



COVERSHEET

Minister	Hon Chris Penk	Portfolio	Building and Construction
Title of Cabinet paper	Recognising Overseas Certified Building Products and Standards	Date to be published	21 July 2025

List of documents that have been proactively released

Date	Title	Author
June 2025	Recognising overseas certified building products and standards	Office of the Minister for Building and Construction
5 June 2025	Recognising overseas certified building products and standards ECO-25-MIN-0085 Minute	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 reason of Confidential advice to Government.

In Confidence

Office of the Minister for Building and Construction

Cabinet Economic Policy Committee

Recognising overseas certified building products and standards

Proposal

- 1 This paper seeks agreement to:
 - 1.1 bring the remaining provisions of the Building (Overseas Building Products, Standards, and Certification Schemes) Amendment Act 2025 (the Building Amendment Act) into force;
 - 1.2 criteria for regulations required to implement the Building Amendment Act, allowing more high-quality building products to be used in New Zealand.

Relation to government priorities

- 2 This paper relates to the Government's commitment to strengthen competition in the building products market, giving consumers more choice and making it cheaper to build in New Zealand.

Executive summary

- 3 The recently passed Building Amendment Act removes barriers to using high-quality overseas certified building products and standards in New Zealand. It does this by creating new powers for the:
 - 3.1 chief executive of the Ministry of Business, Innovation and Employment (MBIE) to recognise overseas certified building products or methods, and mandating their acceptance by building consent authorities;
 - 3.2 Minister for Building and Construction to recognise groups of overseas standards and standard certification schemes, providing guidance to industry that these standards are made with rigour.
- 4 For New Zealanders to see the benefits of these initiatives, I (as Minister for Building and Construction) am seeking Cabinet agreement for:
 - 4.1 a Commencement Order to bring into effect the remaining provisions in section 2(2) of the Building Amendment Act (to allow the new powers of the chief executive and Minister for Building and Construction to be used); and
 - 4.2 regulations prescribing the criteria that the decision-maker must be satisfied of before making a recognition by notice.
- 5 Subject to Cabinet agreement, I intend to seek final approval for the regulations from the Cabinet Legislation Committee by August 2025, with the first recognitions to happen shortly after.

Background

- 6 The Building Amendment Act was passed in April 2025. It responds to recommendations from the *Commerce Commission Residential building supplies market study final report* (December 2022) and aims to increase competition in the building products market, streamline consenting processes, and make building more affordable.
- 7 The Building Amendment Act includes two provisions (not yet in force) that enable overseas certified building products and standards to be recognised, making it easier to demonstrate that building designs comply with the Building Code.
 - 7.1 **Deemed to comply: Section 272HA** enables the chief executive of MBIE to recognise one or more (or one or more groups of) building products or building methods that are certified under an overseas product certification scheme.
 - 7.1.1 Building products recognised by the chief executive will be deemed to comply with the Building Code and must be accepted for use by building consent authorities (providing they are used as intended and supported by the required technical information).
 - 7.2 **Contributes to compliance: Section 272HB** enables the Minister for Building and Construction to recognise groups of standards issued by overseas standards organisations and standard certification schemes.
 - 7.2.1 Recognition of overseas standards provides guidance to designers, builders, and building consent authorities that those standards are produced with rigour and are reliable.

Regulations are needed to realise the benefits of the Building Amendment Act

- 8 To bring 272HA and 272HB into effect, regulations are needed to prescribe the criteria that the decision-maker must be satisfied of before making a recognition.
- 9 My objective is for regulations that:
 - 9.1 support an enabling recognition regime that allows more high-quality building products to be used in New Zealand; and
 - 9.2 safeguard against recognitions which could result in or contribute to building failure.
- 10 To achieve this dual objective, I am proposing a mix of enabling (performance-based) and prescriptive criteria. Enabling criteria aligns with New Zealand's performance-based Building Code and suits the technical nature of the industry. Prescriptive criteria provide added assurance that products are certified to a high standard and certainty about how they will perform in building work.
- 11 In March 2025, I authorised MBIE to engage with key building sector stakeholders, including technical experts, on proposed decision-making criteria. Feedback was broadly supportive and has been used to further develop the criteria.

