

**Barry Turfrey**

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**Subject:** FW: Budget 09: Gerry Brownlee - Boost for warmer, drier, healthier homes.

# **2009 BUDGET** Hon Gerry Brownlee

## **Minister of Energy and Resources**

28 May 2009

### **Boost for warmer, drier, healthier Kiwi homes**

More than 180,000 New Zealand homes will have access to grants for insulation and clean heating over the next four years, as part of a major investment in household energy efficiency.

"A large number of New Zealand homes are cold and damp because they are inadequately insulated. This scheme is an important step towards warmer homes as well as invigorating the retrofit industry," Energy and Resources Minister Gerry Brownlee says.

Budget 2009 allocates \$323.3 million over four years for a campaign to fit homes with insulation and clean heating devices such as heat pumps and approved wood burners. The scheme, which is open to owners and occupiers of houses built before 2000, will start on July 1 this year.

The New Zealand Insulation Fund's goal is to see up to 60,500 homes being insulated each year by 2012/13.

"It's designed to reduce health risks from living in cold, damp homes and provide energy efficiency gains," Mr Brownlee says.

"This scheme is also intended to play an important role in stimulating the economy. It will generate jobs for New Zealanders involved in producing and installing insulation and clean heating."

"Government grants of up to \$1,800 will be available for houses built before 2000 that require ceiling and under floor insulation or a clean heating device, regardless of income," Mr Brownlee says.

For holders of Community Service Cards, additional Government funding will be available and this will be supplemented with private sector funding to cover the cost of the insulation and reduce the cost of clean heat devices.

The programme will be delivered through the Energy Efficiency and Conservation Authority (EECA) as part of its EnergyWise programme.

"The programme will work with private sector partners such as construction firms and

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energy retailers, as well as councils, health boards and iwi, so households can borrow money to help them invest further in a well insulated and warm home," Mr Brownlee says.

"By providing a simple, accessible grants programme with flexible finance options, and an ability to pay it back through your power bill or rates bill, more families will enjoy comfortable, warm, and healthy homes.

"At the same time, money will be set aside to ensure that low income households in particular are targeted."

The fund is made up of \$243.7 million of new funding, on top of EECA's existing \$79.6 million of home interest subsidies and home grants programmes, to provide \$323.3 million for the New Zealand Insulation Fund over the next four years.

"I particularly thank the Green Party for its role in developing this project as part of the Memorandum of Understanding with the National Government," Mr Brownlee says.

While Budget 2009 reveals funding for the programme, more details will be announced at a formal launch in a few weeks.

"At that point we will announce the name of scheme, reveal the fund partners and start rolling out a marketing campaign."

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## **New Zealand Insulation Fund – fact sheet**

### **How the scheme works**

A home owner or occupier contacts EECA or a fund partner. An energy audit is provided of the house to assess what is required and funding options are explained.

### **What grants are available?**

The Government is offering to pay a third of the cost of installing ceiling and under floor insulation, up to \$1300, in homes built before 2000. Homes with sufficient ceiling and under floor insulation may also access \$500 for clean heating devices like approved log burners, pellet burners, heat pumps, or flued gas heaters.

### **Will you be able to borrow from a power company or a city council and repay it back through your power bill?**

Many homes may require between \$5,000 - \$7,000 worth of work on their home. Some electricity companies, city councils and banks have indicated they wish to become fund partners. This means, for example, home owners or occupiers receive the government grant and borrow the rest - repaying the money through their power bill, council rates, or mortgage.

### **What are the criteria for getting the grants?**

The scheme is open to all homeowners or home occupants who have a house built before 2000. There is no income cap on who is eligible to apply.

### **Are people who have a Community Services Card entitled to a higher grant?**

Yes. The Government will provide 60 per cent of the cost of insulation. The average cost of insulation is estimated to be \$3,000 (so the Government grant will amount to \$1,800). Community Service Card holders are entitled to an additional \$1,200 grant towards buying a clean heating device. The average cost of clean heating device installed is about \$3,600. Overall, this will mean they are entitled to a Government contribution of \$3,000 for insulation and heating.

In many areas, third-party funding will supplement government funding to provide free insulation and reduced cost clean heat devices.

For houses occupied by tenants with Community Service Cards, landlords will be entitled to 60 per cent of the cost of insulation and a \$500 grant for clean heating.

### **Where can people find out more information about the scheme?**

The Energy Efficiency and Conservation Authority (EECA) is the lead agency for the insulation programme. Homeowners can get more details from [www.eeca.govt.nz](http://www.eeca.govt.nz) Further details will be announced at the official launch of the scheme expected in a few weeks.

### **How many homes will be retrofitted?**

The programme aims to retrofit 27,500 homes in 2009/10; 40,500 homes in 2010/11; 52,000 homes in 2011/2012; and 60,500 homes in 2012/13.

### **How big an increase is this for retrofitting homes?**

This is a substantial increase on the current level of 19,000 refits each year.

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