



## COVERSHEET

<b>Minister</b>	Hon Stuart Nash	<b>Portfolio</b>	Minister for Economic and Regional Development
<b>Minister</b>	Hon James Shaw	<b>Portfolio</b>	Minister for Climate Change
<b>Title of Cabinet paper</b>	Carbon Neutral Government Programme – Report Back on the use of Sustainable Building Rating Systems	<b>Date to be published</b>	27 January 2022

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
September 2021	Carbon Neutral Government Programme – Report Back on the use of Sustainable Building Rating Systems	Offices of the Minister for Economic and Regional Development and Minister of Climate Change
29 September 2021	Cabinet Minute of Decision DEV-21-MIN-0190	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 the 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 following reasons:

- Confidential advice to Government



# Cabinet Economic Development Committee

## Minute of Decision

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*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.*

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### Carbon Neutral Government Programme: Report on the Use of Sustainable Building Rating Systems

**Portfolios**                      **Economic and Regional Development / Climate Change**

On 29 September 2021, the Cabinet Economic Development Committee:

#### Background

- 1        **noted** that on 29 March 2021, the Cabinet Business Committee invited the Minister for Economic and Regional Development to report back:
    - 1.1      with options (including cost analysis) for the use of sustainable building rating systems and tools to support agencies to reduce carbon emissions from new government buildings;
    - 1.2      on an approach and timeline for introducing the recommended rating system option;
- [CBC-21-MIN-0030]

#### Implementation of sustainable building rating requirements

- 2        **noted** that the Ministry of Business, Innovation and Employment (MBIE) has undertaken a comparative assessment of six well known sustainable building rating tools;
- 3        **agreed** that:
  - 3.1      from 1 April 2022, when constructing a new non-residential building, procurement mandated agencies be required to achieve a minimum 5 star Green Star rating for projects with a capital value of \$25 million and over;
  - 3.2      from 1 April 2023, when constructing a new non-residential building, procurement mandated agencies be required to achieve a minimum 5 star Green Star rating for projects with a capital value of \$9 million and over;
- 4        **noted** that a phased approach will enable early adoption but also recognise some of the practical considerations of adding additional requirements to building projects already underway;

**Minimum points requirement**

5 **agreed** that the minimum points set out below must be achieved for the following credits:

Credit	Minimum credit	Outcome
Credit 15: Greenhouse Gas Emissions	8 of 20 points	Operational energy saving of 50% <sup>a</sup>
Credit 19: Life Cycle Impacts / Life Cycle Assessment credit	4 of 7 points	Saving of 70% <sup>b</sup> across seven environmental impacts; ensures consideration of carbon impacts of materials
Credit 22: Construction and Demolition Waste	1 of 1 point	70% <sup>c</sup> construction waste diverted from landfill
Credit 8B: Operational Waste	1 of 1 point	Supports reduction of waste produced during the operation of the building
Credit 2: Commissioning and Tuning	2 of 4 points	Ensures the building performs as intended
Credit 19: Indoor air quality	1 of 4 points	Achieve “provision of outdoor air”
Credit 14: Thermal comfort	1 of 2 points	Occupants are comfortable
Total minimum points	18 out of 39	

<sup>a, b, c</sup> Note that these savings or reductions are in comparison to a business as usual reference building.

**Framework for approved rating tools**

- 6 **agreed** that MBIE be responsible for maintaining a list of approved rating tools;
- 7 **agreed** that Green Star Design and As Built be listed as an approved rating tool;
- 8 **agreed** that the Procurement Functional Lead may assess and approve rating tools as meeting the Green Star 5-star or equivalent, at which point the rating tool will be added to the list of approved rating tools;

**Building types and uses in scope and exemptions framework**

- 9 **noted** that some types or uses of building, as defined in Clause A1 of Schedule 1 of the Building Regulations 1992, are not eligible for Green Star certification;
- 10 **agreed** that agencies may apply to MBIE to have certain types or uses of eligible building exempted from the requirements outlined in the paper under DEV-21-SUB-0190, and that when applying for an exemption agencies must demonstrate clear and substantiated reasons for why a building or use should be exempted;
- 11 **agreed** that the Procurement Functional Leader may to assess and approve building types and uses as exempt;
- 12 **agreed** that MBIE will maintain a list of exempted building types and uses;

**Projects in scope for implementation and project exemptions framework**

- 13 **noted** that where projects are already well advanced and design decisions have been made, there would be significant time and cost implications if agencies were required to redesign to meet these new requirements;
- 14 **agreed** that the requirements set out in paragraph 3 above will not apply where a Detailed Business Case, or a Single Stage Business Case, or a comparable detailed agency business case (where a Better Business Case was not undertaken) has been approved before the requirements come into force on:
- 14.1 1 April 2022, for projects with a capital value over \$25 million;
- 14.2 1 April 2023, for projects with a capital value of \$9 million;
- 15 **agreed** that up until 1 April 2022, the Minister for Economic and Regional Development, the Minister of Climate Change and the relevant portfolio Minister may grant an exemption from the requirements set out in paragraph 3 above for projects where a Detailed Business Case, or a Single Stage Business Case or a comparable detailed agency business case (where a Better Business Case was not undertaken) is well advanced but has not been approved;

**Oversight of agency carbon decisions**

- 16 **agreed** that where a procurement mandated agency builds a new building and does not choose the lowest carbon option currently available, they will be required:
- 16.1 to set this out in the business case along with the reasons why they have not selected the lowest carbon option and to obtain approval from their Chief Executive;
- 16.2 within five business days of the Chief Executive's decision, to inform the relevant portfolio Minister(s) and the Minister for Economic and Regional Development;
- 17 **agreed** that where a procurement mandated agency meets the requirement of a Green Star 5 star rating or above, or meets the requirements of another approved rating system, the agency will be deemed to have selected the lowest carbon option;
- 18 Confidential advice to Government
- 19 **directed** MBIE, in consultation with other relevant agencies, to undertake a review of the use of, and appropriateness of, the current sustainable building rating systems by mandated agencies as at 1 April 2025, and to report back on the outcome of that review.

Janine Harvey  
Committee Secretary

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**Attendees: (see over)**

**Present:**

Hon Grant Robertson (Chair)  
Hon Dr Megan Woods  
Hon Carmel Sepuloni  
Hon David Parker  
Hon Nanaia Mahuta  
Hon Stuart Nash  
Hon Kris Faafoi  
Hon Willie Jackson  
Hon Michael Wood  
Hon Dr David Clark  
Hon Dr Ayesha Verrall  
Hon Meka Whaitiri  
Hon Phil Twyford  
Hon James Shaw  
Rino Tirikatene, MP  
Dr Deborah Russell, MP

**Officials present from:**

Office of the Prime Minister  
Officials Committee for DEV