



# **Building Research Levy**

# Investment Portfolio Statement

**2020-2021**



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# Introduction

This Levy Investment Portfolio Statement [LIPs] provides guidance on how the Building Research Levy which will be allocated in 2020/2021.

The investment supports an evidence-based approach to ensure real barriers to improving the building sector are uncovered, debated, and resolved.

BRANZ is the steward of the Building Research Levy and invests it through mechanisms which include:

- Investments which target work initiated and contracted with BRANZ Ltd (this can include sub-contracts with external providers);
- Investments which target 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;
- Agile investments that are able to respond to urgent industry issues or take advantage of opportunities that may emerge outside of programmed investment rounds.

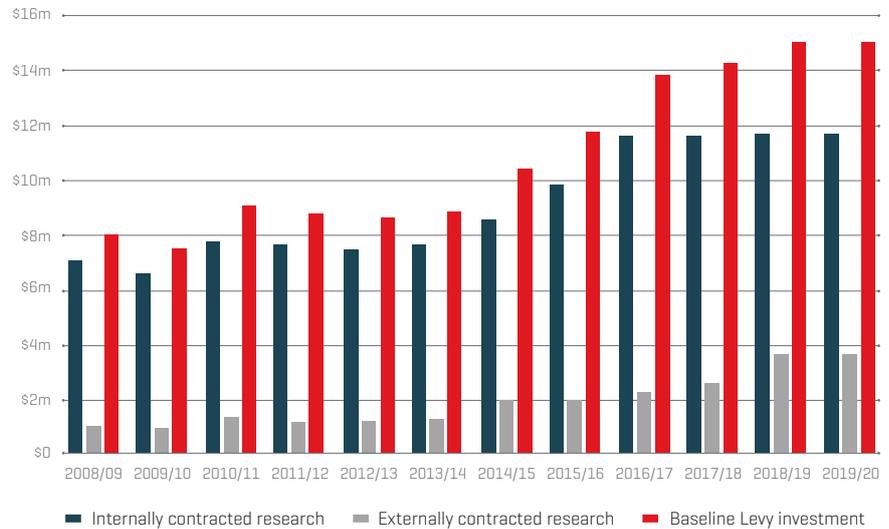
# Wise **Levy Stewardship** underpins our portfolio

Income from the Building Research Levy and commercial services make up BRANZ's annual income.

Total income for 2019/20 was \$32.5 million:

- \$22.7 million from the Building Research Levy to fund industry research and knowledge transfer
- \$8.4 million from commercial services
- \$1.05 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 \$15 million in 2019/20.



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.
- **2020 Prospectus.** BRANZ also issues a Prospectus document for proposals led by external to BRANZ providers. 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](http://www.branz.co.nz)

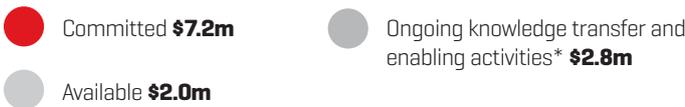
# Indicative **Building Research Levy** funding

