Facilities Management Association of New Zealand Inc.
PO Box 24 336, Royal Oak, Auckland 1345
New Zealand

FMANZ feedback on EECA's targeted investment green paper

FMANZ is the Facilities Management Association of New Zealand. We are the peak industry body representing the tens of thousands of people employed in the multi-billion dollar facilities management industry in Aotearoa.

Facilities managers are the custodians of Aotearoa's physical places, taking care of billions of dollars of assets – our offices, warehouses, shopping malls, hospitals, schools, sports stadiums, museums, art galleries and more. Together, these places use large amounts of energy.

This significant industry is on the frontline of, and offering solutions to, some of our greatest challenges, including climate change, health and wellbeing, and rising costs. Facilities managers ensure all indoor places and infrastructure operates productively and healthily. They are responsible for using energy cleverly and efficiently, driving down climate change pollution and operating costs, and looking after the millions of New Zealanders who enter a facility every day.

The roll-out of renewable energy across the globe is accelerating towards a fierce momentum. Despite an increase in energy demand, renewables provided 40% of worldwide electricity in 2024. Solar power alone has doubled in three years. In a decade, the international clean energy market is projected to soar to over US$2 trillion (NZ$3.3 trillion). And the demand for electricity is set to rise, as more people use electric vehicles, heat pumps, and AI.

Here in Aotearoa, with a largely clean electricity sector, we are well set to take advantage of the increase in clean energy, and realise the benefits for our businesses. Our government is also a signatory to the widely reported COP28 pledge to triple global renewable energy, and double the rate of energy efficiency improvements.

FMANZ is, overall, supportive of the proposals in EECA's targeted investment green paper. They make business sense, and align with our international obligations.

All too often, New Zealand's buildings suffer from operational efficiencies, as the long-term use and function of our places is not properly considered at the design and construction stage. Huge amounts of buildings have not been built to use energy efficiently, and require improvements and retrofits.

Concessional loans, energy savings guarantees, and loan underwriting are reasonable ways to unlock more energy efficiency projects – especially in places where upfront cost or risk has been a barrier. Every day, thousands of our members see the upgrades needed to improve energy efficiency in buildings, yet face difficulties selling the case for improvements to be made.

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The co-investment models would will significantly help de-risk investments for businesses to make buildings more energy efficient, and to encourage more property sector business to get some skin in the energy efficiency game.

For each of the three models, we feel that concessional loans are especially good for older buildings and capital-poor organisations, energy savings guarantees are especially attractive – but only if the savings can be independently measured and trusted, and loan underwriting could make a real difference where internal governance or finance teams are particularly conservative.

To gain the most from the co-investment models, we think that they should be made to work for large projects, and also for smaller buildings and places, and community places too.

Facilities managers are key to making these projects work. They are the people operating the building, and implementing the energy efficiency measures, so they should be involved as early as possible.

When making energy efficiency improvements in buildings, our members find that the most successful projects happen when facilities management is included right from the start, and that wider team members are brought along the energy efficiency journey too.

Education and storytelling around the project will help support these projects, and increase uptake.

Much of the green paper coincides with ways that FMANZ sees our community helping to make places in Aotearoa healthier, more productive, and happier.

We would be very happy to help act as a connector between EECA and the FM community, to ensure the success of these investments.

Nāku noa, nā

Jo Duggan

CEO
Facilities Management Association of NZ (FMANZ)