



# Regulatory Impact Statement: Building Consent Authority – barriers to consolidation

<b>Decision sought</b>	Analysis produced for the purpose of informing: final and in-principle Cabinet decisions to proposed legislative and regulatory changes to remove barriers that hinder building consent authorities (BCAs) from voluntarily consolidating their building consent services.
<b>Agency responsible</b>	Ministry of Business, Innovation and Employment
<b>Proposing Ministers</b>	Minister for Building and Construction
<b>Date finalised</b>	28 July 2025

The Minister for Building and Construction is proposing a package of legislative and regulatory changes to address barriers and shift incentives to encourage council-led consolidation of BCAs. These would be supported by a suite of operational changes to how MBIE performs its role as the central regulator of the building regulatory system. These changes will enable scale and greater choice for the entities delivering building consenting, improving efficiency and service delivery in the building consent system.

As part of a separate but concurrent reform, the Government is also considering options (to be presented in a separate regulatory impact statement) to adopt a more balanced approach to liability in the building and construction sector by ensuring parties are financially accountable for their contribution to building defects. The liability changes will further incentivise BCA consolidation.

## Summary: Problem definition and options

### What is the policy problem?

Some requirements on BCAs are inflexible, creating barriers to those councils wanting to work together in ways that could improve building consent services.

Under the Building Act 2004 (the Act), every council/territorial authority (TA) must be a BCA and maintain its accreditation through an independent accreditation body – International Accreditation New Zealand (IANZ) – unless it fully transfers its consenting function. This discourages councils from consolidating or partially transferring responsibilities, even when it could reduce costs and improve services.

There are several barriers in the Act that prevent councils from consolidating building consent services:

- Councils must remain accredited even if they transfer part of their BCA function, which means they still carry costs and legal risks.
- The Act allocates building control functions between councils and BCAs, making it difficult to contract out or share functions.
- Councils cannot transfer their BCA function to organisations that are not councils/TAs – such as council-controlled organisations (CCOs) or standalone BCAs – which may be preferred options.

## **Why does this matter?**

### *Many BCAs are too small to operate efficiently*

When the Act was developed, it was envisioned that smaller councils would consolidate their BCA functions to achieve better scale and efficiency. However, this has not eventuated due to regulatory barriers, liability concerns and local politics. Some councils are interested in consolidating their BCA functions to reduce costs and duplication in policies, systems and training.

### *The system is fragmented and inconsistent*

There are 68 BCAs – made up from 66 councils, Consentium (a Crown BCA), and one private BCA. Many operate differently, which creates confusion and extra costs for builders and developers who work across council boundaries. Different requirements and expectations slow down projects and make it harder to plan. Differences in IT systems and processes between BCAs can lead to more requests for information (RFIs), which causes delays and adds costs.

### *Outcomes are unpredictable*

Inconsistencies and unpredictability within BCAs – where different Building Consent Officers (BCOs) request varying information for similar projects – create confusion, delay projects, and increase costs. This makes it harder for homeowners, developers, or project managers to invest, plan, and scale construction businesses effectively.

Local government boundaries often do not line up with iwi and hapū boundaries, meaning that iwi have to work across multiple BCAs, and experience differences in consenting processes and systems within the same region.

### *The consent system is slow to adapt*

The current system makes it difficult for BCAs to respond quickly to changes in demand or government direction. Legislative and regulatory barriers prevent BCAs from consolidating in ways that best work for them and their operating models. Accreditation requirements – which require separate assessments for each BCA – and the joint and several liability rule, which can leave councils liable for more than their share, can make BCAs hesitant to adopt new approaches. Collectively, these settings slow innovation and reduce the system's overall responsiveness.

## **What is the policy objective?**

The primary objectives are to make it easier for BCAs to consolidate services and functions to achieve efficiencies and economies of scale, and to improve consistency and responsiveness of processes for applicants navigating the building consent system.

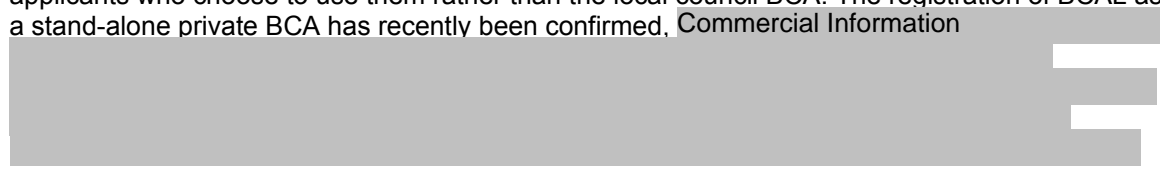
## **What policy options have been considered, including any alternatives to regulation?**

In September 2024, Cabinet agreed that MBIE should explore options to reform the structure of New Zealand's then 67 BCAs to make the system more consistent, efficient, and easier to navigate.

Cabinet approved targeted engagement on three options [ECO-24-MIN-0192]:

- Removing barriers to voluntary consolidation.
- Creating regional BCAs.
- Establishing a national BCA or single point of contact.

Options for more significant structural reform, including regional and single national BCAs, have been considered and ruled out. The dynamic of the BCA landscape has recently changed. There is growing interest from private BCAs to operate nationally, which will provide a consistent service for applicants who choose to use them rather than the local council BCA. The registration of BCAL as a stand-alone private BCA has recently been confirmed. Commercial Information



Further, the advancement of related reforms and wider local government reforms, have meant the two more significant structural changes (regional and single national BCA) are no longer fit-for-purpose within the context of the changing landscape.

For these reasons, the Government's strategic approach is now to pursue voluntary consolidation. As part of this strategic approach, we have considered the following options:

- **Status quo:** do nothing.
- **Option One:** remove legislative and regulatory barriers to enable BCAs to more easily consolidate and transfer functions.
- **Option Two:** remove legislative and regulatory barriers (option 1) and provide tools and guidance such as templates, updated forms and best-practice quality assurance manual to improve consistency of consenting processes and support BCAs wanting to consolidate.
- **Option Three (preferred):** remove legislative and regulatory barriers, provide support (option 1 and 2) and set common data standards to improve the interoperability of BCAs' IT systems and consistency of experience for applicants.

This regulatory impact statement (RIS) is intended to meet the requirements for proposed amendments to the Building Act, the Accreditation and Building Forms Regulations, and associated operational changes. These legislative, regulatory, and operational proposals are outlined in Options One, Two, and Three.

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Officials will first assess feasibility, with any required legislative or regulatory changes to be addressed in a subsequent RIS.

### What consultation has been undertaken?

#### *Previous reviews have highlighted the need for change*

In 2014, MBIE investigated ways to improve how BCAs are structured, including options such as a shared IT system, and recommended reducing the number of BCAs to improve consistency and efficiency.

In 2021, a national accreditation report<sup>1</sup> found that BCAs were finding it increasingly necessary to work together to deal with staff shortages and skills gaps.

#### *Public consultation took place in 2023*

In June 2023, MBIE asked the public for feedback<sup>2</sup> on how to fix long-standing problems in the building consent system.

In February 2024, MBIE published a summary of submissions. Key themes included:

- people need a better understanding of their roles and responsibilities
- consent services should be more consistent, cost-effective and with less duplication
- there was strong support for BCAs working together more closely
- while views were mixed on whether BCAs should merge, most supported making it easier to do so voluntarily
- many advocated for MBIE to take a stronger leadership role in supporting shared services.

#### *Targeted engagement for BCA reform took place in 2024*

As mentioned above, in September 2024, Cabinet directed MBIE to explore options for BCA reform. Between September and December 2024, MBIE met with 40 sector groups, including industry bodies, software providers and insurers.

<sup>1</sup> [Building Consent Authority Accreditation Report: July 2019 - June 2021](#)

<sup>2</sup> [Review of the Building Consent System: Options Discussion Document Summary of Submissions – February 2024](#)

We held workshops – both in person and online – with representatives from 61 BCAs (including Consentium). We also met with regional BCA clusters (Waikato, Lakes-Coast, Mainland and Southern) to discuss the reform options.

### *What we heard*

There was strong support for reform, but no clear preferred option. Stakeholders wanted:

- a more standardised approach to consenting
- regional presence and community connection to be maintained
- stronger leadership from MBIE
- centralised training for BCOs.

**Is the preferred option in the Cabinet paper the same as preferred option in the RIS?**

Yes.

## **Summary: Minister's preferred option in the Cabinet paper**

MBIE engaged an external contractor to conduct a quantitative cost-benefit analysis of the preferred option. The analysis outlines the costs and benefits for BCAs considering or undertaking consolidation, as well as the increased benefits of improved standardisation and consistency for applicants and the broader building consent system.

### **Costs (Core information)**

Consolidation will involve one-off costs for councils, primarily related to organisational restructuring and IT system changes. MBIE is unable to accurately estimate these costs without knowing which BCAs may choose to consolidate in response to the proposed changes, and how they choose to consolidate.

We assume changes may be more prevalent among smaller BCAs. Actual costs will vary depending on the BCAs that opt to undertake consolidation, and the scale of changes required.

We expect consolidation will include costs to councils related to:

- consultation, engagements and public consultation
- developing business cases, investigating preferred consolidation options, staff training, IT system upgrades or integration
- risk and liability management (insurance and indemnity planning)
- public communication
- testing new structures, monitoring and evaluation.

Preliminary estimates suggest these costs could range from approximately

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MBIE will incur costs for:

- legislation amendments
- supporting implementation of operational changes
  - Development of guidance and templates
  - Development of consistent data standards
  - Confidential advice to Government
- ongoing operational support.

At this stage, we do not have a precise estimate of these costs. However, we understand that resources required for the implementation and ongoing operations of the proposed operational options could be accommodated within existing MBIE teams and will be met through funding

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available under the Building Levy appropriation.

### **Benefits (Core information)**

The proposed changes will enable smaller BCAs to achieve economies of scale, improve efficiency, and more readily access resources and services from other BCAs, helping to reduce costs for councils and potentially ratepayers.

We estimate benefits to councils related to enabling consolidation will include reduced operational costs of:

- accreditation, collective overheads, administration or coordination
- training and specialisation (greater specialisation due to scale also improves risk management)
- IT systems (through shared infrastructure and technology).

We expect standardising consenting processes would reduce variation across BCAs, improving applicants' experience navigating the consenting system and enabling more predictable and consistent outcomes for regulated parties (eg building practitioners and homeowners). Consolidation and reduced number of accredited BCAs would lead to reduced frequency of audits and lower resource demands on IANZ.