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 2021/22



## External providers

### Indicative Funding for 2021/22

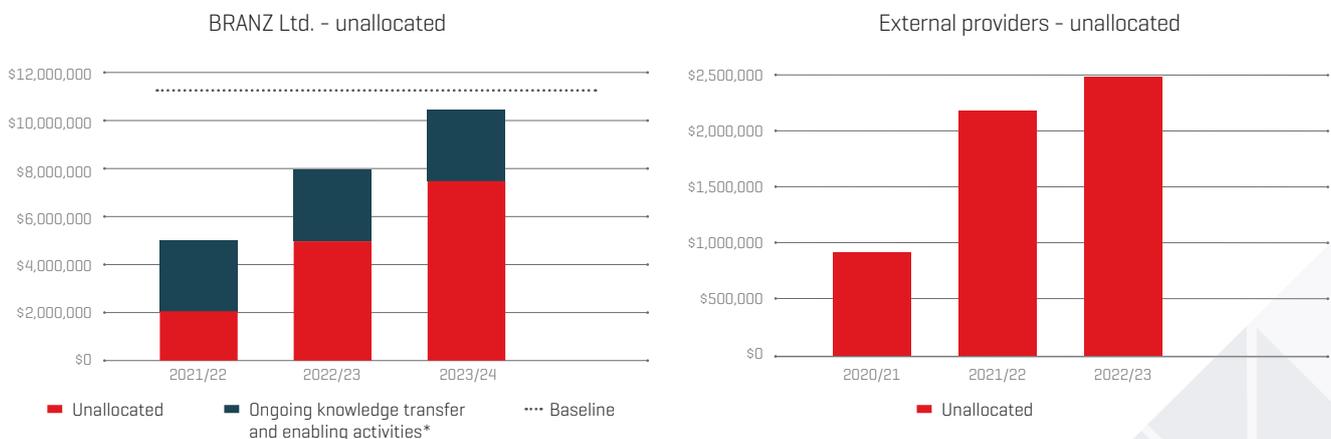


## Future years

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 2020/21 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.

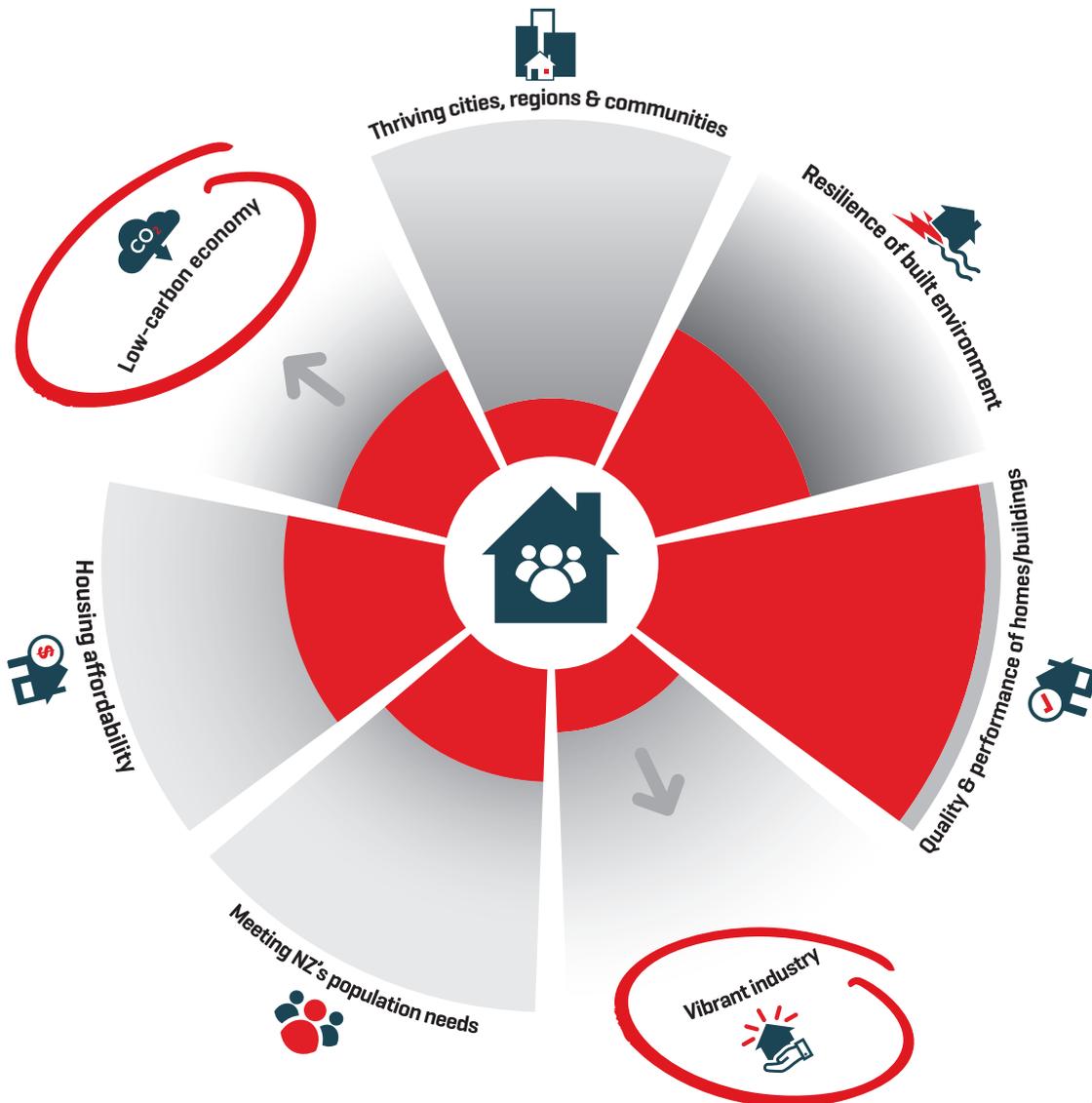
\* Refers to recurring investments in signals 5 and 6.

