



## COVERSHEET

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

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
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

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### 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(the BRL Act) has never been reviewed, the levy was last set at its maximum legal rate in 1977, and that the BRL Act is out of date and requires reform to meet Government expectations for fiscal good practice;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

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**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