



The New Zealand Construction Industry Council (NZCIC) warns that:

"...the proposed change to the Building Research Levy poses **particular risks**. Over nearly 60 years, the Levy has supported the development of national building-science capability at BRANZ, including specialist laboratories, testing facilities, longitudinal datasets and expert teams. This infrastructure underpins practical guidance and tools that councils, designers, engineers and builders rely on every day to make evidence-based decisions on seismic and fire performance, weathertightness, durability and product assurance."



Significant and avoidable risk

Repeal will:

- Fragment a static funding pool in a very small system
- Require new policy, funding, advisory and administrative functions to be created inside government
- Put at risk decades of cumulative investment in people, laboratories, datasets and sector tools
- Pull research decision making closer to regulation and short term policy priorities
- Create incentives that gradually pull capability away from the building and construction sector

New Zealand does not have the scale to dilute a world class specialist organisation like BRANZ without a loss of overall system value.



Increased bureaucracy and duplication

Repeal does not remove bureaucracy — it relocates and multiplies it.

In practice, repeal would require MBIE to rebuild functions that already exist:

- Research priority setting and strategy capability
- Funding administration, assessment and contracting processes
- Sector advisory, assurance and oversight structures

This would:

- Increase overheads for both government and researchers
- Drive higher compliance and transaction costs
- Consume a greater share of a static funding pool
- Create parallel systems during transition, diverting effort into process rather than delivery
- Every dollar absorbed by duplicated machinery is a dollar not invested in research, safety or productivity



The cumulative impact of repeal

- Greater risk to building safety and performance outcomes
- Loss of trusted tools, guidance and applied knowledge used daily by industry and councils
- Progressive erosion of domestic specialist capability

- BRANZ increasingly driven offshore and forced to diversify into new and different sectors to stay viable
- Higher overheads, duplicated bureaucracy and poorer value for money
- Research narrowing to short term regulatory needs at the expense of long term productivity



A way to achieve the same objectives, with substantially lower risk

The Government's objectives can be met without repeal, by strengthening direction, contestability and accountability within the existing system.

1. Letter of Expectation from the Minister to BRANZ

Strengthen the direct relationship between the Minister and BRANZ by setting clear priorities and performance measures

2. Ministerial input into Board appointments and skills mix

Rebalance governance to give greater weight to priority outcomes (e.g. residential building)

3. Increase contestability — deliberately and visibly

Direct BRANZ to make more (or all) Levy funded research contestable, while retaining core baseline capability

4. Protect public good and safety critical capability

Ring fence baseline funding to safeguard specialist laboratories and testing infrastructure, long term datasets and longitudinal research

5. Avoid recreating existing systems inside government

Minimise disruption, cost and productivity loss across the sector by avoiding rebuilding parallel research funding, advisory and administrative functions within MBIE

Key Consideration

These shifts can be delivered through targeted legislative amendment, clearer Ministerial direction, governance settings and the BRANZ Inc Constitution — without repealing the Act.