# BRANZ's portfolio

This Levy Investment Portfolio Statement is focused on securing contributions to BRANZ's portfolio.

Building and construction impact 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 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 and its relative strengths (red shading), the depth of research effort across New Zealand (red and grey shading) and areas where research has opportunity for increased effort. Areas of focus in 2020 -2021 are highlighted.



# Our portfolio overview

COMPONENTS SHAPED BY LEVY INVESTMENT PORTFOLIO STATEMENT (LIPS)

(Indicative examples)	2019/20	2020/21	2021/22	2022+
<b>ELIMINATING QUALITY ISSUES</b> 	Priority problems tackled through new focus and tools	New types of knowledge transfer focus on behaviour change	Research provides evidence that quality problems are being addressed	Quality issues are being addressed as solutions take hold
<b>WARMER, DRIER, HEALTHIER BUILDINGS</b> 	Key insights support shift in quality of existing rental housing stock	Solutions to lift the quality of indoor environments in high density living are being developed	Solutions around improved indoor living conditions are rolled out	Evidence from this programme has led to policy changes lifting the quality of both new and existing housing stock
<b>TRANSITION TO ZERO-CARBON BUILT ENVIRONMENT</b> 	Programme of action launched	Existing solutions being shared and new solutions being fast-tracked	Tools to support low carbon building are becoming mainstreamed	Low carbon construction has become mainstreamed as a core element of New Zealand's building system
<b>FIRE-SAFE DENSIFIED HOUSING</b> 	Key partners brought together to identify action around high density living	First projects from new programme begin	New solutions developed	Shift in construction practices around fire safety begins on back of new insights driven by the programme
<b>INVESTMENT ON EMERGING ISSUES</b> 	Urgent work to address retrofit gap around pre-cast concrete flooring systems	BRANZ is able to act quickly and decisively on urgent issues as they emerge		
<b>DISTINCT, STANDALONE PROJECTS</b> 	eg: Over framing of timber buildings	Projects initiated by both researchers and end users		
<b>SCHOLARSHIPS</b> 	Helping ensure that New Zealand has strong research capability in core STEM and building science areas			
<b>INDUSTRY TRANSFORMATION</b> 	Industry Transformation Agenda development and evolution in alignment with Construction Sector Accord	Projects developed that tackle root cause challenges faced by building systems	Project solutions trialled, refined and rolled out	Shift in industry performance can be measured against baseline

**Core activities** that make our research and knowledge accessible and actionable

Publications	Services	Long term studies	Tools
<ul style="list-style-type: none"> <li>• Build</li> <li>• Guideline</li> <li>• Bulletins</li> <li>• Factsheets</li> <li>• Research Nows</li> <li>• Study Reports</li> </ul>	<ul style="list-style-type: none"> <li>• Seminars</li> <li>• Live webinars</li> <li>• E-Learning modules</li> <li>• Helpline</li> <li>• Information management</li> <li>• Advisory services</li> </ul>	<ul style="list-style-type: none"> <li>• Durability verification database</li> <li>• Weathering site</li> <li>• Levy forecast</li> <li>• House condition survey</li> </ul>	<ul style="list-style-type: none"> <li>• MyBRANZ knowledge</li> <li>• B-RISK User Support</li> <li>• Artisan</li> <li>• BRANZ Co<sub>2</sub>nstruct</li> <li>• ALF</li> <li>• LCAQuick</li> </ul>

For more informaton 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](#).