Policy proposals for regulations setting decision-making criteria

- 12 A summary of the criteria I propose should be applied for recognitions is outlined in paragraphs 13 (for overseas certified building products and methods) and 14 (for groups of overseas standards and standard certification schemes). The criteria developed following industry engagement are set out in more detail at **Annex 1**.
- 13 Before making a recognition under 272HA, the chief executive must be satisfied that:
- 13.1 the product certification scheme certifying the building products or methods is accredited to an appropriate standard and has robust processes that are regularly reviewed and monitored; and
 - 13.2 there is evidence that the certified building products or methods would comply with, or contribute to compliance with, the New Zealand Building Code; and
 - 13.3 the certified building products or methods:
 - 13.3.1 are not, or have not been, subject to a warning or ban that could indicate an increased risk of failure; and
 - 13.3.2 are not certified by a certifying body that has had its accreditation excluded, suspended, or revoked from the CodeMark New Zealand scheme by the chief executive; and
 - 13.4 information (including a product certificate or equivalent) is, or can be made, available to enable users of the certified building products or methods to understand how they will perform in relation to their intended use.
- 14 Before making a recognition under 272HB, the Minister for Building and Construction must be satisfied that:

For groups of standards

- 14.1 the overseas standards organisation that has issued the groups of standards:
- 14.1.1 is a full member of the International Organization for Standardization or the International Electrotechnical Commission; or
 - 14.1.2 has robust and transparent processes for the development, maintenance, and publication of standards, consistent with internationally recognised good standardisation practice; and
- 14.2 the groups of standards are, or can be made, available for use in New Zealand.

Standard certification schemes

- 14.3 the standard certification scheme is accredited to an appropriate standard and has robust processes that are regularly reviewed and monitored.
- 15 While my intention is that robust criteria will ensure recognitions are appropriately made, notices of recognition can be amended or revoked when needed.

Cost-of-living Implications

- 16 The intention of the policy and the enabling regulations is to drive competition in the market and reduce the cost of building. I anticipate a flow-on effect that will help reduce the cost of living.

Financial Implications

- 17 There are no direct financial implications to the Crown from this paper. MBIE expects to fund the implementation of these proposals through the Building Levy. MBIE will scale the implementation according to the relative priority of this initiative and funding available.

Legislative Implications

- 18 A Commencement Order is needed to bring the remaining provisions of the Building Amendment Act into effect. Regulations are needed to implement the Building Amendment Act.
- 19 Following Cabinet policy approval, I intend to seek final agreement for regulations from the Cabinet Legislation Committee by August 2025.
- 20 Confidential advice to Government
The proposed regulations support a government decision-making process, with no directly regulated group. Further, the use of building products and standards recognised by way of notice is voluntary and alternative pathways to evidence Building Code compliance remain.

Impact Analysis

Regulatory Impact Statement

- 21 The Ministry for Regulation has determined that this proposal is exempt from providing a Regulatory Impact Statement. The exemption is on the grounds that the proposal has no or only minor economic, social or environmental impacts, in the context of the broader set of policy changes supported by previous impact analysis (CAB-24-MIN-0101 refers)¹ and the framework in the *Building Act 2004*.

Climate Implications of Policy Assessment

- 22 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to this proposal as the threshold for significance is not met.

Population Implications

- 23 The proposals the regulations are needed to implement do not have any implications for specific populations as they aim to reduce barriers to the substitution of building materials and product systems in the building consent system.

¹ <https://www.regulation.govt.nz/assets/RIS-Documents/ris-mbie-maobp-mar24.pdf>

- 24 I expect all populations will benefit from the same outcome of the reforms: lower costs, more streamlined processes, more choice and, ultimately, more affordable housing.

Human Rights

- 25 This paper has no implications under the *New Zealand Bill of Rights Act 1990* or the *Human Rights Act 1993*.

Use of external Resources

- 26 No external resources were used in the preparation of this paper

Consultation

- 27 The following Government agencies and bodies have been consulted on this paper: Ministry of Foreign Affairs and Trade, Treasury, Department of the Prime Minister and Cabinet, Ministry for Regulation, Ministry for the Environment, Ministry of Housing and Urban Development, Department of Internal Affairs, Kāinga Ora, Te Puni Kōkiri, Ministry of Transport, Ministry of Education, Ministry of Social Development, Commerce Commission, Department of Conservation, Ministry for Primary Industries, Ministry for Culture and Heritage, and Standards New Zealand.

Communications

- 28 In April 2025, I announced the passing of the Building Amendment Act, which will increase the supply of building products in New Zealand. I will make a further announcement following final Cabinet approval of the regulations to publicise the first recognitions of overseas building products and standards.

Proactive Release

- 29 I propose to proactively release this Cabinet paper package and associated Cabinet minute within 30 business days.

Recommendations

The Minister for Building and Construction recommends that the Committee:

- 1 **note** that the Building (Overseas Building Products, Standards, and Certification Schemes) Amendment Act 2025 (the Building Amendment Act) received Royal assent on 7 April 2025;
- 2 **agree** to a Commencement Order to bring the provisions in section 2(2) of the Building Amendment Act into force, namely the provisions relating to the power to issue notices recognising overseas building products and methods, overseas standards, and standard certification schemes;
- 3 **note** that to give effect to the provisions in 2(2) of the Building Amendment Act, regulations are needed setting out the criteria that the chief executive of the Ministry of Business, Innovation and Employment (MBIE) and the Minister for Building and Construction must be satisfied are met before issuing a notice referred to in recommendation 2;