We also expect removing legislative and regulatory barriers to consolidation would strengthen the regulatory system by reducing unintended gaps, inconsistencies and duplicative requirements that BCAs currently face when seeking to consolidate or share resources.

We expect benefits for MBIE to include better evidence to inform policy development and system monitoring. Standardised consenting processes will allow MBIE to develop more specific guidance and lay the groundwork to encourage more BCAs to consolidate in the future.

### **Balance of benefits and costs (Core information)**

Analysis showed that the total costs and benefits will depend on the extent of organisational change resulting from the proposed package of reforms.

In the analysis, the benefits required to break even have been interpreted as the required cost savings (through reduced accreditation costs or reductions in collective overheads, administration or coordination costs) to offset the costs associated with consolidation. The analysis also outlined the improved consenting efficiencies that would result from consolidated BCAs.

#### *Benefits to councils:*

We expect the efficiency gains through cost savings to offset the costs of removing barriers to consolidation and introducing non-regulatory measures (ie to break even). We also expect the benefit-cost ratio to increase over time as BCAs standardise their processes or transfer their functions and as the quality of consenting data improves to support better reporting.

We understand any resulting efficiencies or cost reductions would generally benefit BCAs, with greater gains likely for those TAs/BCAs that implement operational changes in response to the proposed option. These operational savings are expected to be redirected to fund other council priorities.

#### *Benefits to ratepayers and sector participants:*

To the extent that the changes enable more cost-reflective pricing, this could deliver benefits to ratepayers within the affected TAs where the cost of delivering building consent services may be subsidised by rates funding.

Consolidation and operational changes can lead to cost savings and efficiency gains, ultimately reducing build times. Additional benefits may arise from standardised processes, reduced duplication, shared resources, tools and services, BCAs' improved ability to deal with peaks and changes in demand, resulting in overall enhanced experiences for applicants.

### *Indirect costs and benefits:*

To assess the indirect costs and benefits of the organisational changes that may result from the policy changes, two scenarios were examined:

1. A higher uptake scenario where regional consolidations occurs, and all BCAs consolidate to 12 main consenting authorities.
2. A low uptake scenario where there are two consolidations of three BCA functions.

Considering the current structure of BCAs and feedback received during targeted engagement, we consider Scenario 2 – lower uptake involving two consolidations of three BCA functions – to be most likely to take place in the short term.

According to Scenario 2, preliminary break-even analysis estimates that average annual cost savings of \$0.4 million are required to offset the total costs of consolidation across the participating BCAs, along with an average reduction of 1.05 days per build.<sup>4</sup>

Additionally, BCA consistent data standards, processes, forms, and guidance could bring a range of indirect benefits:

#### *Improved regulatory oversight*

- Better data quality and comparability across BCAs allows MBIE to develop more accurate analysis and evidence-based policy decisions.
- Facilitates early identification of systemic issues or emerging trends in the building sector.

#### *Enhanced transparency in the consent system*

- Consistency builds confidence among applicants and the public that the system is fair and predictable.
- Easier for stakeholders to understand and navigate the system, reducing perceptions of arbitrariness.

#### *Stronger collaboration and innovation*

- Shared standards make it easier for BCAs to collaborate, share tools, and co-develop solutions.
- Encourages innovation in digital services, such as automated checking tools or national consent platforms.

#### *Workforce mobility and capability building*

- Standardised processes support training and upskilling, making it easier for staff to move between BCAs.
- Reduces onboarding time and supports more consistent professional development.

#### *Economic and sector-wide benefits*

- Greater predictability reduces risk for developers and investors, encouraging more consistent investment.
- Supports scaling of construction businesses by reducing regional variation in compliance requirements.

#### *Resilience and responsiveness*

- A consistent system is easier to adapt in response to emergencies, legislative changes, or demand surges.
- Enables centralised support or intervention when needed.

## **Implementation**

If the preferred option is pursued (Option Three), the proposed changes to the Act and Accreditation and Building Forms Regulations will be drafted and given effect through a Building Amendment Bill that is to be introduced to the House of Representatives

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The changes to legislation and regulations will be communicated through public communications

<sup>4</sup> This scenario assumes the six councils participating in consolidations are representative of the national average in terms of size, consenting activity, and operational costs. Sensitivity testing was applied to account for uncertainties around the figures presented.

(eg ministerial press release) and targeted communications to key stakeholders. MBIE is also in regular contact with BCAs and IANZ and will be available to respond to any queries regarding the change.

In order to implement this option, MBIE will:

- request that the Minister issue a letter of expectation to BCAs and TAs to set a clear expectation that they consolidate their BCA functions
- carry out a feasibility study, consult with current consenting IT providers and BCAs to develop common data standards to improve consistency and interoperability and to support Confidential advice to Government
- work with BCAs, IANZ and membership networks such as Taituarā to facilitate the sharing of a best practice quality assurance manual
- provide guidance, templates and other support to BCAs interested in consolidating or cooperating.

## Limitations and Constraints on Analysis

This RIS contains several limitations and constraints which have impacted the analysis. These include:

*Limited quality of evidence-base:* The ability to quantify costs is inherently constrained, as they depend on the specific decisions made by individual councils regarding consolidation. This makes it difficult to establish a consistent or comprehensive evidence base across BCAs.

*Uncertainty of uptake:* As a voluntary approach relies on individual BCAs' willingness to consolidate and improve collaboration and coordination, we are not able to predict the level of uptake and success this proposal will have. However, we understand there are multiple BCAs that would consider consolidation if barriers were to be removed.

*No accurate data on consenting processes:* It is difficult to make a comprehensive quantitative assessment of the cost impact to businesses of inconsistencies and uncertainties within BCA consenting processes due to the numerous factors that contribute to consent system delays. All insights gathered during targeted engagement on the challenges of navigating the system have been anecdotal, however, similar concerns about system inconsistency and uncertainty were also raised in the 2022 Building Consent System Review, providing some level of confidence that there are underlying problems that underpin the rationale for government intervention.

**I have read the Regulatory Impact Statement and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the preferred option.**

**Responsible Manager(s)  
signature:**



**Fiona Hill  
Manager Systems and Markets  
Policy (Acting)  
28 July 2025**

## Quality Assurance Statement

**Reviewing Agency:**

**QA rating:** Meets

**Panel Comment:**

*A Quality Assurance Panel from the Ministry of Business, Innovation and Employment*

*(MBIE) has reviewed the regulatory impact statement (RIS) prepared by MBIE titled Regulatory Impact Statement: Building Consent Authority – barriers to consolidation. The Panel considers that the information and impact analysis summarised in the RIS meets the quality assurance criteria. The Panel considered there to be a logical relationship between the context, problem and preferred option. It considered that the limitations to, and uncertainty of, analysis were clearly set out. It noted that there has been extensive stakeholder consultation and that, while the preferred option was not specifically*

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## Section 1: Diagnosing the policy problem

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### What's the context behind the problem?

#### *Building consent services are primarily delivered by local councils*

1. There are currently 68 Building Consent Authorities (BCAs) responsible for approving building consents in New Zealand. These include:
  - 66 local councils
  - Consentium (part of Kāinga Ora)
  - one private BCA - Building Consent Approvals Limited (BCAL).
2. Before any building work starts, applicants must get a building consent to demonstrate their plans will result in a building that complies with the New Zealand Building Code. The Building Code is a national, performance-based set of rules setting out how buildings must perform. BCAs also inspect the work during construction to confirm it matches the approved plans and issue a Code Compliance Certificate (CCC) when it is finished.

#### *The Building Act 2004 intended for councils to consolidate consent functions over time, but this change hasn't materialised*

3. The Building Act 2004 (the Act) gave territorial authorities (TAs/councils) the power to approve building consents. It also required them to become accredited BCAs through an independent accreditation body, International Accreditation New Zealand (IANZ) – unless they fully transferred their functions to another BCA. It was intended that smaller councils would eventually share functions or consolidate to reduce duplication and improve efficiency<sup>5</sup>. While service sharing and collaboration between BCAs is happening in practice, barriers to formal consolidation and partial transfers are preventing economies of scale in BCAs that could improve efficiency and service delivery.

#### *Accreditation costs were expected to incentivise consolidation*

4. Accreditation was introduced to ensure councils delivered adequate consenting services and to encourage those lacking capability to form arrangements with other councils or certifiers. It was expected that the associated costs and requirements of accreditation would incentivise formal regional collaboration, driving consolidation and economies of scale.

#### *Councils are finding ways to work together under current settings – but face limits to formal consolidation*

5. Many BCAs already collaborate formally and informally to share resources and manage workloads. These arrangements include:
  - cluster groups that meet regularly and share tools and processes
  - shared services like IT, training and quality management
  - contracting out work to other councils or private providers
  - formal transfer of functions.
6. During MBIE's engagement, councils expressed a strong willingness to collaborate. However, without clear guidance from the government and given current legal

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<sup>5</sup> [Proposed Amendments to the Building Act - Comment](#)

constraints, their ability to do so remains limited. The Act presents significant barriers to formalising and expanding these cooperative arrangements.

7. More information on BCAs’ consolidation initiatives is outlined in **Annex One**.

*Liability settings have also made it difficult to develop alternative consent authority arrangements*

8. The current system relies heavily on BCAs to provide quality assurance, as they are often held financially responsible under the joint and several liability rule where there are absent or insolvent parties in building defect disputes.
9. This disproportionately burdens BCAs with potential liability for work undertaken by insolvent parties, forcing them to hold significant amounts of contingent liability, which affects council debt and acts as a barrier to private BCAs operating.
10. The presence of BCAs as deep-pocket defendants can distort incentives, encouraging other parties to avoid accountability and rely on BCAs to settle claims. As a result, the cost of building defects is shifted onto ratepayers, and BCAs, facing disproportionate financial exposure, have become increasingly risk-averse – leading to delays and reduced innovation in the building sector.
11. As part of a separate but concurrent reform, the Government is considering options to adopt a more balanced approach to liability in the building and construction sector by ensuring parties are financially accountable for their own contribution to building defects. Joint and several is the current liability rule with proposed changes involving a shift to proportionate liability with supporting structures. These proposed changes are being presented in a separate regulatory impact statement.
12. If the Government chooses to proceed with a change to proportionate liability, BCAs will only be responsible for their contribution to building defects and will no longer play the ‘deep-pocket’ role in situations where liable parties are absent. This would remove a significant financial burden and reduce the risk profile for BCAs. The change may allow BCAs to innovate more and enable a risk-based approach where high-performing operators benefit from streamlined and fast-tracked processes.

