

SENATE ENVIRONMENT COMMUNICATIONS AND THE ARTS REFERENCES COMMITTEE

INQUIRY INTO THE ENERGY EFFICIENT HOMES PACKAGE (CEILING INSULATION)

7	17/2/10:71	Barnett	ICANZ	Administrative personnel	<p>When the key leader of the administrative team changed, there was a changeover in personnel.</p> <p>Senator BARNETT—Who was that?</p> <p>Mr D'Arcy—I think Malcolm Forbes changed and Catherine Pennington—</p> <p>Senator BARNETT—You can take it on notice.</p> <p>Mr D'Arcy—Sure.</p>
8	17/2/10:71	Barnett	ICANZ	Minutes of meetings	<p>How many meetings would you have had last year?</p> <p>Mr D'Arcy—I think one every couple of months. I do not have the numbers.</p> <p>Senator BARNETT—So you received minutes of the meetings. Could you please forward a copy of those meetings on notice to this committee.</p> <p>Mr Thompson—Sure.</p>
9	17/2/10:73	Barnett	ICANZ	Imports	<p>What I am interested to know is: how much would be expended? Can you figure it out for a 12-month period—and I am happy for you to take it on notice—for imports under this program?</p> <p>Mr Tannous—Is that ICANZ members or—</p> <p>Senator BARNETT—Yes, your members, based on your evidence and your experience.</p> <p>Mr Tannous—I will just take that on notice, if you do not mind.</p>
10	17/2/10:74	Barnett	ICANZ	Imports	<p>I also want you to give us an assessment as to where the product came from and then your view of the product, because we have had evidence to say that a lot of it was non-compliant. You have indicated that some of the product from China was non-compliant and then there were some of the issues regarding labelling—up to 30 per cent of that product was inappropriate or non-compliant. Could you answer that on notice?</p> <p>Mr Tannous—Certainly.</p>



EEHP Senate Hearing 17/02 - Replies to questions taken on notice

7	Cathy Skippington (not Pennington) followed Malcolm Forbes
8	Summary notes were not produced for all meetings. Those that were are attached to email.
9	As mentioned at the hearing, import statistics (ABS) are masked by being included in generalised categories. The numbers we can provide are best estimates. We estimate around 40% of the total 1.1million homes insulated used imported products of one form or another
10	Estimates again. Volume: of the 40%, 1/5 from China, 4/5 from US, UK, Malaysia and Thailand Compliance based on sample testing: China - 40% failed thermal claims, a further 30% failed labelling requirements, 30% passed all requirements Other - not found any that have failed

ENERGY EFFICIENT HOMES PACKAGE

INDUSTRY CONSULTATION MEETING

MINUTES OF MEETING

18 FEBRUARY 2009, CANBERRA

Attendance: A list of those in attendance is at [Attachment A](#).

Discussions	Actions Arising
Agenda item 1. Introductions & Energy Efficient Homes Package Overview	
<ul style="list-style-type: none"> • The Chair, Mr Kevin Keeffe opened the workshop and welcomed all meeting attendees. The Chair briefly outlined the key elements of the Nation Building and Jobs Plan that contains the Energy Efficient Homes Package (EEHP) as a key element. Mr Keeffe stated that the key purpose of the meeting was to seek industry views and ideas on the issues and implementation aspects of the insulation components of the EEHP. He stated that the day would focus on a number of technical, training and implementation areas but a key first step was to seek input of aspects required to finalise the program guidelines due for release on Thursday 26th February 2009. Action: The Department will circulate draft guidelines by COB Friday 19 February. • Participants would be able to comment on the draft guidelines formulated to incorporate information from the workshop. However, the turnaround time would be short to enable recommended guideline submission to the Minister for consideration and approval to meet the scheduled release date. Action: Participants wishing to provide comment may do so (in track changes please) by no later than 3 pm Monday 23 February, by reply email to Juliana.marconi@environment.gov.au • Meeting participants were informed that other consultation meetings and a continued dialogue will follow and that the Government will also seek independent advice on the issues raised. <p>Introductions Participants introduced themselves and briefly outlined the key outcomes they expected from the meeting.</p> <p>The Chair provided a short overview of the insulation elements under the EEHP: the Insulating Australian Households Program and Low Emission Plan for Renters Program.</p> <p>Issues raised:</p> <ul style="list-style-type: none"> • The implications the package has on State retailer obligation schemes (REES, VEET and NEET) was raised. Response: the Government is working through the various issues with relevant States through COAG and associated mechanisms. • In response to a query the Department confirmed that an eligible homeowner household who installed ceiling insulation after the 3 February 2009 up to the commencement of the non-rebate program would be able to seek reimbursement of costs up to \$1,600. The reimbursement system would be made available as soon as possible, and the target was for this system to be available prior to 1 July 2009. It was raised that the call centre provided advice that payments would be processed after 1 July and that householders should keep the receipts. Action: The Department is to follow up the issue with the Call Centre to ensure consistent information is provided to the public • It was recognised widely that the release of the program guidelines will be critical step in addressing a number of outstanding queries from the public. • The Department stated that it has received a large number of enquiries from insulation businesses and contractors. A registry of these contacts has been made, and the Department is planning to conduct a large scale briefing session in the near future. • Accreditation issues - concerns were raised about people wanting to start in the insulation business that have no experience or qualifications. Response: these issues need further attention in Agenda Item 3. 	

