NZGBC
TE KAUNIHERA HANGANGA TAUTAIAO

25 July 2025

Submission to the Ministry for the Environment

Re: Package 1 – Infrastructure and Development Discussion Document

New Zealand Green Building Council (NZGBC)

Introduction

The New Zealand Green Building Council (NZGBC) welcomes the opportunity to provide feedback on the proposed reforms under Package 1 of the Infrastructure and Development programme.

We support the Government's intent to streamline planning processes while ensuring that housing and infrastructure development delivers long-term benefits for people, communities, and the environment.

NZGBC is a for-purpose organisation dedicated to transforming Aotearoa's built environment into one that is healthier, more sustainable, and more resilient.

Representing over 700 member organisations across the construction and property sectors—including developers, designers, builders, iwi, and local government—we advocate for better building that support people, communities, and the planet.

As part of our work, we oversee industry-backed building certification including Homestar, an independent, nationally recognised rating tool for assessing the health, efficiency, and sustainability of new-build New Zealand homes. It provides a robust framework for improving housing performance across key areas such as:

- Energy use and carbon emissions
- Warmth, ventilation, and moisture control
- Water efficiency and waste reduction
- Materials and construction practices

A Homestar rating of 6 stars or above indicates a home that is decent, healthy, and efficient.

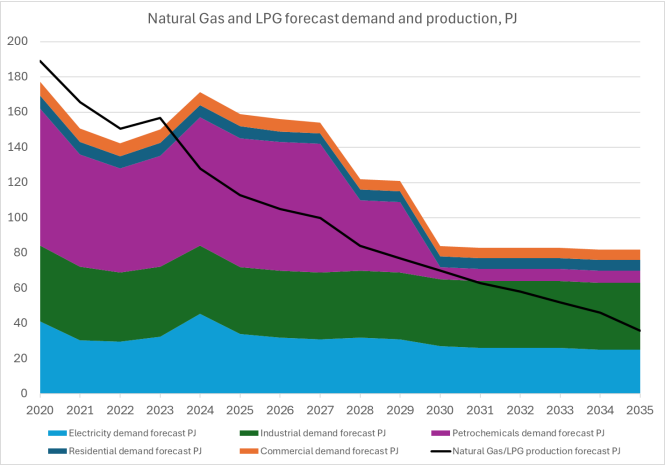
The proposals in Package 1 present a critical opportunity to embed quality and sustainability into the regulatory framework for housing and infrastructure. As New Zealand faces the twin challenges of a housing crisis and a climate crisis, it is essential that new development delivers more than just quantity—it must also deliver quality, future-fit places.

The built environment contributes around 20% of New Zealand's carbon emissions when including both operational and embodied carbon. At a time when our climate obligations demand further action, and our Emission Reduction Plan looks set to fall short, the proposed reforms provide a low-cost, positive opportunity to embed further efforts to decarbonize.

Additionally, New Zealand is in the midst of an energy crisis. New Zealand is deindustrialising, with industrial users of gas having to forego production of their products due to a growing shortage of gas available, while businesses are going out of business due to high energy prices.

The construction and property sector has a significant part to play. According to EECA figures hot water heating makes up about 30% of the average Kiwi household's energy use. Unfortunately, many homes are still relying on gas for this, further adding to the problem.

New Zealand is rapidly running out of natural gas/LPG, contributing to what Energy Minister Simon Watts has called the country's "energy shortage". Inaction will see rising energy prices for business and households, leading to major manufacturers closing down, costing New Zealand export earnings, and resulting in the loss of many jobs.



There will not be enough natural gas/LPG to go around. MBIE's Energy Balance statistics[1] show that, in 2023:

- 'Non-energy uses' (eg Methanex converting natural gas to methanol) used 39PJ
- Electricity production consumed 33PJ, with co-generation a further 10PJ
- Process heat for chemical production consumed 24PJ
- Food processing used a further 20PJ
- Homes used 11PJ
- Commercial uses (eg office heating) consumed 10PJ
- Other industrial sectors used the remainder

Even with forecast demand reduction, by 2035, production will only be sufficient to meet projected industrial demand; electricity generation, commercial, and residential demand will need to be eliminated, or factories will be forced to close.

The proposed reforms under Package 1 of the Infrastructure and Development programme could help alleviate the energy shortage by supporting the move to energy efficient heat pumps - freeing up gas supply for industrial purposes.

By recognising tools like Homestar within national direction instruments, the Government can:

- help alleviate the energy crisis
- ensure new homes are warm, dry, energy-efficient, and fully-electric
- reduce long-term costs for households and infrastructure providers
- support Māori housing aspirations through culturally grounded, sustainable design
- ensure healthier homes with less internal moisture and mould issues
- align housing and infrastructure delivery with New Zealand's emissions reduction and resilience goals

This submission outlines practical ways to integrate these tools into the proposed reforms, helping to ensure the homes and communities we build today are fit for the future.

[1] MBIE, Energy Balances, 2025 https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-statistics-and-modelling/energy-statistics/energy-balances

Key recommendations

Homestar as a Compliance Pathway for Granny Flats and Papakāinga Housing

We recommend that Homestar certification be a requirement for:

- Granny Flats (Minor Residential Units), and
- Papakāinga housing developments.

This would ensure that these homes meet minimum standards for health, comfort, and sustainability, and align with the Government's goals for climate resilience and public wellbeing.

Delivering more energy efficient homes will deliver hundreds of dollars of energy savings for each family and help alleviate the energy crisis NZ is experiencing.