*Other ongoing initiatives in the building and local government space*

13. Proposed changes to BCA settings sit within a wider set of reforms to the building regulatory system aimed at shifting risk and oversight in building control to speed up building work. Related initiatives are summarised below.

Table 1 Current building system reforms

Decisions already made to:	
Reduce number of consents	Improve consenting efficiency
<ul style="list-style-type: none"><li>Exempting granny flats (standalone buildings less than 70m2) from requiring a building consent and strengthening occupational licensing regimes (work is ongoing on implementation and legislative changes).</li></ul>	<ul style="list-style-type: none"><li>The Building (Overseas Building Products, Standards, and Certification Schemes) Amendment Act 2025 intends to improve competition in the building materials market by making it easier for overseas products to be used in New Zealand.</li></ul>

	<ul style="list-style-type: none"> <li>Amending regulations to clarify the definition of 'minor variation' to make product substitution more predictable and consistent, and defining 'minor customisation' for MultiProof to allow minor design changes without voiding a certificate.</li> </ul>
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Ongoing work to:		
Reduce number of consents	Improve consenting efficiency	Achieve fairer accountability
<ul style="list-style-type: none"> <li>Amending the Plumbers, Gasfitters and Drainlayers Act 2006 to enable plumbers and drainlayers to self-certify for simple residential work.</li> <li>Amending the Building Act 2004 to enable building companies to self-certify for whole simple residential buildings.</li> <li>Amending Schedule 1 of the Building Act to exempt rooftop solar panel installation from requiring a building consent.</li> </ul>	<ul style="list-style-type: none"> <li>Requiring BCAs to complete 80 per cent of inspections within 3 working days of the date requested.</li> <li>Introducing a new 10-day fast-track building consenting timeframe for buildings with solar panels Confidential advice to Government</li> </ul>	<ul style="list-style-type: none"> <li>Investigating changing the liability rule for building and construction from joint and several to proportionate liability</li> <li>Strengthening occupational licensing to lift practitioner performance.</li> </ul>

14. Significant regulatory reforms are also underway affecting wider local government systems. The impact of forthcoming changes to local government services needs to be taken into account when considering changes to council BCA requirements. Relevant reforms include:

- a. **Resource management reform:** The Government is introducing new planning legislation to replace the Resource Management Act 1991, which focusses on private property rights, and liberalising the planning system with specific guidelines on protecting the environment.
- b. **Local government reform:** Changes to the Local Government Act 2002 direct councils to focus on delivering essential services and core infrastructure, spending responsibly and providing transparent financial reporting for public scrutiny.
- c. **Services reform:** Local government water reforms are aimed at creating a more sustainable, locally accountable, and efficient system for managing drinking water, wastewater, and stormwater services.

*In 2024, Cabinet directed MBIE to investigate options for BCA reform*

15. In September 2024, Cabinet agreed that MBIE should explore options to reform the structure of New Zealand's 66 local BCAs to make the system more consistent, efficient, and easier to navigate.

16. Cabinet approved targeted engagement on three options [ECO-24-MIN-0192]:

- Removing barriers to voluntary consolidation.
  - Creating regional BCAs.
  - Establishing a national BCA or single point of contact.
- Options for significant structural reform (ie regional BCAs/national BCA) were discounted due to wider local government reforms currently underway (resource management reform, water and potential local government reforms). Additionally, the Government is proposing a shift in the liability rule in the building sector, moving from joint and several to proportionate. This change is expected to address underlying inefficiencies and inconsistencies in the BCA structure and overall consent system.
  - The dynamic of the BCA landscape has recently changed. There is growing interest from private BCAs to operate nationally, which will provide a consistent service for applicants who choose to use them rather than the local council BCA. The registration of BCAL as a stand-alone private BCA has recently been confirmed, and the **Confidential advice to Government**
  - While we understand that BCAL's initial operations will be undertaken in Selwyn and are likely to focus on lower risk work to limit exposure, associated work underway proposing to change the liability rule from joint and several to proportionate may encourage more private BCAs to enter the market and the likes of BCAL to broaden their scope.
  - These ongoing changes to the BCA structure and consent system have highlighted the need to prioritise a council-led consolidation approach.
  - Following Cabinet's decision in September 2024, we discounted two of the originally agreed options and two options raised during targeted engagement.

Table 2 Options considered and discounted

Agreed by Cabinet in September 2024		
Option:	Perceived benefit:	Discounted because:
1. Creating regional BCAs	Could result in greater economies of scale and more efficient consenting authorities.	Given the scale of reform currently underway in local government – particularly in water services and resource management – the uncertainty and pressure on councils make it a difficult time to direct consolidation. Proceeding with mandatory consolidation now would be challenging and could risk compounding existing tensions.
2. National BCA	Would deliver the greatest consistency for applicants.	While this option has the greatest potential to drive consistency and efficiency, it would likely require significant resource, time and change to establish.  Shifting liability for building quality assurance solely to the Crown would significantly impact the Government's balance sheet, as this risk is currently distributed across local authorities.

Raised during targeted engagements		
Option:	Perceived benefit:	Discounted because:
3. Establishing a single consenting IT system	A single consenting IT system would improve consistency of processes for applicants and BCAs.	A burgeoning market already exists for consent applications, fostering innovation and consistency in consenting and IT solutions. Introducing a central IT system could risk creating a monopoly in the market and stifling further development.
4. Establishing a specialised central consenting entity	The entity would take on Crown projects (particularly schools) and complex commercial (C3) buildings to relieve smaller BCAs with limited capacity and capability from managing complex projects.	Concerns raised about restricting BCAs' access to complex projects, which could affect their ability to attract and retain skilled and experienced BCOs.

22. For the above reasons, the Government's strategic approach is now to pursue voluntary consolidation.

### How is the status quo expected to develop if no action is taken?

23. If no action is taken:
- small BCAs will continue to face high costs to maintain accreditation, even if they process fewer consents
  - inconsistencies and inefficiencies in how consents are processed will persist across the country
  - opportunities to improve service delivery, reduce duplication and scale up capability will remain limited
  - the system will likely become less sustainable, especially for smaller councils struggling with staffing, training and compliance
  - the Government's wider building sector reforms, including consent exemption for small standalone dwellings and self-certification, are focused on reducing the amount of building work that requires a building consent. Reducing the volume of applications in the regulatory system may exacerbate the diseconomies of scale already experienced.

### What is the policy problem or opportunity?

#### *The current regulatory system limits BCAs' ability to consolidate*

24. Some of the requirements for BCAs are too rigid, making it hard for councils to work together in ways that could improve building consent services. There is an opportunity to enhance flexibility within the consent system to support the emergence of alternative BCA structures. Removing legal and practical barriers that hinder collaboration between BCAs could help incentivise consolidation.

*The Act provides for councils to share or transfer BCA functions, but there are limitations to doing this in practice*

25. There are several barriers in the Act that prevent councils from consolidating building consent services:
- TAs must remain accredited even if they transfer part of their BCA function, which means they still carry costs and legal risks.
  - The Act allocates building control responsibilities between TAs and BCAs, making it difficult to contract out or share functions.
  - Councils can't transfer their BCA function to organisations that aren't TAs/ councils – such as Council-Controlled Organisations (CCOs)<sup>6</sup>, or standalone BCAs – which may be preferred options.
26. Section 213 of the Act allows councils to delegate building consent functions to other BCAs, including private ones. In practice, many TAs outsource these functions to other councils, CCOs, or private contractors when they lack the capability or capacity to process applications.
27. Section 233 of the Act enables a council to, “transfer 1 or more of its functions, duties, or powers under this Act to another territorial authority”, subject to a process that includes undertaking the special consultative procedure (SCP) outlined in section 83 of the Local Government Act 2002.
28. In the case of a full transfer of building consent functions, duties or powers, the transferring council is not required to maintain accreditation and registration. Although permitted under the Act, this option is generally not preferred by most councils, which – due to political and operational considerations – tend to favour partially retaining their BCA functions. To date only the Chatham Islands Council has fully transferred its functions (to Wellington City Council).

## **Why does this matter?**

*Many BCAs are too small to operate efficiently*

29. The 66 council BCAs process around 70,000<sup>7</sup> building consents per year, of which around 30,000<sup>8</sup> are for new dwellings (data from January-December 2024). Of these, Auckland processes 46 per cent, with the other 66 BCAs averaging fewer than 1,000 consents each.
30. Some BCAs lack scale to be able to recover the cost of building consent services while keeping consent fees at a level that is acceptable to applicants. Therefore, they may need to subsidise building consent services from general rates funding. In some cases, this results in a subsidy ranging from **Commercial Information**. This

<sup>6</sup> Council-controlled organisations (CCOs) are independent entities in which one or more councils have the responsibility to appoint at least 50 per cent of the board of directors or trustees. CCOs are used by councils to deliver a wide range of services, such as transport, water, economic development and cultural activities.

<sup>7</sup> [Annual Building Consent System: Performance Monitoring 2024](#)

<sup>8</sup> [Building consents issued: December 2024 | Stats NZ](#)

<sup>9</sup> Data on consenting fees subsidised through rates is very limited. The figures referenced are based on a sample of 11 councils, with significant variation across them, making it difficult to present a meaningful average. **Commercial Information**

A few do not use ratepayer subsidies at all, and some are even generating a surplus.



impacts the funding available for other core council functions and contributes to higher ratepayer costs.

31. There are also significant capacity and capability constraints in the sector. Councils and BCAs report it is increasingly difficult to attract and retain appropriately qualified building consent staff due to skill shortages, competition with the private sector, and the accreditation scheme's emphasis on policies, procedures and systems.

#### *The system is fragmented and inconsistent*

32. There are 68 BCAs – encompassing 66 councils, Consentium (a Crown BCA), and one private BCA. Many operate differently, which creates confusion and extra costs for builders and developers who work across council boundaries. Different rules and expectations slow down projects and make it harder to plan. Differences in IT systems and processes between BCAs lead to more requests for information (RFIs), which causes delays and adds costs.

#### *Outcomes are unpredictable*

33. Inconsistencies and unpredictability within BCAs – where different BCOs request varying information for similar projects – create confusion, delay projects, and increase costs. This makes it harder for homeowners, developers, or project managers to invest, plan, and scale construction businesses effectively.
34. Stakeholders have told MBIE that inconsistencies in the consenting system are leading to increased timeframes and delays – from months to years – and further costs to building, from an extra \$500 to \$1000 for smaller projects to additional costs of up to seven figures for larger projects.
35. Local government boundaries often do not line up with iwi and hapū boundaries, meaning that iwi have to work across multiple BCAs, and experience differences in consenting processes and systems within the same region.

