CONTENTS

1. Introduction .......................................................................................... 3
2. How we invest .................................................................................... 4
3. Indicative Building Research Levy funding ................................. 5
4. BRANZ’s portfolio ........................................................................... 6
5. Our portfolio overview..................................................................... 7
6. Investment Signals ............................................................................ 8
   a. General Signals ........................................................................ 8
   b. Specific Investment Signals .............................................. 9
7. Research funding landscape ..................................................... 10
Introduction

This Levy Investment Portfolio Statement (LIPs) provides guidance on how the Building Research Levy which will be allocated in 2021/2022.

These investment signals provide guidance both for BRANZ Ltd and external researchers seeking funding from the Building Research Levy.

Wise Levy Stewardship underpins our portfolio

Income from the Building Research Levy and commercial services make up BRANZ’s annual income.
Total income for 2020/21 was $32.2 million:
- $23.9 million from the Building Research Levy to fund industry research and knowledge transfer
- $7.6 million from commercial services
- $0.7 million of other income.
With the steady increase in Levy receipts since 2010/11 we have been able to lift investment in research from $8 million 10 years ago to $14 million in 2020/21.

This investment statement should be read in conjunction with:

- Levy in Action. This document provides information about BRANZ’s existing research activities.
- Industry Insight Report 2019. This document provides insights from the latest BRANZ survey of industry issues and needs.
- 2021 Prospectus. BRANZ also issues a Prospectus document for proposals led by researchers external to BRANZ. This document contains research questions reflecting the priorities contained in this investment statement. It is focused on seeking proposals from external providers.

These documents can be found on the BRANZ website. www.branz.co.nz
BRANZ is the steward of the Building Research Levy and invests it through a range of mechanisms which include:

- Work initiated and contracted with BRANZ Ltd (this can include sub-contracts with external providers);
- Work initiated and contracted with external providers (this can include sub-contracts with BRANZ Ltd);
- Scholarships to support the next generation of researchers and help support tertiary capability elsewhere in New Zealand;
- Strategic initiatives that invest in significant activities above and beyond BRANZ’s baseline of research investment; and
- Agile investments that are able to respond to urgent industry issues or take advantage of opportunities that may emerge outside of programmed investment rounds.

BRANZ invests the Building Research Levy through two key approaches:

- Into BRANZ Ltd, the wholly owned subsidiary of BRANZ Inc, through an ongoing re-investment process. Proposals for new research are led by BRANZ programme and project leader’s, in conjunction with external researchers and industry input to guide and shape the research. Proposed research is reviewed annually by the Levy Allocation Advisory Group (LAAG), who are representatives from industry with a mix of regulatory and industry expertise and experience. The LAAG provides advice to the BRANZ Inc. Board on the appropriate mix of projects/programmes for BRANZ Ltd, that respond to the investment signals. The BRANZ Inc Board then makes final decisions.
- Our annual Prospectus/Scholarship rounds seek projects from external researchers, to add capability and capacity to BRANZ expertise and uncover new ideas and approaches. We also fund student scholarships to improve the capability of the sector. Masters and PhD level projects are sought through our annual Scholarships round.

Further details on how we invest can be found at www.branz.co.nz/investing-research.

BRANZ recognises opportunities may be driven by urgent or timely insights or events, we use agile investment to act quickly to undertake new research throughout the year. Both BRANZ Ltd and external researchers are invited to use this mechanism.

Our annual cycle of investment is set out in the graphic below.

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**Annual cycle of investment**

1. NZ Inc. and industry needs
2. Levy
3. Investment Portfolio Statement released
4. Research providers propose research
5. Outputs - accessible, actionable insights
6. Contract/undertake research
7. Allocate Levy
8. The impact/change the research has made

