18th August 2025

Press Release

The Start of a New Era for Building in New Zealand

CBS welcomes liability shake-up but calls for independent home guarantees, insurance reform, and streamlined consents to lower costs for consumers.

Combined Building Suppliers (CBS) Co-operative welcomes today's announcement from Prime Minister Christopher Luxon and Building Minister Chris Penk regarding major changes to liability within the construction sector.

CBS supports this long-overdue reform, which will help rebalance responsibility in the industry and drive greater accountability across the building process. These changes have the potential to shift the entire dynamics of how liability is structured within the sector. **It's the start of a new era for building in New Zealand.**

CBS also notes that it previously recommended the Government look at Australia's model in its submission to the Commerce Commission's Residential Building Supplies Market Study in 2022 (submission here). Today's announcement reflects many of the points CBS raised around liability and market reform.

However, while we strongly support this direction, CBS highlights some key issues that still need to be addressed:

- **Limited Choice in Home Guarantees**: At present, consumers have very few options when it comes to builder home guarantees. Most guarantees are tied to specific membership groups, meaning not all consumers can access them. CBS believes there must be more independent home guarantee providers available to the market, giving all homeowners fair and equal access regardless of whether they choose to work with a membership-based builder.
- **Liability on Licensed Building Practitioners (LBPs)**: In many cases, liability does not sit with the group builder as assumed — it falls on the individual Licensed Building Practitioner engaged by the builder. For small business LBPs, this could create challenges, particularly around accessing insurance to cover this liability, due to the scale of their operations.

The Government is also investigating whether to require home warranties for certain building projects – with an option to opt out – or potentially requiring professional indemnity insurance. **This is exactly why the insurance industry needs to get on board, so both builders and consumers have real choice and access to the protection they need.**

In addition, CBS says the streamlining of the building consent process is “the best news the industry has ever heard.” Having 66 different Building Consent Authorities across New Zealand is, in CBS’s view, “absolutely unnecessary and creates far too much inconsistency in consenting and inspection processes – costs which ultimately fall on the consumer.” Any change that helps lower the cost of building at this time is welcomed.

CBS CEO Carl Taylor said:

“We strongly support this reform — it is the start of a new era for building in New Zealand. But change must come with choice. Consumers should be able to access home guarantees that are independent of membership groups, and builders must be able to obtain the right insurance cover to protect themselves and their clients. For this to work, the insurance industry needs to play its part. Only then will these reforms deliver on their promise to create a fairer, safer, and more sustainable construction sector. And on top of this, fixing our broken consent system will save time, money, and reduce frustration for everyone involved in building.”

CBS will continue to advocate for reforms that ensure both builders and consumers are better protected, while supporting a competitive, fair, and sustainable building industry.

ENDS

Carl Taylor
Chief Executive Officer
Email: carl@cbscoop.co.nz
Mobile: 021 338306