



## COVERSHEET

<b>Minister</b>	Hon Dr Megan Woods	<b>Portfolio</b>	Building and Construction
<b>Title of Cabinet paper</b>	Government response to the Commerce Commission market study into residential building supplies	<b>Date to be published</b>	20 June 2023

<b>List of documents that have been proactively released</b>		
<b>Date</b>	<b>Title</b>	<b>Author</b>
May 2023	Government response to the Commerce Commission's market study into residential building supplies	Office of Hon Dr Megan Woods, Minister for Building and Construction
3 May 2023	Government response to the Commerce Commission's market study into residential building supplies DEV-23-MIN-0060 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.



# 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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### Government Response to the Commerce Commission's Market Study into Residential Building Supplies

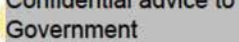
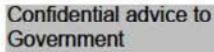
**Portfolios**                      **Building and Construction / Commerce and Consumer Affairs**

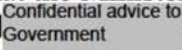
On 3 May 2023, the Cabinet Economic Development Committee:

- 1        **noted** that the Commerce Commission, in its market study into residential building supplies, found that competition for the supply and acquisition of key building supplies is not working as well as it could be;
- 2        **noted** that the Commerce Commission made nine recommendations:
  - 2.1      introduce competition as an objective to be promoted in the building regulatory system;
  - 2.2      better serve Māori through the building regulatory system;
  - 2.3      create more clear compliance pathways for a broader range of key building supplies;
  - 2.4      explore ways to remove impediments to product substitution and variations;
  - 2.5      establish a national system to share information about building products and consenting;
  - 2.6      establish an education and mentoring function to facilitate a better co-ordinated and enhanced approach by building consent authorities to consenting and product approval processes;
  - 2.7      develop and implement an all-of-government strategy to co-ordinate and boost offsite manufacturing;
  - 2.8      promote compliance with the Commerce Act, including by discouraging the use of quantity-forcing supplier-to-merchant rebates that may harm competition;
  - 2.9      consider the economy-wide use of land covenants, exclusive leases and contractual provisions with similar effect;
- 3        **agreed** to the proposed government response, outlined in Annex One to the paper under DEV-23-SUB-0060;
- 4        **noted** that further work is required to consider how the Commerce Commission's recommendations will be implemented and the identified issues addressed;

5 Active consideration



6 **noted** that the Minister for Building and Construction intends to return to Cabinet  Confidential advice to Government  
 Confidential advice to Government to seek approval to release a discussion document providing options on the building consent system review;

7 **noted** that the Minister of Commerce and Consumer Affairs intends to seek Cabinet approval  Confidential advice to Government to release a discussion document on an economy-wide review of the use of land covenants and exclusive leases.

Janine Harvey  
Committee Secretary

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**Present:**

Hon Dr Megan Woods (Chair)  
Hon Michael Wood  
Hon Dr Ayesha Verrall  
Hon Damien O'Connor  
Hon David Parker  
Hon Peeni Henare  
Hon Ginny Andersen  
Hon Barbara Edmonds  
Hon Dr Duncan Webb  
Hon Dr Deborah Russell  
Hon Rachel Brooking  
Jo Luxton, MP

**Officials present from:**

Office of the Prime Minister  
Officials Committee for DEV