



COVERSHEET

Minister	Hon Megan Woods	Portfolio	Building and Construction
Title of Cabinet paper	Emissions Reduction Plan - Building and Construction Sector Initiatives	Date to be published	26 August 2022

List of documents that have been proactively released

Date	Title	Author
16 March 2022	Emissions Reduction Plan - Building and Construction Sector Initiatives	Office of the Minister for Building and Construction
16 March 2022	Appendix One: Proposed list of building and construction initiatives for first emissions reduction plan	Office of the Minister for Building and Construction
16 March 2022	Appendix Two: Government response to Climate Change Commission recommendations	Office of the Minister for Building and Construction
16 March 2022	Appendix Three: Two scenarios to illustrate building and construction emission reductions	Office of the Minister for Building and Construction
21 March 2022	CAB-22-MIN-0080.01 Emissions Reduction Plan: Building and Construction Sector Initiatives	Cabinet Office

Information redacted

YES

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reasons of confidentiality of advice tendered by Ministers of the Crown and officials.



Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Emissions Reduction Plan: Building and Construction Sector Initiatives

Portfolio **Building and Construction**

On 21 March 2022, following reference from the Cabinet Economic Development Committee (DEV), Cabinet:

Background

- 1 **noted** that the building and construction sector is a key driver of emissions in other sectors, and that decarbonising this sector will be crucial for meeting New Zealand's net-zero 2050 target;
- 2 **noted** that updates to Building Code compliance documents are coming into force in November 2022, forming the first stage of regulatory work to reduce emissions in the building sector;
- 3 **noted** that the building and construction chapter of the emissions reduction plan will take a consumption approach in considering building-related emissions, which recognises the potential role the sector can play in helping to reduce emissions from the industry, energy, waste, and other sectors;
- 4 **noted** that public consultation on a range of policies proposed for inclusion in the emissions reduction plan took place in October and November 2021, and that submitters broadly supported the building and construction proposals;

Proposals for inclusion in the first emissions reduction plan

- 5 **agreed** to include in the first emissions reduction plan the package of initiatives outlined in Appendix One to the paper under DEV-22-SUB-0046, which seek to:
 - 5.1 reduce embodied carbon of construction materials;
 - 5.2 accelerate the shift to low carbon building;
 - 5.3 improve building energy efficiency;
 - 5.4 shift energy use from fossil fuels;
 - 5.5 establish foundations for future emissions reduction;
- 6 **noted** that a number of the initiatives included in Appendix One to the paper under DEV-22-SUB-0046 are subject to separate Cabinet decision-making and regulatory impact analysis processes, outside of emissions reduction plan processes;

- 7 **agreed** that proposed building and construction initiatives sufficiently respond to the Climate Change Commission's final advice from May 2021, as outlined in Appendix Two to the paper under DEV-22-SUB-0046;

Legislative and regulatory initiatives

- 8 **invited** the Minister for Building and Construction to report back to DEV later in 2022 to seek policy decisions for the Building (Climate Change Response) Amendment Bill, which may include introducing:
- 8.1 an enabling framework for measures to reduce emissions from existing buildings, such as mandatory participation in energy performance programmes;
 - 8.2 an enabling framework for construction waste minimisation and management requirements;
 - 8.3 climate change into the purposes and principles of the Building Act 2004;
- 9 **agreed in principle**, subject to the report referred to above, that the aim be to introduce the Building (Climate Change Response) Amendment Bill to the House before the end of 2022;
- 10 **invited** the Minister for Building and Construction to report back to DEV in September 2022 with a discussion document on regulatory changes that can be made within the existing legislative framework, including:
- 10.1 introducing operational efficiency and embodied carbon reporting and caps into the Building Code;
 - 10.2 revising existing Building Code clauses and compliance documents to support emissions reduction;
 - 10.3 implementing other related measures for new buildings within the Building Act's existing regulation-making powers;
- 11 **noted** that funding is being sought **Confidential advice** for two foundational non-regulatory initiatives that would deliver a behaviour change programme and the development of data, research and tools;
- 12 **noted** that these foundational non-regulatory initiatives are crucial for the energy and industry sector meeting its sub-target for the first emissions budget period;
- 13 **noted** that other proposed building and construction initiatives require further exploratory work to develop, and that this will be conducted with other agencies, the sector and iwi and Māori;
- 14 **noted** that once they are investment ready, funding for these initiatives will be sought through future Budget periods or other appropriate processes.

Michael Webster
Secretary of the Cabinet

Secretary's Note: This minute replaces DEV-22-MIN-0046. Cabinet agreed to amend paragraph 8.1.