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**General timeline**

<table>
<thead>
<tr>
<th>BRANZ Ltd</th>
<th>Prospectus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan - May</td>
<td>Industry needs identified</td>
</tr>
<tr>
<td>June</td>
<td>LIPS released</td>
</tr>
<tr>
<td>July</td>
<td>Prospectus released</td>
</tr>
<tr>
<td>August</td>
<td>Proposals developed</td>
</tr>
<tr>
<td>September</td>
<td>Expressions of interest due</td>
</tr>
<tr>
<td>October</td>
<td>Assessment</td>
</tr>
<tr>
<td>November</td>
<td>Full proposals</td>
</tr>
<tr>
<td>December</td>
<td>LAAG panel</td>
</tr>
<tr>
<td></td>
<td>Decisions</td>
</tr>
<tr>
<td></td>
<td>BRANZ Inc. Board decisions</td>
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</tbody>
</table>
Indicative Building Research Levy funding

The level of investment available for research and knowledge dissemination activities is set by the BRANZ Inc Board in keeping with its long-term Levy utilisation policy.

The following information is provided to help inform the level of funding sought by proposals responding to this statement.

**BRANZ Ltd.**

**Indicative Funding for 2022/23**

- **Committed $8.1m**
- **Available $0.7m**

**External providers**

**Indicative Funding for 2021/22**

- **Committed $1.0m**
- **Available $0.7m**

**Future years**

Under our current approach to research investment, most investments made by BRANZ Inc are multi-year. As an investment approach we wish to ensure that sufficient investment remains unallocated in future years. This is so that we can have confidence that there is sufficient headroom for new ideas and new knowledge to meet developing or unknown industry needs.

**Forward unallocated investments**

Based on baselines and subject to change

We do not wish to set levels or parameters for unallocated investment for future years. Rather, we wish to share this information to support providers in their own planning. BRANZ Inc will actively manage unallocated baseline funding, noting this investment is spread across multiple providers.

* Refers to recurring investments in signals 4 and 5.
This Levy Investment Portfolio Statement is focused on securing contributions to advance research across BRANZ’s portfolio areas.

What we do in the building and construction sector impacts New Zealand’s economy, environment and peoples’ wellbeing. BRANZ, along with other research organisations, carry out research to better understand the nature of particular issues and how they interact. The BRANZ vision is to challenge Aotearoa NZ to create a building system that delivers better outcomes for all.

The graphic below sets out key areas in which BRANZ undertakes research. Areas of focus are highlighted in red in the graphic below. These areas have been identified as areas of significant interest to New Zealanders.

- The building and construction sector has a role to play in helping New Zealand meet its climate change obligations. The Building Research Levy is supporting this through its Transition to Zero Carbon Programme of Work.
- As a country we aim to keep people safe from fire, natural hazards, and other risks. The Building Research Levy plays a role through supporting research to improve seismic performance and through its Building Fire Safe Densified Housing programme.
- The quality and performance of buildings remains a priority with an ongoing need to make improvements. BRANZ’s “Warmer, Drier, Healthier Homes” programme supports efforts to provide New Zealanders with warm, dry, healthy homes. The “Eliminating Quality Issues” programme aims to improve build quality. Additionally, evidence from BRANZ research informs regulation and standards relating to building performance.
- A vibrant and resilient construction sector is a significant component of the New Zealand economy. BRANZ supports the efforts of the Construction Sector Accord and a wide range of research to make it a high performing sector.
Our portfolio overview

The graphic below provides a sample of planned outcomes from BRANZ research and its relationship to the BRANZ portfolio. All proposals seeking funding are expected to explain how research proposed may ultimately lead to impact and a proposed pathway to help achieve that.

Note that the model is not setting out a linear path from researchers carrying out research and handing it over to others to implement. BRANZ will be placing more emphasis on co-design from ideating to delivery to help bring about behaviour change. Applicants are asked to factor into proposals the effort to effectively involve stakeholders, commensurate with the nature of the research to be undertaken.

### Core activities

Core activities that make our research and knowledge accessible and actionable

#### Publications
- Build
- Guideline
- Bulletins
- Factsheets
- Research News
- Study Reports

#### Services
- Seminars
- Live webinars
- E-Learning modules
- Helpline
- Information management
- Advisory services

#### Long term studies
- Durability verification database
- Weathering site
- Levy forecast
- House condition survey

#### Tools
- MyBRANZ knowledge
- B-RISK User Support
- Artisan
- BRANZ Coestruct
- ALF
- LCAQuick

For more information on core activities, see [www.branz.co.nz](http://www.branz.co.nz).