# Investment Signals for 2020/21

This section sets out Levy Investment Signals that have been prioritised by BRANZ Inc. for 2020/21.

Through these investment signals BRANZ is inviting proposals seeking support from the Building Research Levy investment. Investments will be contracted to predominately begin in the 2021/22 financial year.

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.

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 2020/21 investment cycle.

## General Signals

From 2020 BRANZ is taking a systems approach, recognising that many issues faced by the industry are complex. Improvement may require different behaviour across a range of individuals, groups, or organisations. We are asking researchers to look at their research and whether it:

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

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

### Proposals should:

- Demonstrate clear need(s), confirmed by key and appropriate end users and stakeholders across the building system.
- Clearly describe if a discrete need or system wide issue is being addressed. If the latter the proposal should clearly describe the wider issue and how the research helps understand / resolve the wider issue.
- Have a commitment to excellence in research, including:
  - » involving end users in research design.
  - » appropriate methodology.
  - » where appropriate, the use of strong multi-disciplinary teams that demonstrate appropriate inter-organizational collaboration.
- Clearly set out expected pathways to deliver impact, including:
  - » What a solution may look like. If this research is part of a wider, more systemic issue what else is required to support implementation.
  - » How might this solution drive a change in behaviour.
  - » Key stakeholders that need to be committed to driving behaviour change.
- 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. A summary of key national science investments on the built environment is included in this document to support this signal.

# Specific Investment Signals for the 2020/21 financial year

**1. Existing programmes:** Over the past four years investment in four flagship programmes have been a priority for BRANZ. These were Medium Density Housing, Exceeding the Minimum, Eliminating Quality Issues and Warmer, Drier, Healthier Buildings.

In 2019 the programmes were reviewed and the BRANZ Board approved two refreshed programmes - Eliminating Quality Issues and Warmer, Drier, Healthier Buildings; and two new programmes - Transition to a Zero Carbon Built Environment and Building Fire-safe Densified Housing in New Zealand.

- We invite proposals that accelerate research, including consideration of the need to improve capability, to achieve each programmes' goals.
- We invite proposals that support the uptake and usage of the programmes outputs.

**2. The construction sector** is known for going through boom and bust cycles. The current situation has shone the spotlight on the sectors', and firm's ability, to respond to economic shocks such as that brought about by COVID 19.

- We invite new proposals that help understand and improve the resilience and vibrancy of the sector and firms in it, including those that in the short to medium term support Government initiatives announced in Budget 2020 and after.

**3. Researcher initiated proposals:** 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. Stand-alone research that addresses distinct industry issues is a key part of our investment of the Levy.

- We invite new proposals initiated by researchers that identify and address distinct, stand-alone industry issues.

**4. Knowledge transfer activities:** 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. Current examples include BUILD and seminars.

- We invite proposals for knowledge transfer activities. For existing activities proposals should clearly demonstrate the ongoing value for supporting the initiative. This should include evidence around ongoing or changing needs, use or demand. This should include self-assessment against agreed targets.
- We invite these proposals to also consider (and where appropriate, demonstrate) how BRANZ's commitment to moving to "digital-first" is being progressed.

**5. Support for key enabling activities:** BRANZ invests in a number of long-term enabling activities such as Levy forecasts and weathering sites.

