent Authorities

Local knowledge is valuable, particularly when assessing site hazards. However, builders and designers also need consistent interpretation of national requirements.

Different documentation expectations can create uncertainty, repeated work and additional costs for businesses operating across council boundaries. CBS recommends national assessment templates, clearer technical guidance and a timely escalation process for disputed interpretations. Site-specific requirements should be supported by clear reasons.

2. Transparent and proportionate fees

Consent fees and other building-related charges should be transparent and proportionate to the service provided. Homeowners and builders need to understand likely costs before committing to a project.

CBS recommends a common national framework for explaining fees, including what is covered, when additional charges apply and how those charges are calculated. Publish comparable fee and service-performance information so differences can be understood and assessed.

3. Code Compliance Certificates and final sign-off

Final sign-off provides important assurance. The process should be predictable, with outstanding requirements identified early.

Uncertainty at completion can affect settlement, finance, occupation and builder payments. CBS recommends standard completion checklists, clear reasons for outstanding requests and better visibility of application progress. For example, builders should know at the outset which trade certificates and supporting documents will be required.

Certificates of Acceptance and Certificates for Public Use also need clear guidance explaining their purpose, limitations and applicable processes.

4. Building product information and acceptance

Reliable product information helps builders and designers select suitable materials and demonstrate compliance. Information needs to be accessible, current and clear about a product's intended use and limitations.

CBS recommends consistent expectations for compliance evidence and clearer guidance on how recognised product certification is used in consent assessment. Product substitutions should have a

proportionate pathway, with further evidence requested where the proposed use or risk justifies it. This could reduce duplication while maintaining appropriate scrutiny.

5. Practical access to standards and guidance

Builders need straightforward access to the technical information required to comply. Costs and difficulty locating relevant requirements can weigh particularly heavily on small firms.

CBS recommends affordable access to standards referenced by regulatory requirements, supported by practical diagrams, examples and clear notices of changes. Guidance should explain how requirements apply on site while remaining consistent with the legislation and Building Code.

6. Link Licensed Building Practitioner accountability with the proposed warranty changes

CBS believes the proposed building warranty changes should be considered alongside the Licensed Building Practitioner system. LBP licensing, competency requirements and disciplinary processes provide a framework for practitioner accountability. Warranty reform should build on that framework.

We recommend examining how verified LBP involvement, relevant training and a practitioner's disciplinary history could inform eligibility and risk assessment under any future warranty scheme. This must recognise that an individual practitioner's competence and a building company's financial capacity are different matters.

Builders should have clearly defined responsibilities for their work, while homeowners should understand what protection applies if defective work occurs or the building company fails. An LBP licence alone cannot provide financial protection against either outcome.

Training and any additional assurance requirements should be practical, affordable and accessible to independent builders. A coordinated approach could improve accountability and consumer protection while avoiding duplicated requirements and unnecessary barriers for smaller businesses.

7. Compare warranty models before imposing compulsory private insurance

CBS supports effective consumer protection but is concerned about the affordability and availability of compulsory private warranty insurance for independent builders.

Before progressing such requirements, undertake and publish a comparative assessment of private insurance and a Queensland-style government-backed scheme. This should examine coverage, exclusions, claims handling, insurer failure, eligibility and costs to builders and homeowners.

The assessment should consider how each model would work alongside New Zealand's LBP system and proposed liability changes. It should also distinguish protection against defective work from protection against insolvency or non-completion.

The objective should be reliable protection that homeowners can use and competent small builders can afford.

8. Better coordination between approvals and agencies

Building consent, planning, infrastructure connections and professional certification each serve a purpose. Applicants need a clear picture of how these requirements fit together.

CBS recommends coordinated guidance, compatible information systems and clearer responsibilities between agencies. Applicants should be able to identify the full approval pathway early and reuse information where appropriate. For example, a small standalone dwelling may require consideration of building, planning and service-connection requirements even where a building consent exemption applies.

9. Measure performance through the whole project

Processing-time measures are useful but should be accompanied by information about total elapsed time, requests for information, fees, completion processes and quality outcomes.

CBS recommends comparable national reporting that distinguishes time spent with the authority from time awaiting applicant information. This would help identify where delays arise and whether reforms are delivering practical improvements for homeowners and independent builders.

CBS would welcome further engagement with the review team to help test proposals against the realities of running a small building business.