#### *The system is slow to adapt*

36. The current system makes it difficult for BCAs to respond quickly to changes in demand or government direction. Legislative and regulatory barriers prevent BCAs from consolidating in ways that best work for them and their operating models. Accreditation requirements – which require separate assessments for each BCA – and the joint and several liability rule, which can leave councils liable for more than their share, can make BCAs hesitant to adopt new approaches. Collectively, these settings slow innovation and reduce the system's overall responsiveness.
37. BCAs report that accreditation requirements reduce their ability to adopt new processes and systems, which can lead to risk-averse behaviour. Although accreditation provides an important role in the regulatory system, individual BCAs can find it difficult to be responsive while maintaining accreditation due to each BCA needing to develop their own approach and have it agreed by IANZ.

### **What objectives are sought in relation to the policy problem?**

38. The primary objectives are to make it easier for BCAs to consolidate services and functions to achieve efficiencies and economies of scale, and to improve consistency

and responsiveness of processes for applicants navigating the building consent system.

### **What consultation has been undertaken?**

39. The current work builds on a long history of working with councils and the sector to address issues with inconsistency, uncertainty and inefficiency deriving from the consent system structure. There has been a consistent call for change expressed throughout various reviews of the system.

#### *Previous reviews have highlighted the need for change*

40. In 2014, MBIE looked at ways to improve how BCAs are structured, including options like a shared IT system and reducing the number of BCAs to improve consistency and efficiency. MBIE recommended a staged reorganisation of the BCA structure to evolve over time – including providing a ‘defined value proposition’ to encourage BCAs’ voluntary consolidation.
41. In December 2021, the Biennial BCA Accreditation Report Round Seven<sup>10</sup> found that BCAs were finding it increasingly necessary to collaborate and share resources to counteract challenges around attracting and maintaining suitably qualified and skilled staff.

#### *Public consultation took place in 2023*

42. In June 2023, MBIE asked the public for feedback on how to fix long-standing problems in the building consent system.
43. Ratepayers’ perspectives:
- Ratepayers were primarily concerned with cost efficiency and accountability in the building consent system.
  - They supported streamlining processes to reduce unnecessary delays and costs, which ultimately affect them through rates and housing affordability.
  - There was a desire for greater transparency in how consent decisions are made and how performance is monitored.
44. Developers’ perspectives:
- Developers expressed frustration with inconsistencies across BCAs, which lead to delays and increased costs.
  - They advocated for national consistency, especially in interpreting and applying building code requirements.
  - Developers supported new assurance pathways and risk-based consenting, which could reduce compliance burdens for low-risk projects.
  - They also emphasised the need for clearer roles and responsibilities to avoid duplication and confusion.
45. Iwi and hapū’s perspectives:
- Iwi and hapū submissions highlighted the need for the system to be more responsive to Māori building aspirations.
  - Key concerns included capacity and capability challenges, and the importance of building relationships between BCAs and Māori communities.

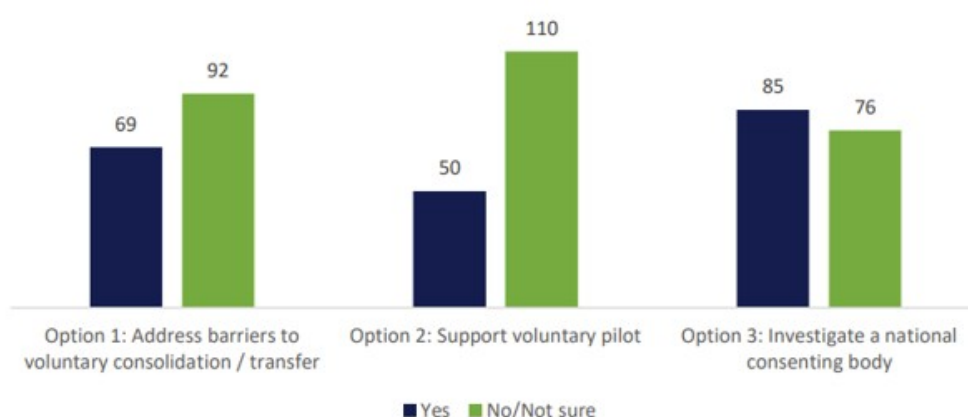
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<sup>10</sup> [Building Consent Authority Accreditation Report: July 2019 - June 2021](#)



- Submitters who agreed there are unique barriers faced by Māori stressed the need to address issues around financing and multiple ownership of land, planning issues, inconsistencies in BCAs' consenting processes and building code issues.
46. In February 2024, MBIE published the results of the Building Consent System Review, with the summary of submissions<sup>11</sup> highlighting that (Figure 1 refers):
- participants' understanding of their role and responsibilities needs to be improved
  - the delivery of building consent services should be consistent, achieve economies of scale in delivery and reduce duplication and unnecessary costs
  - there was strong support for boosting BCA capacity and capability through more coordination and joined-up service delivery
  - submitters were divided on consolidation and aggregation, but BCAs generally supported making voluntary consolidation easier
  - MBIE should play a more active role in supporting BCA consolidation or shared services – through incentives, enforcement, or by encouraging collaboration and alternative pathways.

Figure 1 - from Review of the Building Consent System, Options Discussion Document, Summary of Submissions, p.27



#### *In 2024, Cabinet directed MBIE to carry out targeted engagement*

47. As mentioned above (paragraphs 15-16), in September 2024, Cabinet directed MBIE to investigate options for BCA reform.
48. Between September and December 2024, MBIE met with 40 sector groups, including industry bodies, software providers and insurers.
49. We held workshops – both in person and online – with representatives from 61 of the 66 local BCAs (including Consentium). We also met with regional BCA clusters (Waikato, Lakes-Coast, Mainland and Southern) to discuss the reform options.

#### *What we heard*

50. There was strong support for reform, but no clear preferred option. Stakeholders advocated for:
- a more standardised approach to consenting
  - regional presence and community connection to be maintained

<sup>11</sup> [Review of the Building Consent System: Options Discussion Document Summary of Submissions – February 2024](#)

- stronger leadership from MBIE
- centralised training for BCOs.

51. It was widely acknowledged across all stakeholder groups that any option other than voluntary consolidation would need a single IT system to achieve the outcomes desired by the Government. While a single IT system would also have benefits for voluntary consolidation, it was seen as less important.

## **Section 2: Assessing options to address the policy problem**

### **What criteria will be used to compare options to the status quo?**

52. The primary policy objectives are to make it easier for BCAs to consolidate services and functions to achieve efficiencies and economies of scale, and to improve consistency and responsiveness of processes for applicants navigating the building consent system.
53. MBIE has assessed options against the following key criteria to achieve the policy objectives. The below criteria have been given equal weighting:

<b>Effectiveness</b>	Allows individual BCAs to adopt structures that best reflect their operating environment.
<b>Responsiveness</b>	The building consent system is responsive, flexible, and can adapt to changing market and regulatory settings over time to meet customer needs.
<b>Consistency and predictability for applicants</b>	The option supports administrative efficiency of consenting processes and improves predictability, reducing uncertainty and supporting applicants to plan resources and costs of projects accordingly.
<b>Implementation costs and feasibility</b>	The option is feasible, practical, and can be implemented and complied with efficiently for MBIE, councils and sector participants.

54. Regulatory and non-regulatory options are considered within scope of this analysis. Options that complement ongoing initiatives to achieve the objectives identified (paragraph 38) are also within scope.
55. Continuing with ongoing initiatives without any further change is captured as the counterfactual. A discussion of these ongoing initiatives can be found in paragraph 13.

### **What options are being considered?**

#### **Status quo**

56. The current regulatory settings have made it difficult for BCAs to consolidate, resulting in diseconomies of scale for smaller BCAs and a fragmented regulatory system affecting both regulators and building practitioners.

## Option One – Removing legal barriers

57. Under Option One, MBIE would remove the legislative and regulatory barriers currently hindering BCAs from consolidating and sharing resources.

### *Make changes to the Building Act to remove barriers to consolidation*

58. This option would remove the requirements for a council to be a BCA and to maintain accreditation if they transfer those functions to another BCA as well as rules preventing councils from transferring their BCA functions to an organisation that is not a council TA (ie a CCO, a standalone BCA or a private BCA).
59. Amendments to the Act would enable the following:
- a) Councils could partially transfer their BCA functions to other councils, standalone BCAs or a CCO without needing to retain the full scope of BCA accreditation.
  - b) Councils could fully transfer their BCA functions to a CCO, standalone BCA or private BCA. In the event the CCO, standalone BCA, or private BCA ceases to exist, the BCA functions must revert to the original council.

### *Make changes to Accreditation Regulations to shift incentives towards council-led consolidation*

60. Due to the current legislative barriers, sharing of functions and services whether it be between councils, standalone or private BCAs is usually covered by contract for service agreements which are subject to the Building (Accreditation of Building Consent Authorities) Regulations 2006 (Regulation 12).
61. While the accreditation scheme has the objective to support sharing arrangements, the regulation has often meant that shared quality manuals or policies and procedures are audited individually at each BCA and not consistently across the country, reducing the incentive of having a shared quality manual.
62. Amendments to the Building (Accreditation of Building Consent Authorities) Regulations 2006 would reduce duplicative accreditation requirements where BCAs work together, to incentivise consolidation and cooperation.

### *Updating the Building Forms Regulations*

63. We know inconsistent forms make it difficult for BCAs to consolidate as the BCAs must first agree which forms the consolidated entity will use. We propose updating and standardising the Building (Forms) Regulations 2004 to make them more fit for purpose and suitable for the digital environment and reduce opportunities for differences between BCAs.
64. MBIE could also update and standardise forms for other council functions, outside of consenting, that may be within the scope of consolidation or transfer. See **Annex Two** for details.

## Option Two – Providing tools and guidance to support consolidation

65. Under Option Two, MBIE would remove legislative and regulatory barriers to consolidation (Option One) and introduce a package of operational changes to shift incentives to encourage council-led regional groupings of BCAs.

