

Annual Review: November 2022

This report gives an overview of the New Zealand Green Building Council's (NZGBC) activity for the 2021/22 financial year and provides an update on strategic priorities.

A message from Steve Aschebrock, NZGBC Chair

Tēnā koutou,

Despite the pandemic, disruptions to supply chains, and project delays, the appetite for healthier, more sustainable buildings is booming. Once again, the New Zealand Green Building Council has seen a record year for organisations joining the movement, and projects being registered under our sustainable certifications. During the 2021/2022 financial year Aotearoa's building sector has continued to be transformed, in large part through the hard work and advocacy of our members and supporters.

Thank you to everyone who has supported the push for sustainable construction in Aotearoa, and worked alongside the NZGBC team. As an organisation, the New Zealand Green Building Council is in a strong position to support the industry.

This strong growth has allowed for key investments in our systems to enhance support and experience for customers. Work is underway on a new customer relationship management system and website experience, and we are investing in our technology to make the certification process easier and our systems more robust.

The year saw a loss of \$59k against a budgeted loss for the year of \$214k.

Over 700 organisations are now members of the NZGBC. Our membership retention rate was 90% against a target of 88%, and member acquisition was \$179k against a target of \$140k.

Staff have been exceptionally busy with demand for NZGBC's services increasing significantly. The team continues to grow with 27 staff. The staff engagement survey shows a strong performance with the NZGBC in the top 25% of not for profits. Staff retention was 71%.

Heading into the year the board had three strategic objectives:

- 1) Increase adoption of best practice - greater uptake of tools by targeting and converting prospects
- 2) Increase understanding of sustainable buildings through great stories, case studies, collaboration, research, education, and events

3) Driving policy change - ensuring regulations and government procurement align with a low carbon sustainable future

Increase adoption of best practice

The New Zealand Green Building Council's green rating tools are increasingly recognised and used throughout the industry as the benchmark for sustainable design, construction, and performance. As outlined in more detail later in this summary, the New Zealand government has embedded many of our ratings across its procurement, contributing to the growth of these tools and the industry's uptake of them.

We certified a record number of homes and buildings this year and have smashed our goals for new registrations with a rapidly growing pipeline of innovative, sustainability-driven developments coming on stream. Together we're transforming the construction and property sectors to start thinking about, and acting on, the need to do things differently.

The following table shows the certifications and registrations for the 2021/2022 financial year.

	Target	Achieved	%
Green Star registrations	30	62	207%
Green Star Performance registrations	5	2	40%
Green Star Communities registrations	2	0	
NABERSNZ certifications	50	105	210%
Homestar registrations	4,700	5,734	122%
HomeFit certifications	2,000	946	47%

We've celebrated some truly fantastic buildings, including two winery buildings, a convention centre, four 6 Green Star buildings, and we awarded our highest ever number of points under Green Star to the University of Auckland's B201 redevelopment.

As well as a big year for certifications and registrations, both Green Star and Homestar have had some key updates as part of our efforts for continuous improvement. Following extensive consultation with our members and the wider sector we launched Homestar v5 in August 2021, further embedding emissions reduction and performance. This has also led to the creation of the Energy and Carbon Calculator for Homes (ECCHO). ECCHO is being well received in the market. Over 1,000 homes have been modelled using the tool. MBIE have confirmed it as an acceptable method for modelling homes for Building Code compliance.

Registrations under Homestar v4 close early 2023.

The industry was also consulted on updates to Green Star Design & As Built NZ and Green Star Interiors NZ, with v1.1 launched in April 2022 at a livestreamed event in Auckland.

Registrations under v1.0 closed at the end of October 2022, and work is already underway on the next chapter of Green Star - Green Star Buildings NZ.

A huge thanks to everyone involved in developing these tools, and a special thanks to those working on our advisory committees and expert review panels.

Increasing understanding of sustainable buildings

As project numbers increase, so do the number of professionals trained up to deliver them. Through the year the NZGBC trained a record 1,182 professionals. That was a more than doubling from the 476 trained up the previous year. That is in large part due to the increased uptake of our tools and high demand from our community. Thirty two courses were held online and in person, compared to 21 the previous year.

Alongside training courses, we held 18 events and webinars for members and our sector to learn, network, and draw inspiration from the mahi of others. These events also included a series on the various updates to Homestar v5. During the course of the year NZGBC's events drew a total audience of 2,385 people.

We are continuing to engage with students and young professionals through our Future Thinkers network. The 2022 Future Thinker of the Year awards evening was successfully held at Mott MacDonald's Auckland office, with Victoria University of Wellington architecture student Eloise Blewden crowned Future Thinker of the Year from a strong field.

Besides our programme of events, we continue to reach a huge number of New Zealanders via our digital channels. Our website continues to be a useful platform for our members and sector, with close to a hundred thousand users, and over half a million pageviews over the year. Our audience across our social channels continues to grow with an increasingly engaged and growing community. Across our social channels we have over 14,000 followers.

The NZGBC's library of case studies continues to grow, with an increasing number of Green Star and Homestar stories showcasing the efforts of developers, homeowners, architects, builders, and our trained professionals to develop better homes and buildings.

Driving policy change

Off the back of the biggest year for green buildings in the NZGBC's history, during FY2021-2022 there continued to be significant changes to the way our sector and government plan, design, build, and measure performance.

