

A message from Gary Walker, NZGBC Chair

This report gives an overview of where the organisation is at and our activity for the 2017/18 financial year. It also provides an update on our multi-year strategic priorities. These priorities are critical components to the growth of the NZGBC as we continue to be an industry-leading organisation, working to create a built environment that makes business sense and improves health and well-being.

The strategic priorities we set at the start of the 2017/18 financial year included:

- Develop and deliver rating tools with the sector to meet their needs.
- Grow the NZGBC's influence by ensuring the sector is listening to our message.
- Work well together by building and developing the team and investing in the required infrastructure.

Strategic priority 1. Delivering the tools you need

I'm happy to tell you that we've further simplified our existing tools and introduced new ones to meet New Zealand's needs. I wanted to clearly set out for you what these tools are:

- The Green Star you know very well is for new buildings and fitouts. Where it was primarily for office buildings, Green Star now covers any new building. Since introduction in 2007, NZGBC has certified over 154 significant new building and fit-out projects in New Zealand with Green Star. It is now standard business practice in the main centres.
- We've added to Green Star after the sector asked for tools to assess existing buildings, and we were proud to launch Green Star Performance late in 2017. This new verification tool means that, for the very first time, owners and tenants can perform a health and productivity check for any kind of existing building, including offices, hotels, hospitals, industrial units and schools. It's a common currency which now applies across New Zealand and any building can be rated from 1- 6 stars.
- We didn't stop there. The Green Star Communities tool allows for an assessment of a building's liveability, economic viability, stakeholder engagement, and design excellence against international standards; it's great to have this tool already being applied to the development of large schemes in New Zealand.
- Then we have an update to our Homestar assessment tool, with version 4 launched in July 2017. This new version is faster and simpler to administer, but just as effective in assessing homes for warmth, weather tightness and health.

Together, these tools are a comprehensive set which equip just about everyone to assess the quality of their buildings. They are a big step towards addressing the shortcomings in much of New Zealand's building stock.

I'd like to express my gratitude and that of the NZGBC to all members who provided feedback, sponsored our review work and events, sat on working groups and adopted new tools throughout the introduction of all these tools. Thank you.

Strategic priority 2. Growing NZGBC's influence

We've seen a substantial increase in activity in this priority area. Topping it was an invitation to Parliament where we presented a low carbon strategy for the built environment to five Ministers. Our strategy encompassed three points:

- Firstly, amending the building code to deliver quality buildings and a trajectory to zero carbon new buildings and homes.
- Secondly, letting the market drive change using market labels; suggesting that Government mandate NABERSNZ and support tools illustrating the health and quality of existing homes.
- Thirdly, we stressed the necessity of walking the talk; that government should build decent homes and fit out to Green Star standards.

I am proud to say that within four months of that appearance, we've seen substantial progress on three of these areas: the building code, support for a rating tool and Government committing to build homes to Homestar.

We've also been influential in other ways, with regular TV, radio and newspaper appearances, with commentary and input from the NZGBC considered trustworthy and influential.

Strategic priority 3. Valuing the team

Led by Andrew Eagles and the leadership team of Sam Archer, Joanne Duggan and Jill Solomon, NZGBC has enjoyed a stable team this year. Stability has translated into improved processes, allowing more member engagement and ultimately delivery against objectives. The NZGBC had exceptionally low employee turn-over for the year, at 6%, against an industry average of close to 16%.

Team members are actively encouraged to contribute to strategic business discussions and share lessons learnt. The ongoing professional development of team members is supported through internal and external training and assisting with stakeholder engagement.

Annual engagement surveys have proved valuable and the overall engagement score rose from 3.98 to 4.13. Results of this survey and regular mentoring meetings allow the leadership team to target staff development and wellness programmes, ensuring every team member feels valued. We've also put specific focus into providing the infrastructure, IT and support for staff to work smoothly and efficiently.

Additionally, the NZGBC has formalised an internship scheme, with a winter and summer intake. The energy and ideas from interns are a real asset.

Update on our core activities

Rating tools

We are very proud of the rating tools we deliver.

Green Star adoption is up; where we'd generally have an average of 30 projects on the books, the number is now around 50. Green Star Performance adoption is also rising, with a range of existing offices and non-office buildings participating.

Homestar adoption, too, continues to grow. The sector is responsive to the streamlined administrative process, with more than 20,000 homes now registered or confirmed for Homestar.

In its fifth year of operation, NABERSNZ continues to grow steadily in reach across the building industry.

EECA and the NZGBC continue to work in partnership to increase demand through workshops and dedicated support for tenants, building owners and property agents.

Education

The value of education cannot be underestimated and has been a strong focus over the year. We've revised our course content to bring the sector up to speed with our new tools. Our body of professionals has grown to include 296 Green Star Accredited Professionals which includes 16 trained in Performance and 6 in Communities, 121 Green Star Practitioners, 82 Homestar Assessors and 127 Homestar Practitioners. We also have 42 NABERSNZ Assessors and 62 NABERSNZ Practitioners.

During the year, we celebrated 10 years of service for 52 of our Green Star Accredited Professionals; and at this point, I'd like to acknowledge the contribution of our professionals in the delivery of our services.