### *Make operational changes to support council-led consolidation*

66. Proposed operational changes will not require Cabinet approval to be implemented and include:
- a) Setting clear criteria and expectations – in a ministerial letter – on how to achieve efficient council-led BCA regional groupings and formal shared agreements.
  - b) MBIE to facilitate the development and sharing of a best-practice quality assurance manual.
    - i. The manual would provide BCAs with a standardised way to demonstrate compliance with the accreditation requirements relevant to QA processes. This would ensure consistency and remove the need for BCAs to invest resources and time developing and maintaining their own quality manuals.
  - c) MBIE to provide guidance, templates, exemplars of consolidation options and other support to BCAs interested in consolidating or cooperating.
    - i. This would reduce the administrative burden associated with consolidation and help BCAs understand what is required and how to progress consolidation or other forms of council-led regional groupings.

## Option Three – Remove legal barriers, provide support and set data standards (preferred)

67. Under Option Three, MBIE would introduce the package of legislative, regulatory and operational changes (presented in Options One and Two) with the addition of setting consistent data standards and IT requirements.
68. As part of this option, we propose:
- a) MBIE to set common data standards and system requirements (eg checklists, naming conventions, interface to other system requirements) to improve the interoperability of BCAs' IT systems and consistency of experience for applicants.

Confidential advice to Government

69. This additional change would enhance the consistency of the applicant experience across different BCAs by establishing a standard interface and set of functionalities. It would also facilitate greater collaboration, functional sharing, and potential consolidation among BCAs, as they would be working within a unified set of IT requirements.

70. These changes would also promote national consistency, particularly in a landscape where the number of BCAs is already beginning to grow as private BCAs enter the market. Setting consistent processes would ensure that consenting procedures remain uniform across the country.
71. This regulatory impact statement (RIS) is intended to meet the requirements for proposed amendments to the Building Act, the Accreditation and Building Forms Regulations, and associated operational changes. These legislative, regulatory, and operational proposals are outlined in Options One, Two, and Three.
72. MBIE is seeking Cabinet's in-principle agreement to establish common data standards  
Confidential advice to Government Officials will first assess feasibility, with any required legislative or regulatory changes to be addressed in a subsequent RIS.
73. A summary of the proposed changes is attached in **Annex Two**.

Table 3 How does the option compare to the status quo?

	Status quo	Option One – Remove legal barriers	Option Two – Remove legal barriers and provide support	Option Three – Remove legal barriers, provide support and set data standards (preferred)
Effectiveness	0	<div><div></div><div>+</div></div> <div>Provides opportunity for BCAs to investigate the consolidating option that best works for them.</div>	<div><div></div><div>+</div></div> <div>Guidance and tools support BCAs ‘on the fence’ to consider consolidation or sharing of resources options.</div>	<div><div></div><div>++</div></div> <div>Improves BCA interoperability, enabling greater collaboration and resource sharing. Enhances consolidation options and delivers cost savings for BCAs (through economies of scale, redirection of funding, reduced IT/accreditation costs) and applicants (via more efficient, consistent consenting processes leading to reduced delays and improved project timelines).</div>
Responsiveness	0	<div><div></div><div>0</div></div> <div>Positive outcomes in responsiveness will depend on the uptake of voluntary consolidation.</div>	<div><div></div><div>+</div></div> <div>Provides additional incentives and support for BCAs to consolidate, allowing smaller BCAs to achieve economies of scale, improving responsiveness to sector demand and Government expectations.</div>	<div><div></div><div>++</div></div> <div>It enables BCAs to collaborate more easily and access external expertise, improving flexibility and responsiveness to changing demand and innovation. Standardised IT requirements <div>Confidential advice to Government</div> also enhance MBIE’s oversight of system performance.</div>
Consistency and predictability for applicants	0	<div><div></div><div>0</div></div> <div>Likely to depend on uptake of consolidation and processes used among the BCAs.</div>	<div><div></div><div>+</div></div> <div>Guidance, tools and updated regulations will drive standardisation of forms and processes to facilitate consistency between BCAs. This will also improve consistency in applicants’ experience with different BCAs.</div>	<div><div></div><div>++</div></div> <div>This option promotes efficiency, consistency, and certainty in building consent processes by enabling flexible BCA service delivery and standardising forms, procedures, IT systems, and data standards. These improvements are expected to reduce the time and cost of building work.</div>
Cost/feasibility	0	<div><div></div><div>++</div></div> <div>Limited to costs of amending legislation and regulations. Will be met through MBIE’s baseline.</div>	<div><div></div><div>+</div></div> <div>Limited to costs of producing guidance, tools, legislative and regulatory amendments. Will be met through MBIE’s baseline.</div>	<div><div></div><div>-</div></div> <div>This option requires legal, regulatory, and operational changes, which will take time and investment. Once implemented, it will enable BCAs to operate more flexibly and efficiently, especially where internal capability is limited, and is likely to deliver the greatest cost and time savings for homeowners and practitioners.</div>
Overall assessment	0	<div><div></div><div>+3</div></div> <div>Enables BCAs to consolidate into standalone entities and transfer functions without retaining accreditation. However, unlikely to achieve meaningful impact without additional incentives.</div>	<div><div></div><div>+4</div></div> <div>Provides set of additional incentives and support to drive BCAs towards consolidation. More resource intensive than option 1.</div>	<div><div></div><div>+5</div></div> <div>Delivers cost savings to the building sector and local government. While resource-intensive, it offers the greatest potential to enhance applicant experience and BCA flexibility. Additional funding will be covered by the Building Levy appropriation.</div>

Key:

++

much better than counterfactual

+

better than counterfactual

0

about the same as counterfactual

-

worse than counterfactual

--

much worse than counterfactual

**What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?**

74. MBIE's preferred approach is **Option Three**: remove legislative and regulatory barriers, provide operational support and set common data standards to shift incentives to encourage council-led consolidation of BCAs (the full list of amendments can be found in **Annex Two**).
75. The package of changes proposed in Option Three seeks to remove barriers that hinder consolidation, supporting BCAs in achieving economies of scale and improving consistency and efficiency for both BCAs and applicants. The package will:
- Provide incentives for BCAs to consider consolidation and transfer of functions based on the operational cost savings they could achieve (eg through reduced costs of liability, accreditation, IT services and overheads).
  - Provide BCAs with the flexibility to implement the consolidated option that best suits their circumstances – for example, by fully or partially transferring BCA functions to another TA, CCO, standalone BCA, or private BCA. This approach would ensure the legislation is adaptable, enabling BCAs to tailor regulatory practices to their specific needs and preferences, and to adopt more efficient or innovative methods for fulfilling their regulatory responsibilities.
  - Remove legislative and regulatory barriers to consolidation that would strengthen the regulatory system by reducing unintended gaps, inconsistencies, and duplicative requirements that BCAs currently face when seeking to consolidate or share resources.
  - Enable smaller BCAs to achieve economies of scale, improve efficiency, and more readily access resources and services from other BCAs would help reduce costs for councils and potentially ratepayers.
  - Equip BCAs with the necessary tools and guidance to explore and implement the consolidated option that best suits their needs. MBIE will ensure that this guidance is accessible, clearly articulated and adaptable – allowing it to evolve in response to changing circumstances or emerging insights into the regulatory system's performance.
  - Provide BCAs with the tools to enhance consistency, responsiveness, and efficiency for both BCAs and applicants. This would reduce variation across BCAs, improving applicants' experience navigating the consenting system and enabling more predictable and consistent outcomes for regulated parties.
  - Standardise forms and IT requirements to enable BCAs to collaborate more effectively, share resources, and streamline joint efforts.
76. This combined approach would support council-led regional consolidation, achieving the best balance of fewer BCAs, maintaining local needs and interests, and limiting the

cost of change. It also creates solid foundations for adopting standardised processes or services in the future.

77. In contrast, MBIE's preferred option (Option Three) will deliver all required operational, regulatory, and legislative changes to achieve the objective of incentivising BCA consolidation.
78. Despite higher costs than Option Two, it is for these reasons that Option Three will best deliver net benefit while meeting the criteria outlined in paragraph 53 and compared in Table 3.

**Is the Minister's preferred option in the Cabinet paper the same as the agency's preferred option in the RIS?**

79. Yes, the Minister's preferred option in the Cabinet paper is the same as MBIE's preferred option in the RIS – to remove legislative and regulatory barriers, provide operational support and set common data standards to shift incentives to encourage council-led consolidation of BCAs.



**What are the marginal costs and benefits of the preferred option in the Cabinet paper (enabling council-led consolidation)?**

Affected groups	Comment	Impact	Evidence Certainty
<b>Additional costs of the Minister's preferred option compared to taking no action</b>			
Building consent authorities	One-off costs to councils to investigate consolidation options (legal fees, developing business cases, engagements, public consultation).	Medium	Medium (varies between BCAs)
	One-off consolidation costs, including: <ul style="list-style-type: none"> <li>• updating and implementing policies, procedures and systems</li> <li>• IT changes, legal costs, organisation changes</li> </ul> Ongoing review.	High	Medium (varies between BCAs)
MBIE	One-off cost of legislation changes and resourcing to support the changes.	Low	High
	One-off cost of developing guidance and training materials. Ongoing costs of keeping new material up to date. Ongoing costs of gathering and publishing data. <b>Estimated resources:</b> 0.5 Senior Advisor (implementation team) 0.4 Principal Advisor (implementation team) 0.4 Principal Advisor/Senior Advisor (technical team) <b>Estimated costs:</b> Commercial Information	Medium	High
	Monitoring consolidation costs and effectiveness.	Low	High (will depend on consolidation uptake)
	Setting common data standards and developing <small>Confidential advice to Government</small> <b>Estimates resources:</b> 0.6 Senior Advisor (implementation team) 0.4 Principal Advisor (implementation team) 0.4 Principal Advisor/Senior Advisor (technical team) 0.4 Project Coordinator (implementation team) <b>Estimates costs:</b> Commercial Information; Confidential advice to Government	High	High (will depend on feasibility study)

Homeowners, builders, designers, other users of consenting processes, rate payers	Potential costs for builders, designers, and other applicants to adapt to new systems and processes used by BCAs. Potential additional costs to rate payers to allow councils to carry out consolidation option.	None	High
IANZ	Potential costs to IANZ to adapt to BCAs' new systems and process. Resources involved to support the development of best-practice QA manual.	Low	Medium
<b>Total monetised costs</b>	-	-	-
<b>Non-monetised costs</b>		High	Medium
<b>Additional benefits of the Minister's preferred option compared to taking no action</b>			
Building consent authorities	Ongoing benefit – improved processes for BCAs consolidating, smaller BCAs achieving economies of scale, resulting in operational cost savings. Cost reductions from shared IT and training services. Fewer delays in providing services and less need to outsource due to larger entities having greater ability to manage absences/localised spikes in demand. Reduced costs for IANZ accreditation due to fewer entities needing separate assessments.	Medium-high	Low-medium (depends on number of BCAs wanting to consolidate)
MBIE	Improved consenting system and performance monitoring. Better evidence to inform policy development.	High	High
Homeowners, builders, designers, other users of consenting processes, ratepayers	More streamlined consenting and certainty for planning building process. Will mean fewer delays, keeps work moving. Reduced costs to rate payers shouldering costs associated with smaller BCAs.	High	Medium (will depend on region and whether BCAs have consolidated)
IANZ	Potentially reduced frequency of audits and lower resource demands on IANZ.	Medium	Medium
<b>Total monetised benefits</b>	-	-	-
<b>Non-monetised benefits</b>	-	High	Medium

80. MBIE engaged an external consultancy to conduct a quantitative cost-benefit analysis of the preferred option. The analysis outlines the costs and benefits for BCAs considering or undertaking consolidation, as well as the increased benefits of improved

standardisation and consistency for applicants and the broader building consent system.