In November 2021 the government announced a 5 Green Star rating would be required on all new government building projects with a capital value of \$25 million and above. That requirement will be expanded to include all government projects \$9 million and above from April 2023. That announcement means the government is now mandating green certification for all its major new buildings, NABERSNZ energy performance ratings on all its existing buildings and tenancies, and Homestar certification across its residential developments via Kāinga Ora

Government leadership through procurement was a key ask in our Zero Carbon Road Map released in 2019, and helps upskill the sector while sending a signal that these standards are becoming the norm.

Prior to this announcement, the NZGBC released a report in September on the government's progress under the Zero Carbon Road Map, which found it is failing to do enough, thereby threatening its ability to meet its international climate change obligations. There continues to be a lack of ambition and urgency to implement solutions to slash carbon and ensure zero energy buildings.

The year saw transparency become a key issue, with work progressing on implementing climate related financial disclosures, and the subject of mandatory energy reporting gaining support. In October NZGBC released a report from Sense Partners 'Making the performance of buildings transparent: A low hanging policy option to save energy and carbon.' The report found a mandatory disclosure scheme is an integral part of how New Zealand can reduce energy use and deliver a lower carbon Aotearoa.

In October the NZGBC provided strong feedback on the government's Emissions Reduction Plan consultation, hailing some strong vision and support for measures such as energy performance certifications. However there needed to be far more detail and ambition to get the much-needed action underway.

In March 2022 we sent the Minister for Climate Change James Shaw a joint letter calling for government to adopt the Climate Change Commission's recommendation 'to have, by 31 December 2022, implemented measures to improve the energy performance of existing buildings, such as mandating participation in energy performance programmes.' This call was backed by dozens of key organisations such as the Sustainable Business Council, Architectural Designers New Zealand, Sustainable Business Network, Engineering New Zealand, FMANZ, as well as members such as JLL, Kiwi Property Group, ANZ, BECA, RDT Pacific, and many more.

When the Emissions Reduction Plan was officially released in May 2022, there was a commitment to legislating an energy transparency programme for public and commercial buildings. However, there's still work to do to urgently get the government embedding transformative change through the Building Code and other regulatory levers.

This year also saw government deliver much needed improvements to the Building Code, primarily around H1 and the levels of insulation required. The changes are an important step in improving the efficiency, warmth, and comfort of our new homes, while reducing our emissions. The move was welcomed at the time, and our team worked to support MBIE and the industry to understand and prepare for the changes.

The release of a free NZGBC online H1 calculator to support industry to understand the implications was very well received as was our support to builders who were looking to understand the implications of the changes.

NZGBC campaigning, supported by members and associated organisations, helped reduce the impact of proposed H1 delays. The delay in delivering H1 highlights the importance of delivering the guidance on the Building for Climate Change programme early and the importance of builders and designers trialling building to lower carbon standards before the Building Code changes.

Our advocacy also included submissions on the Aotearoa New Zealand Infrastructure Strategy consultation, Government Policy Statement on Housing and Urban Development, RMA reform, the Environment Select Committee's work on construction and demolition waste, Climate Related Financial Disclosures and the External Reporting Board, and the Ministry for the Environment's Draft National Adaptation Plan.

The future

This report formally covers FY2021/22 but since the new year we have continued to make progress, launching several key studies and consultations.

In an effort to support the industry to understand the various rating tools available in the New Zealand market we have released the first Ratings Snapshot alongside Property Council New Zealand. This provides an overview of what's available, their scope, objectives, and governance.

We have also released important research from BERL which shows the New Zealand economy would receive a \$150 billion injection if we build new homes and buildings more sustainably.

The NZGBC has brought the sector together to consider a sector analysis of risks and opportunities for the construction and property sector relating to our changing climate. This seminal work, which is expected to conclude by mid 2023, will help inform listed entities as they prepare their climate related disclosures in 2023. It will also provide useful information and guidance on the coming disruption of a low carbon future for investors, designers, builders and the wider supply chain.

Consultation has also now opened on the most ambitious update of Green Star yet. Green Star Buildings NZ will introduce a raft of new mandatory minimums, embed further embodied emission reductions, and higher performance. We expect the update will be introduced from late 2023, and we're looking forward to working through the changes with our members to ensure they're suitable for the New Zealand market. We have also released for consultation a common methodology to calculating embodied carbon alongside thinkstep anz. This is a very significant step forward for industry.

We will continue to work with members and our industry to embed embodied carbon reduction across the supply chain and development process. We're in a great position with further reductions now embedded in our tools, and calculators available for anyone to measure their footprint.

We will continue to hold the government to account and advocate for faster, more ambitious action to address our sector's emissions. The Building for Climate Change programme is a huge opportunity for our sector, and one we'll be monitoring closely to ensure it delivers.

I've said it several years in a row now, but it probably has been the most successful year ever for the Green Building Council. The momentum keeps building.

Our vision of a better, more sustainably built Aotearoa continues to garner support, attention, and importantly inspire action. Thank you for all your work and support in driving change.

In this, my last address as Chair of the NZGBC, and my ninth and final year on the Board, I want to say kia ora (thank you) to the team, the board, and to the wider NZGBC member whānau for all your great mahi.

You have supported a rise in uptake of tools, improved regulations, and helped improve the lives of New Zealanders. You are helping deliver better buildings, proven. I am proud of the work we are doing to drive the sector even further, embedding a healthier, lower carbon, brighter future for Aotearoa New Zealand.

Ngā mihi nui

Steve Aschebrock
NZGBC Chair