Details on all BRANZ projects are published annually in our [Levy in Action](http://www.branz.co.nz).
Investment Signals

This section sets out Levy Investment Signals that have been prioritised by BRANZ Inc.

The signals highlight areas that are considered important to addressing key contributions of the building industry to the future prosperity and well-being of New Zealand and New Zealanders. Investments will be sought from BRANZ Ltd (to predominately begin in the 2022/23 financial year) or external agencies, researchers and students through the annual Prospectus and Scholarship round – to begin in the current or next financial year. Note that BRANZ is open to receiving proposals at any time that respond to urgent or timely industry needs.

There are two types of signals provided:

- **General signals** which reflect high-level expectations for how proposals are developed, managed and lead to impact.
- **Specific signals** that set out the areas where BRANZ is inviting proposals in the 2021/22 investment cycle.

This year, as an organisation, BRANZ is embarking on a journey to understand how to bring Te Ao Māori and Vision Mātauranga into our research, our ways of working and the way we invest the Building Research Levy. We anticipate that in coming years, these concepts will be increasingly visible in our investment signals. In the interim, we welcome the inclusion of these concepts in proposals.

### General Signals

BRANZ is taking a systems approach, recognising that many issues faced by the industry are complex. Changing the system may require different behaviour across a range of individuals, groups, or organisations. We are asking researchers to look at their research and whether it:

- Identifies systemic issues.
- Helps understand complex issues facing the industry.
- Brings about system-wide improvement.
- Informs solutions designed to bring about behavioural change.

Note that research can still address a clearly defined industry issue with a discrete solution e.g., a technical solution that can be readily implemented.

Proposals should clearly describe if a discrete need or system wide issue is being addressed. Proposals should clearly describe:

- the wider issue,
- how the research proposed helps understand / resolve the issue,
- who the key players are in the system to be engaged in the research and why, and
- the anticipated impact or behavioural change from the research.

### Impact

Proposals should:

- Demonstrate stakeholder involvement from research design to uptake to:
  - Provide a clear need for the research.
  - Help ensure uptake of research and/or solutions.
  - Clearly set out expected pathways to deliver impact, including what a solution may look like.
- State clearly the difference this research may make (the intended impact) and how this might be measured in future.
- Leverage and co-ordinate with other investments and knowledge developed in New Zealand and overseas.

If this research is part of a wider, more systemic issue, identify who are key stakeholders that need to be committed to driving behaviour change.

### Research excellence

Proposals should have a commitment to excellence in research, including:

- Methodology.
- Strong multi-disciplinary teams that demonstrate appropriate inter-organizational collaboration (note this may not be required for all research).
Specific Investment Signals

Given the ongoing economic uncertainty there is a focus in the coming year on investing in complementing ongoing research, complex issues and delivering evidence that players in the industry can use to address those issues. However, BRANZ, subject to the availability of funds, is open to new research that provides evidence to overcome barriers or support innovation in the industry.

1. BRANZ is committed to supporting its flagship programmes as they continue to address areas of need for New Zealanders. These are:
   - Eliminating Quality Issues;
   - Warmer, Drier, Healthier Homes;
   - Transition to a Zero Carbon Built Environment; and
   - Building Fire-safe Densified Housing in New Zealand.

   Programme leaders, when reviewing progress against programme objectives, are encouraged to:
   - Focus on activities that accelerate the uptake and usage of the entire programme’s outputs (existing and new), support relevant players to leverage outputs and bring about enduring behaviour change.
   - Engage stakeholders and support by working in partnership with others (e.g., access to resources or funding) that enhances the capacity and capability to achieve programme goals and objectives.

