

Summary of Terms of Reference for Building Act review

Background

The Building Act 2004 sets the regulatory framework for ensuring building quality and performance in New Zealand. Its purpose is to set performance standards for buildings to ensure their users are safe, and that buildings contribute to users' well-being, have appropriate fire safety systems and promote sustainable development.

As part of the Government's regulatory reform programme, the Act is being reviewed in response to sector and public concerns about:

- Its implementation at local government/building consent authority level
- The costs and complexity of the building consent process
- Whether key processes of the building control system deliver value for money
- The allocation of risk and liability between the parties in the building consent process, which is leading to risk-averse behaviour by building consent authorities, resulting in delays and additional costs.

Review focus

The review will identify reforms to the Act, its associated regulation and its administration, to reduce the costs but not the quality of the building control system. It will consider:

- Removing building regulation that adds cost but is of little benefit
- Streamlining building consent requirements to reflect risk and complexity, including reducing the amount of work requiring a consent
- Improving the allocation of risk and liability across parties in the building and construction sector
- Providing consumers with more information about their rights and responsibilities as consumers, and improved dispute resolution mechanisms
- Greater incentives for professional performance, including self-certification of licensed building practitioners' work (ie fewer inspections)
- Streamlining administration of building regulation, including options for consenting processes to be carried out by groupings of councils or at regional/national level
- How the use of smart technology could improve consenting processes

Review process

The review will be carried out by the Department of Building and Housing.

A reference group has been established from the building and construction sector and consumers to ensure the sector's issues are addressed, and to advise on review recommendations.

Opportunities for reform will be identified by the review team and reference group by the end of this year. There will be no substantive consultation at this stage of the review process though anyone wishing to offer ideas for consideration can email them to buildingactreview@dbh.govt.nz

Opportunities that do not require legislative change will be implemented immediately, while those requiring legislative change are targeted for implementation in mid-2010.

Subject to Cabinet approval, sector-wide consultation will be undertaken next year on more detailed options for regulatory reform, with a view to legislative change as necessary by the end of 2010.