



COVERSHEET

Minister	Hon Chris Penk	Portfolio	Minister for Building and Construction
Title of Cabinet paper	Modernising Building Research	Date to be published	23 December 2025

List of documents that have been proactively released

Date	Title	Author
November 2025	Modernising Building Research	Office of Minister for Building and Construction
12 November 2025	Modernising Building Research ECO-25-MIN-0188 Minute	Cabinet Office
17 October 2025	Regulatory Impact Statement: Reforming the building research funding system	MBIE

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 Commercial Information, free and frank opinions and Confidential advice to government.



Cabinet Economic Policy Committee

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.

Modernising Building Research

Portfolio Building and Construction

On 12 November 2025, the Cabinet Economic Policy Committee (ECO):

- 1 **noted** that the Building Research Levy Act 1969 (the BRL Act) has never been reviewed, the levy was last set at its maximum legal rate in 1977, and that the BRL Act is out of date and requires reform to meet Government expectations for fiscal good practice;
- 2 **noted** that officials have undertaken a short, targeted review of the BRL Act and have engaged with stakeholders including the Building Research Association of New Zealand (BRANZ) and advise that legislative change is justified to respond to the sector's concerns about transparency, accountability and contestability;
- 3 **agreed** to empower the Chief Executive of the Ministry of Business, Innovation and Employment to fund building sector related research through the allocation of the building levy;
- 4 **noted** that a new proportionate rate for the expanded building levy will be set in regulations;
- 5 **agreed** to repeal the BRL Act as it will no longer be required if building research is funded under the Building Act 2004 (the Building Act);
- 6 **agreed** to amend the Building Act to allow the building levy regulations to specify a proportion of the building levy that must be spent on building and construction sector research;
- 7 **agreed** to amend the Building Act to include the principles that research decisions are independent and informed by an appropriate balance of building, research and government expertise;
- 8 **agreed** to amend the Building Act to authorise regulations that set the building research funding allocation model, including details of a contestable funding mechanism and funding decision making arrangements;
- 9 **agreed** to transitional funding for BRANZ from combined building levy funds that maintains the status quo until the new system is fully implemented;

10 **invited** the Minister for Building and Construction (the Minister) to report back to ECO, with proposals for:

10.1 regulations to provide for a new building research funding allocation model including details of a contestable funding mechanism and funding decision making arrangements;

10.2 detailed operational design for how to deliver the new system and the ongoing role and funding of BRANZ;

11 **authorised** the Minister to further clarify and develop policy matters relating to the proposals in the paper under ECO-25-SUB-0188 in a manner not inconsistent with the above decisions;

12 **invited** the Minister to issue drafting instructions to Parliamentary Counsel Office to implement the above decisions through a bill to amend the Building Act 2004.

Rachel Clarke
Committee Secretary

Present:

Hon David Seymour
Rt Hon Winston Peters
Hon Nicola Willis (Chair)
Hon Chris Bishop
Hon Shane Jones
Hon Brooke van Velden
Hon Dr Shane Reti
Hon Tama Potaka
Hon Simon Watts
Hon Chris Penk
Hon Penny Simmonds
Hon Andrew Hoggard
Hon Mark Patterson
Hon Nicola Grigg
Hon James Meager
Hon Scott Simpson
Simon Court MP

Officials present from:

Office of the Prime Minister
Office of Hon Chris Bishop
Officials Committee for ECO