



COVERSHEET

Minister	Hon Poto Williams	Portfolio	Building and Construction
Title of Cabinet paper	Building (Building Products and Methods, Modular Components, and Other Matters) Amendment Act 2021: Proposed Building System Reform Regulations	Date to be published	30 November 2021

List of documents that have been proactively released		
Date	Title	Author
27 October 2021	<i>Building (Building Products and Methods, Modular Components, and Other Matters) Amendment Act 2021: Proposed Building System Reform Regulations</i>	Office of the Minister of Building and Construction
27 October 2021	Cabinet minute: DEV-21-MIN-0212	Cabinet Office
12 October 2021	Regulatory Impact Statement: Building Product Information Requirements	Office of the Minister of Building and Construction
13 October 2021	Stage 2 Cost Recovery Impact Statement: Modular Component Manufacturer scheme	Office of the Minister of Building and Construction
13 October 2021	Stage 2 Cost Recovery Impact Statement: Product certification scheme	Office of the Minister of Building and Construction
20 October 2021	Regulatory Impact Statement: Modular component manufacturer scheme regulations	Office of the Minister of Building and Construction
20 October 2021	Regulatory Impact Statement: Product certification regulations	Office of the Minister of Building and Construction

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 to protect the confidentiality of advice tendered by Ministers and officials, and to protect confidential information.



Cabinet Economic Development 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.

Building (Building Products and Methods, Modular Components, and Other Matters) Amendment Act 2021: Proposed Building System Reform Regulations

Portfolio **Building and Construction**

On 27 October 2021, the Cabinet Economic Development Committee (DEV):

Background

1 **noted** that in April 2021, DEV:

- 1.1 agreed to the release of a public discussion document on proposals for regulations to give effect to the Building (Building Products and Methods, Modular Components, and Other Matters) Amendment Act 2021 (the Amendment Act);
- 1.2 invited the Minister for Building and Construction to report back in October 2021 on the outcome of the consultation and seeking agreement to final policy proposals;

[DEV-21-MIN-0072]

2 **noted** that the Amendment Act introduces new mandatory building product information requirements, a new voluntary modular component manufacturer scheme, and a strengthened product certification scheme;

3 **noted** that feedback received during public consultation was generally supportive of the proposed regulatory framework, and although a number of specific concerns were raised, these have been addressed in the current proposals, as outlined below;

4 **noted** that a summary of submissions received on the public discussion document will be proactively released;

Building product information requirements

5 **noted** that the Minister for Building and Construction proposes that regulations be made to prescribe the detail of the minimum mandatory information requirements for building products that contribute to Building Code compliance to support better decision-making;

6 **agreed** to the regulatory proposals for building product information requirements specified in Annex 1 to the paper under DEV-21-SUB-0212;

- 7 **agreed** to an 18 month transitional period for the building product information requirements from the date the regulations are made to provide sufficient time for manufacturers, importers, distributors and retailers to adjust their systems and processes to comply with the new information requirements;

Modular component manufacturer scheme

- 8 **noted** that the Minister for Building and Construction proposes that regulations be made to provide the detail to the voluntary modular component manufacturer scheme to ensure quality and consumer protection;
- 9 **agreed** to the regulatory proposals for modular component manufacturer scheme specified in Annex 2 to the paper under DEV-21-SUB-0212;
- 10 **agreed** that the regulations for the modular component manufacturer scheme commence three months after the regulations are made;
- 11 **noted** that consequential amendments are needed to the Building (Residential Consumer Rights and Remedies) Regulations 2014 and Building (Forms) Regulations 2004 to align those regulations with the new modular component manufacturer scheme;
- 12 **agreed** to consequential amendments to the Building (Residential Consumer Rights and Remedies) Regulations 2014 and Building (Forms) Regulations 2004 to align those regulations with the new modular component manufacturer scheme;