81. The analysis showed that the total costs and benefits will depend on the extent of organisational change resulting from the proposed package of reforms.
82. TAs and BCAs are also expected to incur costs to support and contribute to these changes. This underscores the importance of ensuring that any resulting organisational changes or BCA consolidations deliver net benefits (ie benefits exceeding costs) that justify the direct costs associated with the policy changes.

#### *Summary of results*

83. We expect the costs of removing barriers to consolidation combined with non-regulatory measures to be offset by the benefits. We also expect the benefit-cost ratio to increase over time as BCAs standardise their processes or transfer their functions, and as the quality of consenting data improves to support better reporting.
84. The expected benefits would likely to be ongoing while the costs would be temporal (ie one-off upfront or incurred only over the short-term).

#### **Policy development costs and monitoring – MBIE**

85. MBIE will incur costs relating to legislation amendments and resourcing to support the operational changes. At this stage, we do not have a precise estimate of these costs. However, we expect that any additional resources required to support the development of the operational options will be met through funding available under the Building Levy appropriation.
86. We expect that the operational changes will be organised in two distinct workstreams:
  - *Workstream 1*: Update to the forms, facilitate best practice manual, and develop guidance and other education material.
  - *Workstream 2*: Support the development of data standards Confidential advice to Government
87. For *Workstream 1* – the resources required for the implementation and ongoing operations of the proposed operational options could be accommodated within existing MBIE teams. However, MBIE may require some additional support to develop guidance materials and the quality assurance manual. Confidential advice to Government
88. For *Workstream 2* – Additional funding may be necessary to support the development of workstream 2. This includes resourcing for IT roles such as a Business Analyst, Solutions Architect, and Project Manager, as well as conducting a feasibility study to assess the current consenting IT landscape. These operational changes may take up to two years to implement, depending on the availability of resources and funding. A feasibility study will be undertaken prior to development to assess the viability of this option and provide more accurate cost estimates.

89. We assume that resources required to monitor the two workstreams would be met through existing MBIE functions.

### **Costs and benefits to councils**

90. Consolidation will involve costs for councils, primarily related to organisational restructuring and IT system changes. However, estimating these costs is challenging without knowing which BCAs may choose to consolidate in response to the proposed changes. We expect changes may be more prevalent among smaller BCAs.
91. The break-even benefits represent the minimum level of cost savings required to justify the costs associated with BCA consolidation. These savings may arise from reduced accreditation costs, streamlined overheads, and improved administrative or coordination efficiencies. In addition to these system-level efficiencies, wider benefits to applicants – such as more consistent consent processes, reduced duplication, and potentially faster build times – are also expected to contribute to the overall value of the proposed changes.
92. The impacts of the preferred option will vary across TA boundaries. We anticipate that BCAs with the greatest potential benefits will be more inclined to explore these changes, and that consolidation should generally proceed only where the expected gains outweigh the associated costs for the relevant TAs and BCAs.
93. Any resulting efficiencies or cost reductions would generally benefit BCAs, with greater gains likely for those TAs/BCAs that implement operational changes in response to the proposed option. These operational savings are expected to result in improved service delivery, or where the cost of building consent functions is subsidised by rates, for the costs to be redirected to fund other council priorities.
94. To the extent that the changes enable more cost-reflective pricing, this could deliver benefits to ratepayers within the affected TAs. However, this could also shift a greater share of costs onto those undertaking building activities that require consent, where consent fees may have been kept artificially low through rates subsidisation.
95. We predict the costs and benefits to councils will include:


<b>Costs to councils</b>				
<i>Development and consultation</i>	<i>Operational and administrative</i>	<i>Risk and liability management</i>	<i>Public communication</i>	<i>Pilot programs or trials</i>

Council consultation, engagements, public consultation.	Business case, legal fees, consultation setting up a CCO/standalone BCA, staff training, IT system upgrades or integration, travel costs.	Insurance and indemnity planning for councils that may lose or share liability under new structure.	Public communication on changes	Testing new structure, monitoring and evaluation.
<b>Benefits to councils</b>				
<i>Reduced operational costs around:</i>		<i>Improved efficiencies through:</i>		
<ul style="list-style-type: none"> <li>• accreditation</li> <li>• collective overheads</li> <li>• administration or coordination</li> <li>• training and specialisation (greater specialisation due to scale also improves risk management)</li> <li>• IT systems (through shared infrastructure and technology).</li> </ul>		<ul style="list-style-type: none"> <li>• standardised processes and reduced duplication</li> <li>• sharing of resources, tools and services</li> <li>• improved ability to deal with peak demands/changes in demand</li> <li>• improved experience for applicants.</li> </ul>		

## The policy change would result in break-even benefits

96. To assess the indirect costs and benefits of the organisational changes that may result from the policy changes, two scenarios were examined:
- a) A higher uptake scenario where regional consolidations occur, and all BCAs consolidate to 12 main consenting authorities.
  - b) A low uptake scenario where there are two consolidations of three BCA functions.
97. Due to limited data on BCA operational costs and consolidation examples, the analysis drew on data from the 2010 Auckland council merger as a proxy<sup>12</sup>. Specifically, a proportion of the total costs associated with the Auckland all-of-council consolidation – reported at Commercial Information across all council activities, including IT— was used to inform the estimates. Sensitivity testing was applied to account for uncertainties around this figure.
98. Given the uncertainties, data limitations, and time constraints, the analysis adopted an approach centred on estimating the level of benefits required to justify the policy. This threshold is defined as the sum of indirect costs (which vary by scenario) and direct costs (which are expected regardless of uptake).
99. To evaluate the likelihood of achieving these benefits, the required ‘break-even’ level of benefits was translated into two practical metrics: the necessary annual average cost savings, and the equivalent annual reduction in processing time per build. The indirect costs resulting from the analysed scenarios are shown below.

Commercial Information



100. Considering the current structure of BCAs and feedback received during targeted engagement, we consider **Scenario 2** – lower uptake involving two consolidations of three BCA functions – to be most likely to take place. As such, we have focused our analysis on the results of this scenario to inform our assessment of the proposed changes.

Commercial Information



101. According to Scenario 2, preliminary break-even analysis estimates that average annual cost savings Commercial Information are required to offset the total costs of consolidation across the participating BCAs, along with an average reduction of 1.05 days per build.<sup>13</sup> The resulting break-even benefits are shown below.

Commercial Information

102. Additionally, BCA consistent data standards, processes, forms, and guidance could bring a range of indirect benefits:

<i>Improved regulatory oversight</i>	<ul style="list-style-type: none"> <li>• Better data quality and comparability across BCAs allows MBIE to develop more accurate analysis and evidence-based policy decisions.</li> <li>• Facilitates early identification of systemic issues or emerging trends in the building sector.</li> </ul>
<i>Enhanced transparency in the consent system</i>	<ul style="list-style-type: none"> <li>• Consistency builds confidence among applicants and the public that the system is fair and predictable.</li> <li>• Easier for stakeholders to understand and navigate the system, reducing perceptions of arbitrariness.</li> </ul>
<i>Stronger collaboration and innovation</i>	<ul style="list-style-type: none"> <li>• Shared standards make it easier for BCAs to collaborate, share tools, and co-develop solutions.</li> <li>• Encourages innovation in digital services, such as automated checking tools or national consent platforms.</li> </ul>
<i>Workforce mobility and capability Building</i>	<ul style="list-style-type: none"> <li>• Standardised processes support training and upskilling, making it easier for staff to move between BCAs.</li> <li>• Reduces onboarding time and supports more consistent professional development.</li> </ul>
<i>Economic and sector-wide benefits</i>	<ul style="list-style-type: none"> <li>• Greater predictability reduces risk for developers and investors, encouraging more consistent investment.</li> <li>• Supports scaling of construction businesses by reducing regional variation in compliance requirements.</li> </ul>
<i>Resilience and responsiveness</i>	<ul style="list-style-type: none"> <li>• A consistent system is easier to adapt in response to emergencies, legislative changes, or demand surges.</li> <li>• Enables centralised support or intervention when needed.</li> </ul>

## Assurance and liability relevant and being considered elsewhere

<sup>13</sup> This scenario assumes the six councils participating in consolidations are representative of the national average in terms of size, consenting activity, and operational costs. Sensitivity testing was applied to account for uncertainties around the figures presented.

103. The option explored in this section focused on a number of potential barriers to BCAs operating under different institutional arrangements with greater collaboration or consolidation. However, we note that other workstreams investigating assurance arrangements and liability settings will also be important considerations that impact decisions made by TAs in this space.

