



Energy Efficient Housing Standards

HOUSING POLICY

OFFICIAL POLICY OF THE NEW ZEALAND YOUNG NATS.
NOT NATIONAL PARTY POLICY.



ISSUE:

The quality of New Zealand's housing stock directly impacts the standard of living for many New Zealanders, especially in poorly insulated homes.

1. PROPOSAL:

- 1.1. The Young Nats propose the implementation of a nationwide insulation rating system parallel to what has been adopted in Australia as a requirement for all new builds.

2. BACKGROUND

- 2.1. In New Zealand, there is currently no mandated rating system of insulation for residential housing other than meeting minimal government standards, which are some of the lowest in the OECD.¹ The NZ Green Building Council did initiate a Homestar Rating System in 2010; however, this is a voluntary programme.²
- 2.2. In April 2022, the Government commissioned survey found that 28,000 homes in New Zealand exhibited mould and were always damp.³
- 2.3. In New Zealand, we have seen the effectiveness of energy-mandated schemes with the introduction of the energy rating label on appliances. The introduction of this scheme resulted in energy savings equivalent to the annual power usage of 35,000 homes in one year.⁴

3. Australian Model

- 3.1. The Australian Nationwide House Energy Rating Scheme ("NatHERS") framework has been operating in Australia for nearly 30 years. The framework has evolved over the years but aims to deliver energy-efficient homes in Australia by providing a star rating.⁵
- 3.2. The NatHERS framework uses a 10-star rating system to determine the thermal performance of residential houses. Essentially, the higher the energy rating given to a home, the less energy required to either heat or cool the home.⁶
- 3.3. The framework is executed by NatHERS assessors using housing plans and specifications and inputting the information in the NatHERS software tool, which produces a star rating for the home. The star rating is based on the home's structure, design and materials, alongside the heat that needs to be added or removed for the home to be comfortable.⁷

¹ Goodman Property "The problem with NZ home" *The New Zealand Herald* (online ed, Auckland, 10 December 2021).

² "Certification process and fees" New Zealand Green Building Council Te Kaunihera Hanganga Tautaiiao <www.nzgbc.org.nz>.

³ Sinead Gill "Houses are still mouldy, damp and cold, despite healthy home standards, survey shows" *Stuff* (online ed, New Zealand, 30 April 2022).

⁴ Energy Efficiency and Conservation Authority "New Zealanders save \$31.4 million from energy efficient appliances" (press release, 30 November 2020).

⁵ "What is NatHERS?" Nationwide House Energy Rating Scheme <www.nathers.gov.au>.

⁶ "What is NatHERS?" Certified Energy <www.certifiedenergy.com.au>.

⁷ Nationwide House Energy Rating Scheme, above n 5.

- 3.4. All new homes or homes undergoing substantial renovations in Australia are required to undergo an star rating assessment by NatHERS.⁸

4. IMPLEMENTATION:

- 4.1. The Young Nats suggest implementing this policy be replicated from the Australian model.
- 4.2. New Zealand adopting a policy such as NatHERS has already been widely researched by multiple stakeholders, including BRANZ. Therefore, it will not be a hurdle for this policy to be adopted as the climate considerations have already been addressed.⁹
- 4.3. The Government has already mandated the NABERSAU certification, the Australian equivalent standard for commercial buildings, for Government office buildings. This was adapted to a NABERSNZ standard which has now been recognised.¹⁰ The already mandated commercial standards provide a easy to reference set of standards (alongside the Australian model) as a starting point for application to residential dwellings in New Zealand.
- 4.4. While the precise implementation of the standards and assessment of a rating system would be a consideration for the wider party, the Young Nats suggest that the rating assessment be completed during the conception of the home by specialised assessors or by a building inspector.
- 4.5. In terms of ease of implementation, including the rating system assessment as part of the Code Compliance processes every home must undergo would be an effective method of introduction.
- 4.6. The Young Nats suggest that the rating system assessment should be compulsory for all new homes or those undergoing substantial alterations. However, the opportunity for existing homes to opt into the rating system should be considered.
- 4.7. One potential consideration could be to use the existing Homestar Rating System to establish the programme on a mandatory basis for new builds.

5. IMPACT

- 5.1. There are a number of benefits of the implementation of this policy in New Zealand. Firstly, the housing stock of New Zealand will be improved significantly by creating healthier homes. In addition, the energy usage of residential homes will be reduced, creating more sustainable and environmentally friendly housing,¹¹ and reducing greenhouse gas emissions.¹²

⁸ "What is NatHERS?" Nationwide House Energy Rating Scheme <www.nathers.gov.au>.

⁹ "New Zealand climate and environmental zones" (6 November 2018) Level <www.level.org.nz>.

¹⁰ "Energy efficient buildings" New Zealand Government Procurement <www.procurement.govt.nz>.

¹¹ Certified Energy, above n 6.

¹² Nationwide House Energy Rating Scheme, above n 5.

- 5.2. This policy would also be beneficial for renters as it will provide renters with an easy to digest rating assessment to guide decision making when choosing a rental property.

6. SUMMARY

- 6.1. It is a long recognised issue that the quality of New Zealand's housing stock needs to be improved. Implementing a nationwide housing insulation scheme will provide a healthier and more sustainable housing stock in New Zealand.
- 6.2. This implementation uses the power of market knowledge to create incentives of innovation in insulation ratings of housing stock by informing the consumer through a universal benchmark. The Australian standard has already been adapted and implemented by the New Zealand government in Commercial Buildings and it's only natural that we build upon this success by expanding this to the residential housing sector.