2. The building and construction sector is known for going through boom-and-bust cycles. The current situation (including matching demand and supply of buildings, skills, and material shortages) has continued to shine the spotlight on the sector’s, and firm’s resilience and ability to respond to economic shocks and to plan for the longer term. BRANZ wishes to signal its ongoing support for:
   - The Construction Sector Accord and Construction Sector COVID-19 Response Plan. We will continue to support the Accord via the Accord Steering Group. This investment will be additional to the baseline investment that BRANZ Inc. makes available for research and knowledge transfer activities carried out by BRANZ Ltd and external providers.
   - Research that improves the resilience and vibrancy of the sector, and firms in it, that is aligned to Accord priorities.

3. Researchers have strong relationships with stakeholders that surfaces industry needs. They also have subject matter expertise and domestic and international networks that can provide important insights. We recognize this as a valuable source of potential proposals.

   For 2021-22, investment will be prioritised around issues where there is a demonstrated industry need and buy-in to bringing about change. This includes scoping and develop evidence around emerging issues or supports the resolution of known issues.

   NB: This signal applies to proposals submitted into the LAAG or agile investment mechanisms.

4. BRANZ is committed to turning research findings into actionable knowledge that responds to defined industry needs. BRANZ uses multiple channels to ensure that this knowledge is widely accessible. Examples include BUILD magazine and seminars.
   - Existing knowledge transfer activities should:
     - Have, or be developing, a strong focus on behaviour change.
     - Continue to demonstrate ongoing value for continued support. This includes evidence around ongoing or changing needs, use or demand. This should include self-assessment against agreed targets and external feedback to demonstrate need.
     - Consider (and where appropriate, demonstrate) how BRANZ’s commitment to moving to “digital-first” is being progressed.
   - New activities will be considered where it demonstrates stakeholders have been actively involved in co-development and are committed to delivering them to bring about behaviour change.

5. BRANZ invests in long-term enabling activities such as longitudinal studies (e.g. House Condition Survey), weathering sites (to support its durability related research) and large-scale facilities (e.g. for fire research).
   - Existing activities should continue to demonstrate value for continued support. This includes evidence around ongoing or changing needs, use or demand. This should include self-assessment against agreed targets, and external feedback to demonstrate need.
   - New activities will be considered where it is demonstrated that they are required to provide evidence to support existing research or ongoing issues.
Research Funding Landscape

The Building Research Levy is the largest dedicated research fund in New Zealand focussed on the built environment. This diagram indicates how the Business Research Levy is situated in relation to government-funded science and innovation investments, by allocation method and type of investment.

Adapted from MBIE, National Statement of Science Intent, 2018

Other significant key built environment science investments

- He Kainga Oranga: Research to maximise the health and wellbeing gains from housing ($4.9m, University of Otago, HRC)
- Quake Centre of Research Excellence (QuakeCORE) ($4.1m, University of Canterbury, TEC)
- Building Innovation Partnership: Infrastructure Engineered for improved resilience, quality and affordability ($12.5m, QuakeCentre, MBIE, industry)
- Building Damage-Avoidance Seismic Technology Using a Novel Resilient Slip Friction Joint ($3.95m, University of Auckland, MBIE)
- Ending homelessness in NZ: Housing First ($2.91m, University of Otago, MBIE)
- A wave and finite element method for calculating sound transmission in lightweight buildings ($1m, University of Auckland, MBIE)
- Building Better Homes, Towns and Cities: National Science Challenge ($479m to 2024, BRANZ, MBIE)
- Resilience to Nature’s Challenges: National Science Challenge (contains some built environment research, GNS, MBIE)
- Ageing Well: National Science Challenge (contains some built environment research, University of Otago, MBIE)
- Deep South: National Science Challenge (contains some built environment research, NIWA, MBIE)
- Public housing and urban regeneration: maximising wellbeing ($12.3m, UoO, MBIE)
- Enhancing the impact of major urban regeneration on community wellbeing ($88m, AUT, MBIE)
- Reducing flood inundation hazard and risk across Aotearoa-New Zealand ($15.5m, NIWA, MBIE)
- Creating Capacity and Capability for the New Zealand Construction Sector ($9m, Massey, MBIE)
- Amiomio Aotearoa – A circular economy for the wellbeing of New Zealand ($11m, UoW, MBIE)
For more information, please get in touch:

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