#### *Factors impacting the preferred option's uptake*

104. A number of non-regulatory factors will impact the decisions of TAs to transfer their BCA functions to other BCAs, consolidating or improving sharing of services and resources with other BCAs, which include:

- *Upfront costs to BCAs:* This will impact BCAs' ability to consolidate as they may not be willing or able to accept the trade-off of upfront costs to achieve longer-term cost savings. To be successful, this approach may require incentives for councils to deliver on the changes proposed and will need to be supported with standardised forms and processes.
- *Existential threat to TAs:* Some TAs are concerned that losing any function (including BCA functions) could pose a threat to their ongoing existence. This factor may particularly limit smaller TAs' willingness to transfer their BCA function.
- *TAs' ability to borrow:* For some Councils, building consenting functions may represent an important revenue stream, which supports their ability to borrow (this scenario can vary depending on the TA). Using debt to spread the costs of long-term assets allows some councils to invest for long-term growth and pay back their debts across the lifetime of new assets. For this reason, some TAs may be unwilling to give up their BCA functions.
- *Risk aversion:* Many BCAs have a culture of risk aversion driven by multiple factors such as historic building failures, operational processes, financial concerns and duty of care. Some TAs may see consolidation as a risk to be avoided or as something that would reduce the TA's ability to manage future risks.
- *Retaining local presence:* TAs value local knowledge and having a visible local presence for their community via the BCA function. In some cases, TAs have also established productive and valuable relationships with local building practitioners. Therefore, some TAs may be unwilling to lose this connection.
- *Local government politics:* some barriers to TAs consolidating their BCA functions are linked to political barriers at the local government level.
- *Aligning TAs' Long-Term Plans:* Councils across New Zealand experience different challenges, and their communities have different needs. Therefore, it may be difficult to align different Long Term Plans' priorities and community outcomes (including funding decisions) with those of other TAs to pursue plans to consolidate.



- *Uncertainty of cost savings for BCAs:* Councils have not provided accurate data on their costs of running their BCA functions (including accreditation and operational costs). Therefore, it is difficult to conclude whether improved sharing of resources or BCA consolidation will result in cost savings for BCAs.

*Identified risks and distributional impacts of the preferred option*

105. Non-quantified risks of the preferred option include:
  - a) reduced service delivery quality in remote areas
  - b) loss of experienced staff – impacting both capability and capacity – due to organisational changes.
106. Another unintended consequence may be the reduced availability of Rapid Building Assessors (RBAs) to respond to increasingly frequent building emergency events, such as flooding. This could diminish the on-the-ground presence of BCOs, particularly those with local building control expertise and RBA experience.
107. These risks could have lasting effects on industry participants and are influenced by the scale, frequency, and effectiveness of consolidations or organisational restructuring. The cost-benefit analysis results should therefore be interpreted with an understanding of these risks.
108. Additionally, the discussion on distributional impacts highlights the potential for a shift in costs from ratepayers to consumers, particularly if the changes promote more cost-reflective pricing and improved cost recovery. This shift may have second-order effects, such as enabling councils to support other services or undertake additional activities.
109. Another risk to consider relates to enabling TAs to transfer their BCA functions to standalone BCAs. It is important to address the possibility that a TA could fully or partially transfer its BCA functions, and the standalone BCA could subsequently cease to exist – leaving the district without a functioning BCA while a new one is stood up or functions are transferred to an alternative BCA. A related concern is the management and accessibility of consenting records – particularly how these would be accessed if the standalone BCA discontinues operations.
110. These risks are mitigated through provisions in the Building Act 2004, including:
  - a) section 212, which requires that if a TA is not performing BCA functions, it must ensure those functions are carried out by another BCA.
    - i. This means that if the standalone BCA ceases to exist, the BCA functions revert to the original TA.
    - ii. If the TA is not able (due to lack of full scope accreditation) to perform its BCA functions, it will need to make arrangements with another TA, CCO or standalone BCA (under section 213). This ensures continuity of service within the district.
  - b) section 238, which outlines the duties of standalone BCAs, including the obligation to provide the relevant TA with key information about building consent applications, decisions, and code compliance certificates within five working days.

- iii. This ensures that critical records are shared and accessible, even if the standalone BCA ceases to operate.
111. Together, these provisions help safeguard against service disruption and data loss, supporting the integrity and continuity of the building regulatory system.
112. However, further analysis is needed to determine how Section 212 of the Building Act could be amended to ensure that – if a standalone BCA ceases to exist – there is an effective backstop to protect homeowners and consumers in cases involving claims or recourse for building defects.
113. Under the current provision, functions revert to the original TA, but there remains a risk that applicants may be unable to pursue claims against the defunct standalone BCA. In such instances, the responsibility for historical claims could fall back on the TA that resumes the BCA functions. More analysis is needed to clarify what form that backstop might take, particularly in light of the Government's proposed shift toward proportionate liability.
114. We are still investigating the risks involved in removing the Special Consultative Provision (SCP) from section 234 of the Building Act. Section 234 of the Building Act 2004 requires TAs to engage with their communities using the SCP, as outlined in Section 83 of the Local Government Act 2002, when proposing to transfer any of their functions, duties, or powers.
115. Confidential advice to Government
116. Additionally, Section 56 of the Local Government Act 2002 requires councils to consult the public when establishing a CCO. As part of this process, the public could also be consulted on the proposed transfer of BCA functions to the CCO.
117. Removing the SCP provision from the Building Act could help eliminate a burdensome and costly layer of consultation – one that we heard can prevent TAs from transferring their BCA functions. Importantly, this change would still uphold the public's democratic right to be consulted on council decisions, as provided for under the Local Government Act 2002 and councils' internal policies.
118. The Act allocates functions to TAs and BCAs. This creates some issues for BCAs that are not TAs (eg CCOs, standalone BCAs, private BCAs) and for TAs who transfer or contract out their BCA functions. We are continuing to investigate the scale of these challenges, including whether they pose barriers to BCA consolidation, and exploring whether adjustments to the allocation of TA and BCA functions could help address these barriers.

119. Sections 53-66 of the Building Act govern the collection, payment, and use of the Building Levy. Amendments to some of these sections may be required to:
- Clarify who is responsible for levy collation when BCA functions are transferred.
  - Ensure standalone BCAs are recognised as liable entities under the levy framework.

#### *Limitations on analysis*

120. The analysis of a preferred option is constrained by non-regulatory factors that will influence the achievement of objectives (paragraph 38) and performance against the criteria identified in paragraph 53. These include:
- Limited quality of evidence-base:* The ability to quantify costs is inherently constrained, as they depend on the specific decisions made by individual councils regarding consolidation. This makes it difficult to establish a consistent or comprehensive evidence base across BCAs.
  - Uncertainty of uptake:* As a voluntary approach relies on individual BCAs' willingness and ability to consolidate and improve collaboration and coordination, we are not able to predict the level of uptake and success this proposal will have. However, we understand there are multiple BCAs that would consider consolidation if barriers were to be removed.
  - No accurate data on consenting processes:* We currently lack concrete qualitative or quantitative data on the inconsistencies and uncertainties within BCA consenting processes. All insights gathered during targeted engagement on the challenges of navigating the system have been anecdotal. However, similar concerns about system inconsistency and uncertainty were also raised in the 2022 Building Consent System Review.
121. The preferred option is expected to remove barriers to BCA consolidation and collaboration and perform well against the assessment criteria. However, the limitations outlined above may affect the degree of certainty and the extent to which it delivers those positive outcomes.
122. MBIE has also not been able to consult with sector participants to understand how the preferred option may impact them or the level of interest they have in taking up the proposal. This is due to the urgency with which the Government's commitment is being progressed. As outlined earlier, the proposal has been informed by the 2022 Building Consent System Review, the submissions made on this Review and feedback from targeted engagement carried out between September and December 2024.

## **Section 3: Delivering an option**

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### **How will the proposal be implemented?**

123. If the preferred option is pursued (Option Three), the proposed changes to the Act and Accreditation and Building Forms regulations will be drafted and given effect through a Building Amendment Bill that is to be introduced to the House of Representatives in

124. The changes to legislation and regulations will be communicated through public communications (eg ministerial press release) and targeted communications to key stakeholders. MBIE is in regular contact with BCAs and IANZ and will be available to respond to any queries regarding the change.

#### *Non-regulatory work*

125. The package of operational changes to support the preferred option is outlined in paragraph 66. The success of the option will depend on the uptake and interest from BCAs to consolidate into regional groupings or improve sharing of services and collaboration.
126. In order to implement this option, MBIE will:
- a) request that the Minister issue a letter of expectation to BCAs and TAs to set a clear expectation that they consolidate their BCA functions
  - b) carry out a feasibility study, consult with current consenting IT providers and BCAs to develop common data standards to improve consistency and interoperability and Confidential advice to Government
  - c) work with BCAs, IANZ and membership networks such as Taituarā to facilitate the sharing of a best practice quality assurance manual. This will incentivise more consistency between BCAs' processes and remove an operational barrier to consolidation
  - d) provide guidance, templates and other support to BCAs interested in consolidating or cooperating.

#### *Role of MBIE*

127. MBIE, as the regulator, will be responsible for the development, implementation and ongoing management of the operational changes. The implementation work will include producing guidance, making changes to the building.govt.nz website, establishing a public education campaign and producing other collateral or resources to support the changes.
128. MBIE will also have a role in updating and producing information and guidance for TAs and BCAs. This may include working with IANZ.

#### **How will the proposal be monitored, evaluated, and reviewed?**

129. This proposal, if agreed to, will need to be integrated into the existing regulatory system. One of MBIE's key roles as the system steward and central regulator is to monitor the performance of the building regulatory system.
130. MBIE will meet with these 'early adopter' BCAs at the start of the process to understand the approach they are taking to consolidation and how it is enabled by the removal of the barriers discussed above.

131. MBIE will seek feedback from 'early adopter' BCAs at key stages during their consolidation.
132. At the end of this transition time, MBIE will do targeted engagement to determine the extent to which the policy intent of fewer BCAs delivering a more consistent, efficient and predictable consent process has been realised.
133. Confidential advice to Government
134. MBIE intends to monitor:
- the number of BCAs consolidating
  - the number of TAs transferring their functions to CCOs, standalone BCAs or private BCAs
  - the number of BCAs adopting the best-practice quality assurance manual
  - applicants' consenting experience with consolidated BCAs.
135. Some of the areas listed above would be new monitoring activity for MBIE. Adequate resourcing will be essential for understanding the impact and overall effectiveness of the Government's proposal.

## Annex One: BCAs' consolidation initiatives

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**BCA cluster groups.** There are eight BCA cluster groups across the country. Five are active and formally structured, while others are more informal. These clusters help councils share:

- training and workshops
- technical decisions
- quality assurance systems.

**Shared services.** Councils also share services outside of BCA functions. These include IT, auditing, and regulatory services. While not directly part of building control, they help improve consistency and show how councils are already working together. For example, Kaikōura and Hurunui District Councils share an IT team and use the same software for managing building consents, which helps streamline their processes.

Two shared Quality Management Systems (QMS) are currently in use. These are CoLab (used by the Waikato cluster) and Simpli (used by its member councils). These systems help standardise high-level processes, but each council still customises its own procedures. Because of this, each BCA must be accredited separately.

