



Hon Dr Megan Woods
Minister of Energy and Resources

PRESS RELEASE
20 May 2021

Budget makes more Kiwi homes warmer and reduces emissions across sectors

- 47,700 homes to receive insulation and heating retrofits.
- More support for transport and business to reduce emissions.

Budget 2021 provides further support to ensure more Kiwi homes are warmer and energy efficient, with transport and business also getting a boost to reduce emissions.

Low-income homeowners can look forward to warmer homes thanks to Budget 2021 investment into the Warmer Kiwi Homes programme.

“Extending Warmer Kiwi Homes ensures more low-income homeowners will benefit from an extra 47,700 insulation and heating retrofits. Every year an estimated 28,000 children are hospitalised for potentially avoidable hospitalisations linked to cold, damp and mouldy houses.

“This move will improve health, reduce energy use and emissions, as well as costs, and support jobs in the energy service sector. That’s a win for people’s health and pockets, as well as the planet,” Energy Minister Megan Woods said.

“Insulating homes is a core part of this Government’s plan to address the climate emergency. Budget 2021 means we can do even more to help those who need it the most to reduce their energy bills and cut emissions,” Climate Change Minister James Shaw said.

The transport and business sectors are also being given more support to lower emissions, across a broader range of activities.

The Low Emission Vehicles Contestable Fund (LEVCF) will become the Low Emission Transport Fund (LETF) to reflect a change in eligibility for projects in areas like aviation, and maritime and for off-road vehicles. Other fuel technology projects using biofuel and hydrogen, will also now be eligible for funding.

“Past projects have expanded the public electric vehicle charging network and invested in New Zealand-leading, innovative technology, such as electric trucks. We’ve upskilled the industry; and organisations from small community groups to nationwide transport companies

have shown there is a low-emissions vehicle solution for just about every need,” Megan Woods said.

Funding for the LETF will now be met through an even split of Crown funding and levy funding. Total funding for the programme will reach up to \$25 million per year by 2023/24, with the Government increasing its contribution to up to \$12.5 million per year by 2023/24 through Budget 2021.

Meanwhile, more businesses will be able to make the transition to low-emissions energy, with Government funding for the Energy Efficiency and Conservation Authority’s (EECA) support services for business increasing to \$8.1 million a year.

EECA helps businesses identify and implement lowest-cost carbon abatement projects, optimise energy use and switch to low-emissions energy sources.

“A big part of decarbonising our economy means understanding what options there are to transition, developing plans to get there and support for bringing on new technology. This all makes it easier for businesses to move toward clean and clever energy use,” Megan Woods said.

In addition to the emissions reduction initiatives announced by Megan Woods today, Climate Change Minister James Shaw has also unveiled a suite of measures in Budget 2021 to help New Zealand on its path to carbon neutrality by 2050.

Media contact: Liz Banas 021 805 845

Notes to editors:

Warmer Kiwi Homes - From 20th May 2021, grants will cover 80 percent of the cost of ceiling and underfloor insulation and/or an efficient heater for low-income homeowners.

Transport - Transport accounts for 48 percent of New Zealand’s energy-related greenhouse gas emissions, and process heat makes up 27 percent.

The LETF, run by the Energy Efficiency and Conservation Authority (EECA), will encourage innovation and investment to accelerate the uptake of low-emissions vehicles, through co-funding for projects. The remainder will be met by grant recipients. The current programme offers up to \$6.5 million a year of levy funding to projects through the Low Emission Vehicles Contestable Fund (LEVCF).

Business - EECA’s Business programme funding (currently funded at \$4.1 million a year) is expected to deliver:

- emissions abatement – avoidance of 919 kt of CO₂e by 2030, with many projects expected to deliver emissions savings at a cost lower than the current New Zealand Emissions Trading Scheme price
- reduced energy consumption for businesses – savings of 20 PJ of energy by 2030, which is equivalent to \$237.6 million
- increased productivity – getting more value and benefit from the energy we use.

It complements the \$69 million Government Investment in Decarbonising Industry (GIDI) Fund that was established in 2020 to help businesses overcome the capital barriers to reducing emissions.