Product certification

- 13 **noted** that the Minister for Building and Construction proposes that regulations be made to strengthen the requirements for the product certification scheme to improve oversight and confidence;
- 14 **agreed** to the regulatory proposals for product certification scheme specified in Annex 3 to the paper under DEV-21-SUB-0212;
- 15 **agreed** that the regulations for product certification commence three months after the regulations are made;

Regulated fees for Product Certification and Modular Component Manufacturer Scheme

- 16 **agreed** to the regulatory proposals for regulated fees for the modular component manufacturer and product certification schemes specified in Annex 4 to the paper under DEV-21-SUB-0212;

- 17 **agreed** to increase spending to provide for costs associated with the policy decisions in paragraph 16 above, with the following impacts on the operating balance and net core Crown debt:

	\$m – increase/(decrease)				
Vote Building and Construction Minister for Building and Construction	2021/22	2022/23	2023/24	2024/25	2025/26 and outyears
Operating Balance and Net Core Crown Debt Impact	-	-	-	-	-
No Impact	0.000	0.036	0.011	0.009	0.009
Total	0.000	0.036	0.011	0.009	0.009

- 18 **approved** the following changes to appropriation to give effect to the policy decision in paragraph 16 above, with no impact on the operating balance and/or net core Crown debt:

	\$m – increase/(decrease)				
Vote Building and Construction Minister for Building and Construction	2021/22	2022/23	2023/24	2024/25	2025/26 and outyears
Multi-Category Expenses and Capital Expenditure: Building Policy, Regulation and Advice MCA Departmental Output Expenses: Building Regulation and Control <i>(funded by revenue other)</i>	-	-	-	-	-
	0.000	0.036	0.011	0.009	0.009
Total	0.000	0.036	0.011	0.009	0.009

- 19 **agreed** that the changes to appropriations for 2021/22 above be included in the 2021/22 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;

Next steps

- 20 **noted** that the Amendment Act received Royal assent on 7 June 2021;
- 21 **noted** that it is intended that the regulations for the modular component manufacturer scheme and product certification scheme will commence earlier than expected;
- 22 **noted** that a commencement order will be required to bring into force the empowering provisions in the Amendment Act on the building product information requirements, modular component manufacturer scheme and product certification scheme;
- 23 **agreed** that the relevant empowering provisions of the Amendment Act that did not commence on the day after Royal assent will commence at the same time as the modular component manufacturer scheme and product certification scheme regulations;

- 24 **noted** that the Ministry of Business, Innovation and Employment will make detailed scheme rules under the Amendment Act to support the regulations for the modular component manufacturer and product certification schemes, and that these will be made to align with the commencement of the regulations;
- 25 **noted** that the Ministry of Business, Innovation and Employment is exploring options for the appointment an accreditation body for the new modular component manufacturer scheme, and that decisions on this will be made in Confidential advice to Government
- 26 **authorised** the Minister for Building and Construction to issue drafting instructions to the Parliamentary Counsel Office to give effect to the above paragraphs;
- 27 **authorised** the Minister for Building and Construction to make decisions consistent with the above paragraphs on any issues which arise during the drafting process, including minor, technical and timing changes as required;
- 28 **noted** that the Minister for Building and Construction intends to consult key stakeholders on an exposure draft on the regulations in early 2022 for up to three weeks;
- 29 **authorised** the Minister for Building and Construction to release an exposure draft on the regulations to key stakeholders;
- 30 **noted** that the Minister for Building and Construction plans to report back to the Cabinet Legislation Committee with final regulations, following feedback on the exposure draft, by the end of Confidential advice to Government

Janine Harvey
Committee Secretary

Present:

Hon Grant Robertson (Chair)
Hon Dr Megan Woods
Hon David Parker
Hon Poto Williams
Hon Stuart Nash
Hon Kris Faafoi
Hon Willie Jackson
Hon Michael Wood
Hon Kiri Allan
Hon Dr David Clark
Hon Meka Whaitiri
Hon Phil Twyford
Rino Tirikatene MP
Dr Deborah Russell MP

Officials present from:

Office of the Prime Minister
Officials Committee for DEV