**Contracting services.** Many BCAs have agreements with other councils or private providers to pass on work when they're busy or receive applications outside their scope. BCAs often contract out work when they're short on staff or expertise. In some cases, these arrangements become permanent, especially when councils decide not to hire in-house technical staff.

**Formal consolidation.** Examples of formal transfers of consent functions include:

- one local council, Chatham Islands Council, has fully transferring its BCA functions to Wellington City Council
- Regional authorities responsible for consenting dams have consolidated, with the functions of 11 regional authorities being delivered by only two, Environment Canterbury and Waikato Regional Council
- in 2010, seven councils and one regional authority in the Auckland region were legislatively required to amalgamate into Auckland Council: one unitary authority responsible for all local government functions in the region, including BCA functions.

*BCAs have investigated consolidation in the past or are considering now*

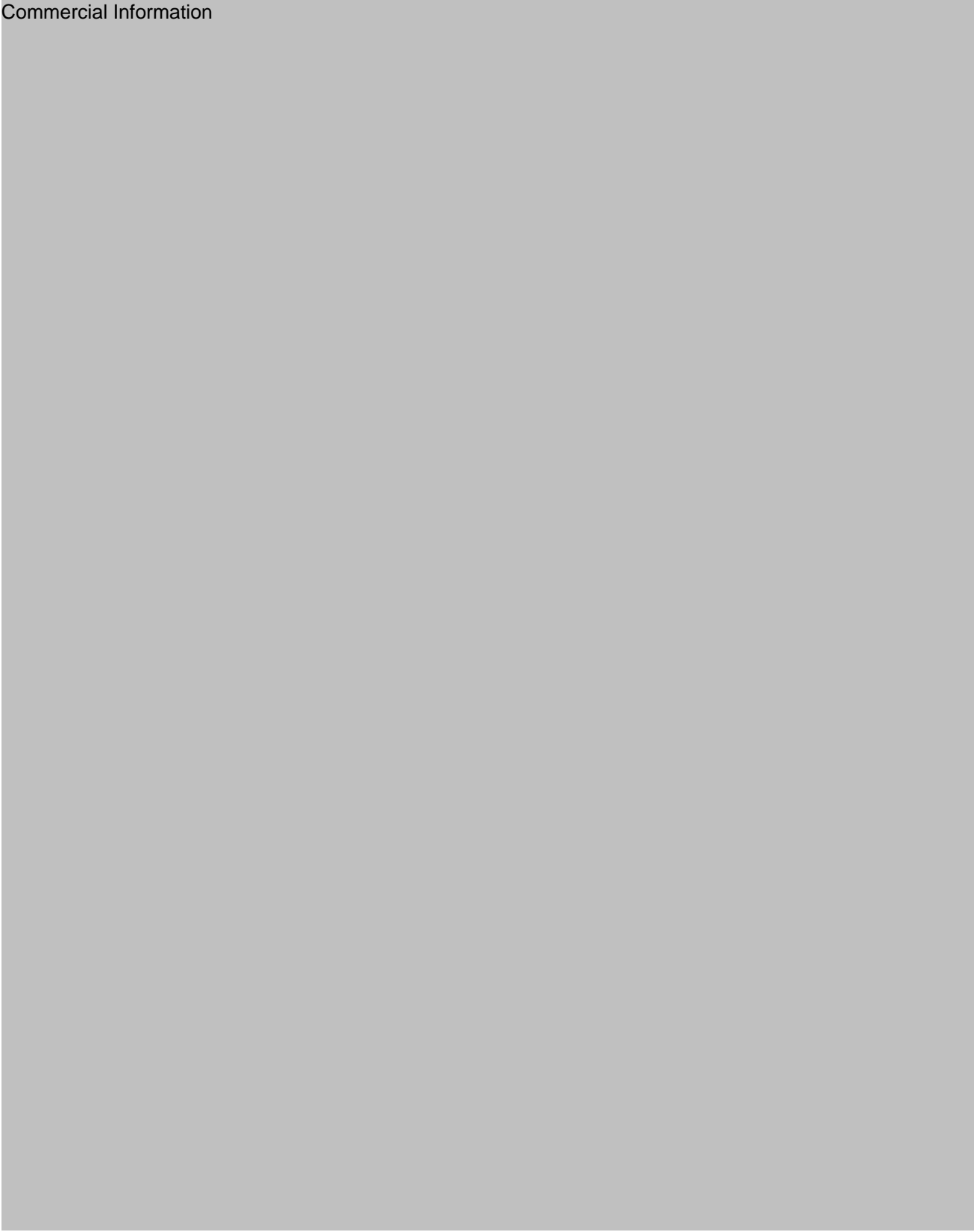
The Biennial BCA Accreditation Report Round Seven<sup>14</sup> (carried out between July 2019 and June 2021) found an increase in BCAs seeking advice on transferring their building control functions. This trend was particularly evident among small to medium-sized BCAs and some cluster groups, with many exploring shared services models, outsourcing arrangements, or full transfers of functions, duties and powers.

This was attributed to many BCAs recognising that the work and costs involved in maintaining accreditation may be more effectively managed by larger BCAs with more agile

<sup>14</sup> [Building Consent Authority Accreditation Report: July 2019 - June 2021](#)

resources and stronger infrastructure. These considerations were further amplified by the pressures of the 2021-2022 construction boom and resourcing shortages during the COVID-19 pandemic.

Commercial Information



## Annex Two: Proposed package of changes to support council-led regional BCA consolidation

Legislation changes to remove barriers to consolidation	
Action	Reason
Amend Sections 12(2), 212, 213, 215 of the Act to remove requirements for TAs to be BCAs.	The Act requires TAs to be BCAs. Several sections may need to be amended, including Sections 12(2), 212, 213, 215.
Amend section 215 of the Act so TAs don't need to maintain accreditation for functions they transfer or contract out to another BCA.	Section 215 requires a TA to maintain accreditation and registration as a BCA at all times (unless they do a full transfer). Amending this section will allow more flexible options for TAs to work together and provide an incentive to do partial transfer.
Amend Section 233 and 234 of the Act to allow TAs to transfer their BCA functions to a non-TA-BCA.	Section 233 and 234 enable a TA to "transfer 1 or more of its functions, duties, or powers under this Act to another territorial authority". We seek to amend these sections to allow the TA to transfer the function to a non-TA-BCA. The amendment would allow BCAs to transfer to a TA-controlled entity (including CCOs), standalone BCAs, or private BCAs. We may also need to amend sections 235 and 236 (1) to support this, by changing the reference to 'the BCA or entity' instead of being limited to TAs.
Amend the Act to adjust TA/BCA function allocation (to be confirmed).	The Act allocates functions to TAs and BCAs. This creates some issues for non-TA BCAs and for TAs who transfer or contract out their BCA functions (note that TAs could contract out these functions to the BCA they transfer or contract to). TA functions generally relate to existing building stock (after the consent process is complete) and often relate to older building stock eg EPB, dangerous buildings, Building Warrants of Fitness (BWof) etc. BCA functions focus on consenting new building work, with no enduring connection to the completed building post issue of the CCC. Many of these powers are separate for important reasons and should not be changed without careful consideration of the flow-on effects. Several sections of the Act could be amended. More analysis is required.
Amend Section 233 and 234 of the Act to remove the requirement to follow the Special Consultative Procedure.	Section 233 and 234 require TAs wanting to transfer their BCA functions to follow the special public consultative procedure outlined in section 83 of the Local Government Act 2002 (also referred to as "the special consultative procedure"). We understand that this procedure is burdensome and costly, often acting as a significant barrier for TAs seeking to transfer their BCA functions. We are considering removing this requirement from the Building Act. We have tested this proposal with DIA, who have expressed their support. However, it will still need to be tested with the BCAs (to be confirmed).
Amend Sections 53-66 of the Act, which govern the Building Levy.	Sections 53-66 of the Building Act govern the collection, payment, and use of the Building Levy. Amendments to some of these sections may be required to: <ul style="list-style-type: none"> <li>Clarify who is responsible for levy collation when BCA functions are transferred.</li> <li>Ensure standalone BCAs are recognised as liable entities under the levy framework.</li> </ul>
Regulation changes to shift incentives towards consolidation	
Action	Reason
Standardise and update current forms and guidance to reduce opportunities for differences.	BCAs currently publish their own application forms. Although these are set in regulation (with some of the forms being prescribed) and MBIE provides guidance on their use, there is still substantial variation between BCAs – partially due to different choices from BCAs and partially due to differences in IT systems. Inconsistent systems, processes, and forms make it difficult for BCAs to consolidate as the BCAs must first agree which systems, processes, and forms the consolidated entity will use. Updating the building forms would lead to more consistent experience for applicants around the country and improve efficiency in the system by reducing duplicated effort between BCAs.



	Update the Building (Forms) Regulations 2004 to make them more fit for purpose and suitable for the digital environment (they are designed for paper-based applications).
Amend sections of the Building (Accreditation of Building Consent Authorities) Regulations 2006	<p>Amending the Building (Accreditation of Building Consent Authorities) Regulations 2006 would:</p> <ul style="list-style-type: none"> <li>• reduce requirements where BCAs work together – to incentivise several forms of consolidation and cooperation</li> <li>• address changes to BCA/TA functions (as BCA functions need to be subject to accreditation).</li> </ul>
<b><u>MBIE operational changes to support the legislative changes</u></b>	
<b>Action</b>	<b>Reason</b>
Provide guidance and other support to support BCAs and TAs working together.	<p>MBIE could provide guidance, templates, or other support to BCAs who are interested in consolidating or cooperating.</p> <p>This would reduce the administrative burden associated with consolidation and help BCAs understand what is required and how to progress consolidation.</p>
Setting common data standards and system requirements.	<p>MBIE would set data standards and system requirements to improve the interoperability of BCAs' IT systems. Achieving interoperable IT systems would make it significantly easier for BCAs to consolidate or work together in other ways.</p> <p>Data standards may include standardised checklists, naming conventions, interface, and other system requirements.</p> <p>Confidential advice to Government</p>
Facilitate the development and sharing of a best-practice quality assurance manual.	BCAs invest a lot of resources to develop and maintain their own quality manuals. A shared quality assurance manual would lower the administrative and financial burden of daily operation and accreditation for BCAs who choose to use it, allowing more resource and capability to focus on effective implementation.
Ministerial direction on expectations.	The Minister could issue a letter of expectation (or similar) to BCAs/TAs to set a clear expectation that they consolidate their BCA functions.