

Dear Sir or Madam

Airfoam retrofits wall insulation in to pre-1991 residential homes. We offer a unique, cost effective solution to New Zealand's unhealthy, uncomfortable, energy inefficient homes and have established an excellent reputation over 32 years of business in New Zealand nationwide.

Over the last 2 years we have encountered challenges from BRANZ and local government which continue to compromise the future of our entire franchise network. These challenges have taken the form of innuendo, bullying and failure (by some Councils) to meet their Building Act obligations, i.e. they have refused to do their job.

On 24th December 2010, the Building Act was changed. As a result of that change, a building consent was required in order to install any form of insulation to external walls. We were not notified of this change in advance so there was no chance from the industry for any form of submissions, or feedback to the proposed changes and no transitional period in which to allow companies to comply and establish new procedures which are now required. Furthermore, compliance guidelines were not published until 7 months after the Building Act was changed. Whilst we have raised concerns around the original source of motivation for the Building Act change, we see it as a positive step in ensuring safe and quality workmanship for New Zealand homeowners.

Whilst Airfoam has responded to the regulatory challenge, the same cannot be said of local councils. We have encountered hostility, delays, stonewalling and decisions based on personal belief systems. The culture of risk aversion has many council 'frozen in the headlights' waiting for other councils to make the first move before they will take action.

In addition, compliance costs vary enormously from council to council, in some cases adding 50% to the cost of our process for an entire home making it unaffordable for many of our customers, increasing our overheads and stifling the growth we should be experiencing particularly within the current drive towards increasing the efficiency and quality of New Zealands housing stock. For example, an installation of \$50 worth of insulation into the exterior walls of a residential building in the Horowhenua region attracts a consent application fee of \$750, with an additional inspection and processing fee.

In a environment where central government is looking for ways to improve the wellbeing and economic situation of New Zealand families, we operate in an environment that is suffocating our business and encouraging other businesses and home owners to engage in illegal building work. Ultimately, the result of this denies

New Zealanders the right to healthier, more energy efficient homes.

We welcome the opportunity to submit our experiences with supporting evidence for consideration if this might help ours and other businesses overcome bureaucratic barriers, grow and reach their full potential.

Sincerely

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