

27th June 2024

Tēnā kōrua Minister Watts and Minister Penk,

The signatories to this letter represent the largest and most influential businesses and professional bodies in New Zealand's building and construction sector. We make a significant contribution to our country's economy and employ hundreds of thousands of hard-working Kiwis.

We are proud of the progress the sector has made in recent years to continually improve the quality of our homes and buildings. Building and retrofitting healthier, more efficient places drives innovation and better business processes, and helps to meet New Zealand's international obligations to reduce emissions, further securing our nation's standing on the world stage.

The built environment still contributes about 20% of New Zealand's emissions, and our industry, alongside investors, banks and others, are keen to drive those emissions down further. We appreciate this Government's commitment to meeting our emissions reductions targets via the Emissions Budgets and Emissions Reduction Plans. Through smart policy, the Government can help the construction sector drive down emissions without new subsidies or taxes.

New Zealand has two major policy gaps when it comes to reducing construction sector emissions. The first is relatively weak building regulations that don't have standards for embodied and operational emissions. Experience shows strengthening the Building Code is key to lifting the industry's performance. The second is our lack of energy labels on new or existing buildings, which is common in most of the OECD, and helps buyers and tenants make informed choices. Research shows policies in these two areas could avoid millions of tonnes of emissions in the coming years.

We would very much welcome a commitment to the following in the Second Emissions Reduction Plan:

- A commitment to implement the Building for Climate Change programme delivering substantially lower operational and embodied carbon emissions by the early 2030s.
- Implementing energy transparency labels on new homes and buildings, and existing commercial buildings to be in effect from 2026. This will enable the market to see which buildings cost less to run, and incentivise greater efficiency.

The sector has made considerable investments in preparation for change. These policies are what the industry wants, and would provide our businesses, members, and supply chains with some much-needed certainty to push ahead with investment in decarbonisation. These simple steps will not only make our buildings better, but improve electricity grid resilience, and deliver healthier, more efficient places for businesses, workers, and families.

Ngā mihi nui,

The following organisations support this call for action

Sustainable Business Council represents 130 companies which contribute 41% of New Zealand's GDP.

Engineering NZ is a non-profit membership organisation that helps engineers be their best so they can engineer better lives for New Zealanders. They are the voice of engineering representing 22,000 engineers.

Construction Industry Council is an industry association of associations in the building and construction, design and property sectors. It is made up of 35 associations from the construction sector including Certified Builders, Master Plumbers, Waihanga Ara Rau, BCITO and others.

Infrastructure New Zealand, the nation's infrastructure member association, representing +120 entities that work to build and maintain NZs infrastructure

NZ Institute of Building represents 1,600 construction industry professionals delivering complex commercial and multi-residential projects

Association of Consulting and Engineering represent 268 firms from large global engineering SME engineering firms operating throughout Aotearoa New Zealand

Climate Leaders Coalition has 86 signatories representing 30% of New Zealand's GDP

Te Kāhui Whaihanga New Zealand Institute of Architects represents 4,500 members and 700+ architecture practices engaged on housing, education, health, community facilities, commercial, retail, hospitality and tourism projects across Aotearoa New Zealand

Building Industry Federation is dedicated to supporting, advancing and promoting the needs of the building industry and supply chain. Members include ITM, Mitre10, Plumbing World, Metro Glass and many others.

Building Research Association of New Zealand is an independent building research and testing provider for Aotearoa New Zealand.

Facilities Managers Association of New Zealand represent thousands of facilities managers, the people operating New Zealand's buildings.

Window and Glass Association of New Zealand is the national association representing over 400 window, door and glass businesses from throughout New Zealand.

Architectural Designers of New Zealand is the professional body for 800 architectural designers and architects throughout New Zealand.

Metals NZ works with partners to deliver sustainable products for use in residential, commercial and infrastructure build projects and supporting the sector's transition to a low emissions and circular economy future. It represents a range of large and medium-sized manufacturers, distributors and recyclers who combined employ c. 25,000 people across New Zealand.

Concrete NZ representing around 500 members, champions the use of concrete as a resilient building material, leads CO2 emissions reporting, and advocates for sustainable practices within New Zealand's construction sector to support a circular economy.

Designers Institute of New Zealand represent New Zealand’s 1,200 strong design community and represent its interests to the wider world.

Chartered Institution of Building Services Engineers is a not-for-profit professional body. It exists to support the Science, Art, and Practice of building services engineering by providing the public with first class information and education services whilst promoting the spirit of fellowship which guides our work. CIBSE has more than 21,000 members in 95 countries.

Sustainable Business Network (SBN) is New Zealand’s largest, longest-standing sustainable business organisation. The network consists of hundreds of organisations and people that collectively invest in and act on system change.

Passive House Institute of New Zealand is on a mission to increase the awareness of the benefits and opportunities of high-performance buildings based on the Passive House Standard, through research, education and building industry engagement.

Carbon and Energy Professionals New Zealand (CEPNZ) is the home of hundreds of energy efficiency and carbon reduction professionals.

Sustainable Steel Council is the lead membership body focussing on decarbonisation of steel in New Zealand. We are a Council of Councils being the peak body comprised of all seven steel industry associations in New Zealand, and members who are active at the front line of all aspects of steel in the building and construction sector.

New Zealand Green Building Council (NZGBC) represents 700+ organisations working in property and construction organisations. Members have a combined market turnover of \$40bn.

The following organisations also support this call.

ANZ Bank NZ

Kwanto Limited

Argosy Property Limited

LT McGuinness Limited

Brewer Davidson Limited

Mckee-Fehl Constructors Limited

CBRE New Zealand Limited

Mindful Money

Cheops Holdings

Profile Group

Downer

Pure Advantage

Eagle Lighting

RDT Pacific Limited

BraveGen

Rubix Limited

Green Gorilla

thinkstep-anz

Hawkins

Tonkin + Taylor

HERA

Te Herenga Waka - Victoria University of Wellington

Inzide Commercial Limited

University of Auckland

Jasmax

Warren and Mahoney Architects Limited

JLL

Waste Management New Zealand Limited