



New Zealand Green Building Council

Kia ora

All the news today has been about the Government's 2018 Budget. I was in the lockup, and was able to get the details directly from the Finance Minister before he stood up in Parliament to announce the Government's intentions to the nation.

Below is our reaction to several different areas covered in the Budget. I do hope you find our analysis useful, and timely.

Housing

"We desperately need new homes, so the allocation of \$234m in operating funding is positive, in addition to the \$2.1bn for KiwiBuild already announced. This is great and also a step up from the previous Government's ambition.

"It's very welcome too to see Housing New Zealand will significantly ramp up building numbers to deliver 4000 homes over four years, and the further support for Housing First.

"But New Zealanders need our new homes to be warm, healthy and dry, and there is a worrying lack of commitment to this today.

"The time to solve our housing problems is today, not tomorrow. And today the country needed a clear commitment from the government that all KiwiBuild homes will be safe and warm, but we didn't get that.

"There's now a real risk KiwiBuild becomes KiwiChilled as it delivers thousands of cold, damp homes.

"While the money for KiwiBuild is welcome, unfortunately there's a Hobsonville-sized hole where the government should be making sure these new homes are safe and healthy places to live.

"If KiwiBuild homes are built to be quality, warm places, then first home owners could save over \$100million every year in reduced household bills, plus there would be huge benefits across the board,

from health to education.

“There are a number of ways to skin a cat. We would also welcome further consideration of the shared equity methodology, which is another way to make ownership more achievable. Similar policies have been successful in other countries, including the UK where it has assisted thousands of people into home ownership. The Crown’s share of the equity can be recouped where there are changes. There was no announcement on this today, and we do urge the Government to look at this further.”

Insulating New Zealand Homes – too little too late

“There had been much talk of insulating tens of thousands of New Zealand homes prior to the election. Winston Peters, now Deputy Prime Minister, had talked about a significant programme.

“But when one digs into the detail of the budget today there are some surprising omissions. What we see today is far short of the rhetoric prior to the election. The funding of \$140m over four years, improving 50,000 homes is woefully short of what is needed.

“Over 830,000 homes are uninsulated or underinsulated. Many are poorly heated and many more are poorly ventilated. This has real impacts. New Zealand has one of the highest rate of respiratory disease in the western world.

“Improving less than 10,000 homes per year is laughable. This government talks of improving outcomes for children and reducing child poverty. How are we helping our tamariki and mokopuna when we send hundreds of thousands home to damp and cold homes? Far, far more is needed.”

Fixing our hospitals

“The \$750m to fix building problems facing our hospitals is welcome.

“DHBs are calling out for better working environments. The way to achieve them is to verify the quality with third party checks. This will result in better working environments for hundreds of thousands of health workers, less maintenance and remediation in future and a healthier environment for patients.

“Most DHBs spend \$3m to \$7m of tax payer money every year on energy bills. The announcement today for the capital investment is titled ‘fixing our hospitals’ but there is a concern we are just throwing money at the issue, rather than taking the opportunity to lower carbon, lower energy bills and save DHBs millions each year.”

Schools

“New capital investment of \$394m has been allocated to fund new classrooms and new operating expenditure of \$650m in operating expenditure over the next four years.

“But there is a lack of detail around what the Ministry of Education is doing to ensure the class rooms

or our tamariki and mokopuna are healthy and warm.

“The costs of powering our schools is close to \$100m per year. Building better and running these schools better saves the tax payer, reduces carbon and delivers better education for our children. It is a no-brainer that has been missed.”

Delivering for Canterbury

“Over \$298m is provided this financial year to kick start capital investment in rebuilding Canterbury. The people of Canterbury wanted their beautiful city rebuilt with quality green buildings and infrastructure, and it is particularly pertinent that Hon Megan Woods, also the Minister for Energy Efficiency, is announcing this investment.

“The majority of buildings that are completed or built or in development are only meeting the New Zealand Building Code, which is recognised internationally by bodies such as the OECD and the IEA as being below standard.

“Providing more capital for the rebuild is welcome. It provides the opportunity, still unrealised, to be building better quality buildings in Canterbury and delivering on the vision of Christchurch people.

“But, again, there is a woeful lack of detail that the buildings will be built to a decent standard or in line with Government rhetoric of a low carbon future.”

Net zero emissions future

“Our clever, canny businesses are leading the way to a low-carbon economy, and it’s very welcome to see the Government further stimulate this shift with Green Investment Fund. “The move to a zero carbon economy will improve our environment, to cut running costs for many businesses and look after our health.

“\$100m is set aside for the Green Investment Fund which will be established by end 2018. This is welcome. We are seeing that capital investment can shift markets, for instance, towards lower carbon built environment projects. We’re looking forward to seeing further details on the specifics of the fund and when it is available.”

Provincial growth fund

“Tourism and trees can provide good potential jobs for the regions. But there is a lurking opportunity that is not yet realised by the provincial growth fund, with a total capital expenditure of \$316m and operating expenditure of \$684m.

“New Zealand has over 800,000 homes that are underinsulated or uninsulated. Many have unsafe heating and more have poor ventilation. This is making our country sick.

“Fixing these homes will take years and tens of thousands of workers, working over a long period of time. The Provincial Growth Fund has the potential to assist many regional businesses to start up and generate long term income fixing our countries homes. This is a proven model overseas. The UK and EU saw thousands of companies start up and tens of thousands of jobs created in home improvement work following a focus on improving existing homes. This is good for our health, good for our regions and good for our economy.”

I do hope you have found this analysis useful.

Ngā mihi nui | Kind regards

Andrew Eagles

CEO

About the New Zealand Green Building Council

The New Zealand Green Building Council is a team of passionate advocates for better buildings, because we know that better buildings mean healthier, happier Kiwis.

We do this by working alongside politicians, industry and other businesses to bring change.

We believe that all New Zealanders deserve to be safe, healthy and happy in our beautiful country – at home, at school, at work. Everywhere.

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