# TRADIE LAW FACT SHEET

## Building Amendment Bill 2026

### BUILDING AMENDMENT BILL 2026: WHAT TRADIES NEED TO KNOW

The Building Amendment Bill 2026 (the Bill) is still before Parliament, so it is not law yet. If it passes, it will change how risk, warranties, insurance, and consenting work across the building sector.

**1. Proportionate liability: you pay for your share**

The Bill changes building defect claims from joint and several liability to **proportionate liability**. Under proportionate liability, if several people or businesses contributed to defective building work, each would only be responsible for the share of the loss caused by their own conduct.

This is different from the current joint and several liability rules, where a claimant can recover the full loss from **any responsible defendant**. In practice, the joint and several approaches often leaves solvent parties (councils and therefore ratepayers) bearing the costs for defective building claims.

To prepare for the potential shift to proportionate liability, trade businesses should:

- Keep clear records of your scope, variations, inspections, photos, site instructions, and who did what.
- Review contracts to prepare for new proportionate liability model – for small-to-medium apartment buildings (maximum height of less than 10m) the Bill makes it clear that you cannot contract out of proportionate liability.

For further information about the change to proportionate liability, please visit our article here.

**2. New warranty and insurance rules**

To balance the shift to proportionate liability (which may be unfavourable for consumers) the Bill proposes stronger consumer protections for residential building work. These include:

- **Home warranties:** will be required for new residential buildings up to three storeys and residential building work valued at $100,000 or more. These warranties must cover at least a one-year defect period and a 10-year structural warranty period.
- **Professional indemnity insurance:** design professionals such as architects, engineers, and surveyors on projects over $100,000 would need cover.
- **Penalties:** proposed fines for non-compliance with the new warranty requirements will be set up to $50,000 for individuals and $150,000 for companies.

**3. Faster consenting for eligible residential jobs**

Eligible residential buildings up to three storeys with solar generation or other specified sustainable features may qualify for a **10-working-day building consent pathway**, instead of the usual 20 working days.

4. **Granny flats and off-site builds**
Some small stand-alone dwellings under 70m² can already be built without a building consent, provided specific conditions are met. The new Bill proposes to allow certain off-site construction to commence before a Project Information Memorandum (**PIM**) is obtained, which is aimed to speed up the construction for these projects and reduce further delays.

5. **Councils and BCAs may work differently**
Territorial authorities (**TA's**) may be able to transfer or delegate more consenting functions to other Building Consent Authorities (**BCAs**). This could lead to more consistent and efficient consenting, although the practical impact will depend on how councils implement the changes.

**What trade businesses should do to prepare:**

- **Tighten your paperwork:** record your scope, quotes, variations, site instructions, signoffs, photos, and handover documents.
- **Check your contracts:** know what you are responsible for, and whether any limits on liability are enforceable.
- **Talk to your insurer:** confirm what your public liability, contract works, and any professional cover actually protect you for.
- **Manage subcontractors:** make sure responsibilities are clear and records show who completed each part of the work.
- **Plan for warranties:** if you do residential work over $100,000, expect more client questions about warranty cover.

**Proposed timeframes if Bill passes:**

| Timing | What changes |
|---|---|
| Soon after Royal assent | BCA, sustainable building, and solar building changes begin. |
| 3 months after Royal assent | Home warranty provider registration rules start. |
| 1 year after Royal assent | Proportionate liability, professional indemnity insurance, and home warranty requirements begin. |
| 1 April 2027 | New levy rules come into force. |

This Bill is not law yet, but trade businesses and those in the construction sector should start preparing now. Good records, clear scopes, tidy contracts, and the right insurance will matter more if liability is split by each party's role in the job.

**If you would like more advice about guarantees and your obligations as a guarantor, get in touch so we can help.**

**Contact:**

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**One of our team will be in touch to assist you within 24 hours.**