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8th October 2021

Dear Ministers,

Building Consent delays

Introduction and summary

I write to you on behalf of our Shareholders (small to medium sized builders and trades) who require urgent action over the Building Consent Crisis. This issue is the most significant problem our Shareholders face across all New Zealand.

The Combined Building Suppliers Co-operative (CBS Co-op) began in 2017 with a vision to assist smaller builders collectively increasing their professionalism through problem-solving, collective purchasing power and sales channels to help them with taking on the volume builders by reducing their costs and increasing their competitiveness. We now represent over 650 Shareholder members across New Zealand.

We seek some urgent action to mitigate these delays in the short run and propose that Government complete a review to achieve long term solutions to this problem: which is having a major impact on residential construction sector productivity.

Some immediate improvements could be achieved by councils implementing a triage system that works well in the health system. Added to this, more resources need to be applied to support council consenting; and processes need to be re-engineered to become more productive for builders and council consenting operations.

Building Consent Timelines and problems

It is no secret that building is booming with current demand putting pressure on never-before-seen material shortages, labour shortages and delayed building consents in fact, compared to the same eight-month period in 2020, new residential dwellings consented are up by 32% in Christchurch alone.

New Residential Dwellings Consented (CCC, SDC and WDC)				
	2019	2020	2021	% Change *
Jan	248	392	340	-13%
Feb	337	339	400	18%
Mar	393	410	586	43%
Apr	310	349	525	50%
May	302	547	551	1%
Jun	313	378	553	46%
Jul	335	317	525	66%
Aug	406	355	586	65%
Sep	368	370		
Oct	397	452		
Nov	365	488		
Dec	323	427		
Total	4,097	4,824	4,066	

* % Change is 2021 over 2020 numbers

(The table below shows the number of residential building consents issued across the whole of NZ).

New Dwellings Consented: All of New Zealand (Source: Stats NZ)					
	2018	2019	2020	2021	% Change *
Jan	1,916	2,496	2,564	3,025	18%
Feb	2,412	3,098	3,285	3,129	-5%
Mar	2,926	3,180	2,915	4,218	45%
Apr	2,729	2,605	2,168	3,994	84%
May	3,407	3,724	3,562	4,180	17%
Jun	2,792	2,887	3,477	4,310	24%
Jul	2,752	3,420	3,391		
Aug	3,075	3,265	3,147		
Sep	2,559	3,347	3,605		
Oct	2,926	3,412	3,659		
Nov	3,120	3,238	3,881		
Dec	2,382	2,955	3,751		
Total	32,996	37,627	39,405	22,856	

* % Change is 2021 over 2020 numbers

For the 6 months to the end of June, consents were up by 24% compared to 2020.

Building consent authorities have 20 working days from the date an application (for a building consent) is received, to decide whether to refuse or grant the application. In most cases in Christchurch this is sitting at 57 – 60 days, on average being 11 weeks in total for a Building Consent.

Christchurch City Council head of Consents has advised via media that they could not have predicted the surge in consents. The data above suggests that consent applications have been rising for a long time and rather that the council have ignored the industry.

We are aware, from our Members across New Zealand, in particular Auckland, that the same issues apply as in Christchurch.

There is no triage system for consent applications. We are aware that some large builders are applying for consents with no intention to start building within 18 months. This is causing a major back log.

In the year 2021 it takes Christchurch City Council 9 days to acknowledge an electronic consent application.

Due to shortages of some building materials, builders are having to change products mid-build - thus triggering a Building Consent Amendment. There is no triage system for this and therefore building sites are having to come to a complete stop. Builders in these situations are laying staff off or putting projects on hold.

Some builders will not speak up due to fear of being “red flagged” at Council. One of our Shareholders has lost \$100,000 in holding costs while waiting over 57 days for a simple new house consent.

In 2013 the Christchurch City Council lost its accreditation to issuing consents for the same issues.

Put simply if we cannot get consents issued within the statutory time frames, we cannot build houses – if we cannot build houses we cannot employ staff.

We urge the Government to seek answers, some short-term solutions; and we request a full review of the Building Consent Processes is completed with the objective of speeding up and improving productivity of the consenting process.

Your sincerely

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