4 **agree** that the draft criteria below, which have been developed with industry engagement, are specified in regulations:

- 4.1 for notices made under section 272HA, the chief executive of MBIE must be satisfied that:
 - 4.1.1 the product certification scheme certifying the building products or methods is accredited to an appropriate standard and has robust processes that are regularly reviewed and monitored; and
 - 4.1.2 there is evidence that the certified building products or methods would comply with, or contribute to compliance with, the New Zealand Building Code; and
 - 4.1.3 the certified building products or methods:
 - 4.1.3.1 are not, or have not been, subject to a warning or ban that could indicate an increased risk of failure; and
 - 4.1.3.2 are not certified by a certifying body that has had its accreditation excluded, suspended, or revoked from the CodeMark New Zealand scheme by the chief executive; and
 - 4.1.4 information (including a product certificate or equivalent) is, or can be made, available to enable users of the certified building products or methods to understand how they will perform in relation to their intended use.
- 4.2 For notices made under section 272HB, the Minister for Building and Construction must be satisfied that:


Groups of standards

- 4.2.1 the standards organisation that has issued the groups of standards
 - 4.2.1.1 is a full member of the International Organization for Standardization or the International Electrotechnical Commission; or
 - 4.2.1.2 has robust and transparent processes for the development, maintenance, and publication of standards, consistent with internationally recognised good standardisation practice; and
- 4.2.2 the groups of standards are, or can be made, available for use in New Zealand.

Standard certification schemes

- 4.2.3 the standard certification scheme is accredited to an appropriate standard and has robust processes that are regularly reviewed and monitored.

5 **authorise** the Minister for Building and Construction to issue drafting instructions to the Parliamentary Counsel Office to give effect to the policy proposals in this paper;

- 6 **authorise** the Minister for Building and Construction to make decisions, consistent with the proposals in these recommendations on any issues which arise during the drafting process, and changes to these proposals that are consistent with the policy intent of the proposals, as required;
- 7 **note** that the Minister for Building and Construction intends to seek final approval for regulations from the Cabinet Legislation Committee by August 2025;
- 8 Confidential advice to Government 
- 9 **note** that the Minister for Building and Construction intends to issue a press release announcing the first recognitions following Executive Council.

Authorised for lodgement

Hon Chris Penk

Minister for Building and Construction

Annex 1: Criteria developed by MBIE with industry input

For notices issued under section 272HA, the chief executive of MBIE must be satisfied that:

1. The product certification scheme that certifies the building products or building methods is accredited to an appropriate standard and has robust processes for:
 - a. evaluating, assessing, and certifying building products or methods;
 - b. the ongoing monitoring and evaluation of certifications;
 - c. requiring impartiality and independence between its certifiers and the products, product test facilities, manufacturers and suppliers;
 - d. requiring that personnel involved in administering the scheme operate to a high level of integrity and professional conduct.
2. There is evidence that, when used as intended, building products or methods certified under the scheme would comply with, or contribute to compliance, with the New Zealand Building Code.
3. Certified building products and methods
 - a. have not been subject to warnings or bans in New Zealand, or comparable processes in other countries, which could indicate an increased risk of failure;
 - b. are not certified by a certifying body that has had its accreditation excluded, suspended, or revoked from the CodeMark New Zealand scheme by the chief executive.
4. Sufficient information is, or can be made, available to enable users of the certified building products or methods to understand how they will perform in relation to their intended use, including:
 - a. a product certificate or equivalent, either written in English or translated to English and provided by the product certification scheme (must include);
 - b. supporting technical literature and installation information (may include);
 - c. information published under the Building (Building Product Information Requirements) Regulations 2022 (may include).

For notices issued under section 272HB, the Minister for Building and Construction must be satisfied that:

For groups of standards:

1. The overseas standards organisation that has issued the groups of standards:
 - a. is a full member of the International Organization for Standardization or the International Electrotechnical Commission; or
 - b. has robust and transparent processes for the development, maintenance and publication of standards, consistent with internationally recognised good standardisation practice including that:
 - i. their standards are informed by appropriate consultation and industry, consumer, and technical expertise;
 - ii. people or organisations involved in standards development act impartially and independently;
 - iii. standards are reviewed and updated at an appropriate regular interval.

2. The groups of standards are, or can be made, available for use in New Zealand.
3. The groups of standards are in English (where translated, an English translation is published by the overseas standards organisation).

For standard certification schemes

4. The standard certification scheme is accredited to an appropriate standard and has robust processes for:
 - a. evaluating whether the building products or methods complies with a standard(s);
 - b. the ongoing monitoring and evaluation of compliance with standard(s);
 - c. reviewing and recertifying products at an appropriate interval;
 - d. suspending or revoking certification when required, in a timely manner;
 - e. requiring impartiality and independence between its certifiers and the products or methods being certified;
 - f. requiring that personnel involved in administering the scheme operate to a high level of integrity and professional conduct.