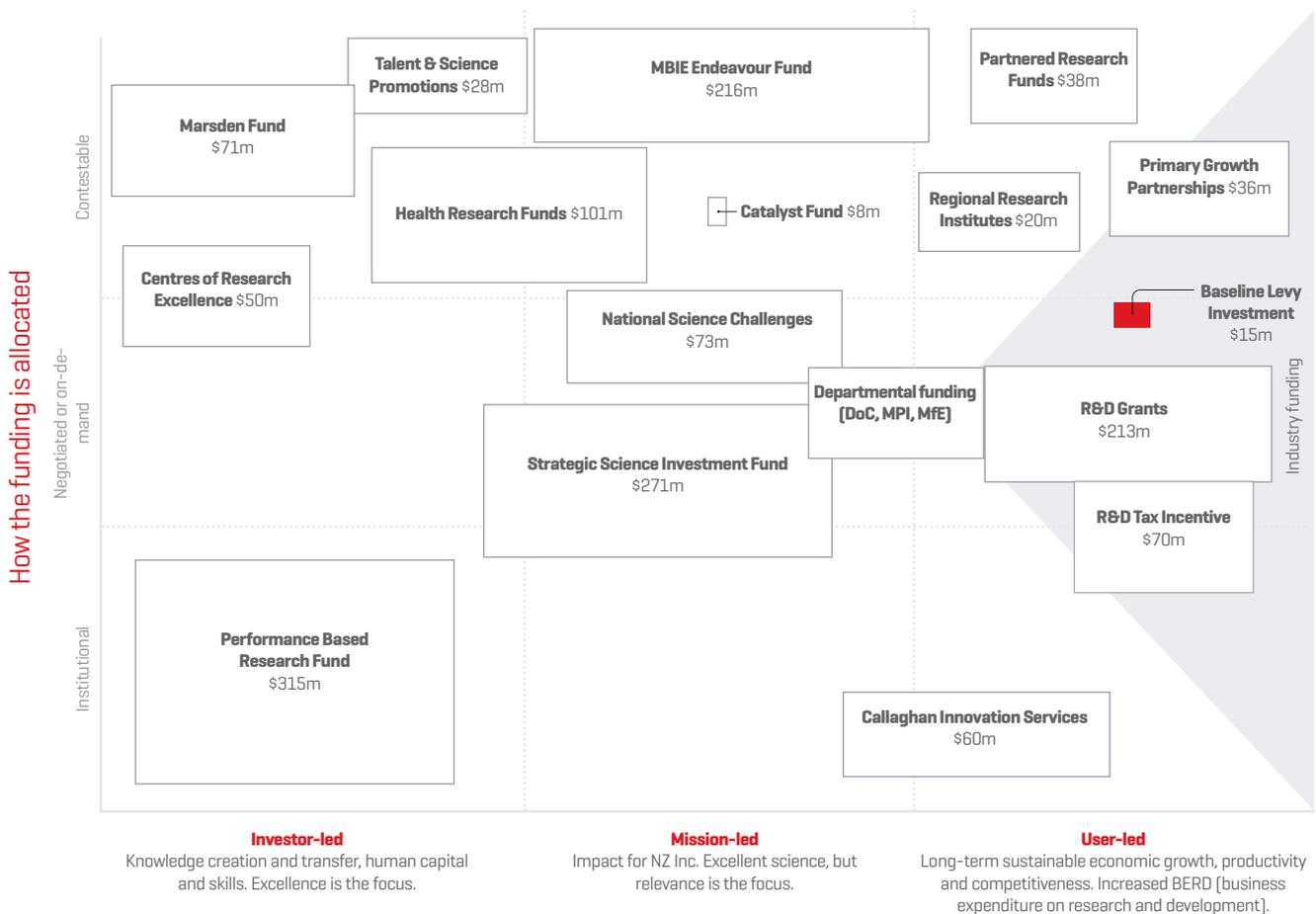
- We invite proposals for enabling activities. For existing activities proposals should clearly demonstrate the ongoing value for supporting the initiative. This should include evidence around ongoing or changing needs, use or demand. This should include self-assessment against agreed targets.

**6. New Zealand Construction Industry Accord:** BRANZ wishes to signal its ongoing support to the 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.

# Wider **New Zealand built environment** science investments

The Building Research Levy is the largest dedicated research fund in New Zealand focussed on 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 [\$47.9m 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] 🌍

For more information, please get in touch:

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