An opportunity to tackle energy insecurity

We recommend that the proposed reforms place a strong emphasis on energy efficiency, particularly in relation to New Zealand's energy security and gas supply challenges. Improving energy efficiency in homes can:

- reduce household energy bills
- alleviate pressure on national energy supplies
- support the transition to a low-carbon economy

While our recommendation to support Homestar rated homes through compliance helps deliver warmer and more energy-efficient homes, we'd suggest a blanket addition to encourage fully-electric homes, without gas connections.

Consideration of permeability and flooding

It's likely many additional minor residential units will turn what was once permeable surfaces into impermeable surfaces. This presents a huge risk to our cities as we brace for the future impacts of climate change and increased risk of flooding.

As was evident in the Auckland flooding events, the increase of high-density, impermeably landscaped development has put huge pressure on existing water infrastructure and added emphasis on the rainwater management.

We suggest these reforms should contain direction on stormwater management, including a requirement in high-density areas for water retention and storage.

Specific Feedback

Part 2.1: National Policy Statement for Infrastructure

Question 1. Is the scope of the proposed NPS-I adequate?

We support the development of a National Policy Statement for Infrastructure and recommend that it explicitly promote:

- Green infrastructure
- Low-carbon construction materials
- Nature-based solutions

These align with the broader goals of sustainable development and can be supported through tools like Homestar and Green Star.

Part 3.1: National Environmental Standards for Granny Flats (Minor Residential Units)

Question 57: Are the proposed provisions in the NES-GF the best way to make it easier to build granny flats (minor residential units) in the resource management system?

We support the intent to enable more flexible housing options like granny flats. However, we recommend that the standards include a performance-based compliance pathway using Homestar certification. This ensures that these units are not only more accessible but also healthy, energy-efficient, and climate-resilient. Without minimum quality standards, there is a risk of creating substandard housing stock that undermines long-term wellbeing and sustainability goals.

Question 59: Do you support district plans being able to have more lenient standards for minor residential units?

We support standards, either as part of the NES-GF or provided by local authorities, that set a minimum expectation of performance, glazing, sunlight access, and stormwater management. These are already covered in Homestar.

In addition, we urge the Ministry to consider the impacts on permeable surfaces. The addition of granny flats or minor residential units often results in the replacement of permeable surfaces (such as gardens or lawns) with impermeable ones (such as concrete or asphalt). This can exacerbate flood risk and place additional pressure on existing stormwater infrastructure, particularly in urban and higher-density areas.

We recommend inclusion of requirements or guidance for maintaining permeable surface ratios or implementing stormwater mitigation strategies (e.g., rain gardens, permeable paving, or on-site detention systems) to manage these risks effectively.

Part 3.2: National Environmental Standards for Papakāinga

Question 64: Do you support the proposal to permit papakāinga (subject to various conditions) on the types of land described above?

We strongly support the intent to enable Papakāinga housing and recommend that the standards include Homestar certification as a compliance pathway. These tools can help ensure that Papakāinga housing is not only enabled but also thrives as a model of resilient, intergenerational living.

Part 2.2 & 2.3: Amendments to NPS for Renewable Electricity Generation and Electricity Transmission

Question: Do you agree with the proposed amendments to support renewable electricity and transmission infrastructure?

We support the amendments and recommend that they be extended to encourage distributed energy systems in residential developments—such as solar-ready homes, battery storage, and EV charging infrastructure. These features align with Homestar energy criteria and support the transition to a low-carbon, resilient housing sector.

Part 3.3: National Policy Statement for Natural Hazards

Question 73. Would the proposed NPS-NH improve natural hazard risk management in New Zealand?

We support the proposed approach and recommend that building performance standards—such as those embedded in Homestar— can be used to ensure homes are resilient to flooding, overheating, and other climate-related risks. This would help operationalise the policy intent and ensure that risk management is embedded at the design and construction stage.

In addition, we urge the Ministry to consider the cumulative impact of impermeable surface expansion—particularly in urban and higher-density areas. The replacement of permeable surfaces with hard surfaces (e.g., concrete driveways, patios, and building footprints) can significantly increase surface runoff, exacerbate localised flooding, and overload stormwater infrastructure.

It may be that this is dealt with by the inclusion of flooding in the proposed NPS for Natural Hazards, however we suggest including guidance or requirements for managing site permeability, such as:

- Minimum permeable surface ratios
- Use of permeable paving materials
- On-site stormwater detention or retention systems

- Integration of green infrastructure (e.g., rain gardens, swales)

These measures would support a more resilient urban form and reduce the risk of flooding and infrastructure failure in the face of more frequent and intense rainfall events.

Question 87. Are there other statutory or non-statutory implementation provisions that should be considered?

Yes. We recommend that the Government:

- Recognise Homestar as a requirement or best-practice framework.
- Have Kainga Ora build their homes to the Homestar standard ensuring healthier efficient homes and reducing the load on the energy grid.
- Introduce incentives for certified sustainable homes, such as:
    - Fast-tracked consenting. In July 2025 the Minister for Buildings and Construction announced that homes with solar will have their consents approved within 10 days compared with non solar homes that will continue to face 20 days. It would be useful to extend this faster consenting regime to homes that are certified to energy efficient standards such as Homestar and Passive House. These homes use significantly less energy.
    - Reduced development contributions

The tools mentioned in this submission, such as Homestar, are already widely used and trusted in the sector and can help mainstream better building outcomes across Aotearoa.

Thank you for the opportunity to submit. We hope this submission has been of use.

Do let us know if more information would be of use. We are happy to meet or discuss in more detail.

Nga mihi nui,

Andrew Eagles
New Zealand Green Building Council