Attendance at courses has been very strong with excellent satisfaction ratings. Webinars are now delivered monthly on a range of topics and we have had very good participation in and feedback on these webinars.

Marketing and events

The 2018 Housing Summit was held in June and there were numerous highlights which created a buzz through the industry and created a platform for further influential discussion. TV1, TV3, RNZ and herald reporter Simon Wilson attended the summit and reported on the importance of good design through Homestar and Green Star Communities ratings.

The report from Shamubeel Equb, released on the day of the summit on the household savings and social benefits of the KiwiBuild programme built to Homestar standards together with Matt Petersen, former LA Chief Sustainability Officer, alongside a presentation from the Building and Construction Minister, the Honourable Jenny Salesa, grabbed the media attention.

Then, in September, the annual World Green Building Week programme was delivered with events in Auckland, Hamilton, Wellington and Christchurch. This year focussed on housing and we ran nine events. The week was a huge success, and that was seen in the numbers of people visiting the NZGBC website; 30% more than last year's World Green Building Week, which was a then-record high for us. In fact, this year was the most successful for our website ever, in terms of users, and we broke that record multiple times throughout the year.

Aorangi House won an international green award scooping up the win at the World Green Building Council's Asia Pacific Awards in early September. This put Green buildings in the headlines again, and this retrofit of an existing building and good NABERSNZ performance was held up as exemplar across the Asia Pacific Green Building Community. The story saw coverage across radio, print, TV and online, including Radio New Zealand, Dominion Post, Stuff, and Sam Archer on TVNZ One Breakfast this morning.

We continue to work with project teams to publicise significant achievements and generate national media coverage across all key tier one media outlets; these include print, TV, radio and digital, and

household names like TVNZ One, Three TV, Radio New Zealand, Newstalk ZB, Radio Live, NZHerald, Dominion Post, The Press, NBR, and more.

Membership

This is an important tracker of our performance and I'm pleased to report that our members continue to support us. They show their commitment to better buildings by using Green Star, Homestar and NABERSNZ, and by renewing their membership. The retention rate for the 2017/18 year was 88 percent.

Acquisitions achieved in the year almost doubled the target. Recent notable new members to the NZGBC include Contact Energy, Rinnai New Zealand, Foodstuffs New Zealand Ltd, Barfoot and Thompson, Plumbing World, Fisher & Paykel, Latham Construction Ltd and Bowers Brothers Concrete Ltd.

During the year, we have enjoyed support from our Corporate Sponsors: Resene, Bayleys, APL and Warren and Mahoney. We are grateful for the support of these organisations and thank them for their substantial contributions.

Financial review

The books are looking good, with 2017/18 ending in a surplus of \$183,000. The profit was boosted by a one-off accounting adjustment to certification income to align project income recognised with the stages of completion of projects. NZGBC continues to have a strong cash position. With strong growth in project registrations, because of our new tools and streamlined processes, we expect continued growth in certification. The NZGBC will continue to be profitable, delivering the advocacy services our members expect, and ultimately fulfilling our mission of better buildings for all New Zealanders.

A look to our future - strategy for 2018/19 and beyond

The NZGBC Board and team have taken time to consider the strategic direction of NZGBC. This is clear. The NZGBC proves places, buildings or homes are better quality. We deliver "better places, proven".

To assist in delivering the strategic priorities outlined in the business plan, the NZGBC will focus on a couple of key points:

Growing tool uptake – Our new and existing tools meet the sector's demands for rating a wider range of building types. Tools have been streamlined and processes are now easier. Green Star Performance means whole building portfolios can be checked relatively simply at quite low cost. This includes development of collateral, infographics and materials you need to gain buy-in to deliver better buildings. NZGBC will also continue to progress the low carbon strategy for the built environment, with a focus on encouraging Government to lead the way.

Growing our influence – In the last couple of member surveys, and in conversations at many of events throughout the year, you've asked us to step up our advocacy and communications work. We've done that, and we're now seeing some of the effects throughout the nation's media outlets publicly and, less publicly, in meetings at the Beehive, and with key officials and influencers around New Zealand.

With your backing, and with the words of the world's scientists telling us we have only a few years to prevent the worst ravages of climate change, we are stepping it up further. We'll be reviewing our brand strategy to be sure we have the right impact with the right people. We'll continue the rapid raising of our profile and influence through media coverage, commentary, trusted thought leadership and world leading events.

A resilient organisation – The NZGBC has seen considerable change in 2018 with new tools being developed and launched. Processes have been reviewed and streamlined but now is the time to tweak these as we look to increase adoption of those tools. As always, the NZGBC team is instrumental in the delivery of our services. We will look to keep the balance right between running a technically robust suite of rating tools while being responsive to the needs of our people both internally and externally.

Conclusion

It's been a monumental year of growth and development for the NZGBC. We've got the new tools, we've revised and improved existing ones, we're seeing our message going out into the market and finding fertile ground. We have a solid team doing great work. The future looks bright – bright green, that is – for NZGBC as an organisation, on the one hand, but more importantly by far, for New Zealand as a whole.

I thank you for your interest and support of our organisation as we, along with our sponsors, members and stakeholders, continue to deliver a healthier built environment for all New Zealanders.



Gary Walker
NZGBC Chair