Agenda item 2. Eligibility Criteria – Product Requirements

Open discussion regarding what insulation product material and standards issues exist in determining the eligibility criteria and product requirements.

Ms Beth Riordan (Program Manager) explained that the insulation rollout covers existing properties and described fundamental objectives of the landlord and homeowner insulation programs as being: maximising energy efficiency and energy saving improvements to households, and supporting jobs and job growth. A key priority is to finalise the guidelines that will need to include the ceiling insulation standards parameters that must be met under the program to meet the program objectives.

Open discussion:

Issues raised include:

- There were conflicting opinions presented as to whether the program should follow the climate zone R-Values within the Australian Building Code for roofs (Table 3.12.1.1) or whether there should be a specified R-value or mixed allowance of 3.5 or 4.0 across Australia. (e.g. should there be a standard of R4 because it is likely walls won't be insulated?).
- It was raised that the recommended R-values in the current Building Code of Australia insulation standards focus on new homes (and major renovations). Some participants suggested that the program should look at simplified or higher product R-values than the BCA suggested values due to the fact that they are targeted at established homes, and the limited program emphasis on ceiling insulation did not allow for appropriate treatment and assessment of the broader house shell. A number of participants disagreed.
Action: Meeting participants to send figures to Juliana Marconi ASAP.
- There were a number of conflicting opinions raised throughout the session on the appropriate R-value of insulation suited to hotter climates. Some participants stated that in hotter climates, insulating beyond a certain point can cause what is known as the "heat box effect". Further, it is essential to take into account the different types of ceilings. Others claimed that it was a misconception that insulation is a cold weather product and stated that the US weatherisation program provided for the provision of 5.0 R-values in Hawaii.
Action: Meeting participants agreed to send additional technical information/data to Juliana Marconi ASAP so the Department can seek independent advice on issues.
- An issue was raised concerning not being able to fit large batts to eaves or house corners of certain types of roofs (e.g. need to lift the roof to be able to fit it in and this adds to the costs). Claims that introducing average R-values would only make matters worse. A response to the first issue was provided in stating that the Victorian rebate allowed for a lower level R-value to be applied in these corners etc. (i.e. lower efficiency but better than having an uninsulated space).
- It was raised that consumer should have the power of choice and that the market should be allowed to achieved higher rating values or energy efficiency outcome base on the overall pricing parameters. Response: it was raised that the \$1,600 is the upwards limit and that the average household cost is estimated around \$1,200.
- It was suggested that the guidelines should allow flexibility for people to choose the best technology/product for their property. The Chair informed that the guidelines won't specify products.
- Some participants suggested that to assist in managing the scheme, the product eligibility process should be simplified as much as possible. (e.g. the more complex the process is, the more it will cost).
- Issues surrounding the difficulty in establishing a system that is precise enough to calculate R-values for regional climatic zones.

Product Standard and Quality

It was agreed by all that the existing product standard for this program should be the AS/NZ4859 standard.

Product Supply

- Open discussion about insulation manufacturers' capacity to cope with the demand and if not, what are the alternatives, noting the Prime Minister is urging industry to optimise local product

versus imports during the 2.5 year period of the delivery of this package.

- Open discussion about take-up rates for the program. It was noted that 2.7 million houses is very much on the top end and it is likely to be less than that. More likely to be closer to 2 million households. Industry expectation is to insulate 500,000 homes per annum. If demand is at this level than the industry participants suggested that reliance on imports will be minimal. The Department requested any information that could assist in assessing the manufacturing capacity to meet demand for the program. The Chair noted that all information received will be treated as confidential.

Action: Meeting participants to send information to Juliana Marconi ASAP.

- It was noted that the expected take-up rate should be around **60%**. Taking into account homes that are “un-insulatable” (remote areas too difficult to access), 5% non-believers that claim insulation doesn’t work, a percentage of people who won’t get around to do it for all sorts of reasons (mental health, etc.), and a percentage of procrastinators. Also, a percentage of people who claim they don’t know if their properties are insulated or not – these houses may already be insulated. A participant mentioned that the take-up rate in the Victorian and NSW programs combined in the last year was 6,000 homes and that the target group for the program can be classified as “difficult”.

Action: Meeting participants to send figures to Juliana Marconi ASAP.

- Number of existing homes insulated a year - roughly 50,000 to 100,000. Difficult to ascertain because a lot of do-it-yourself installations occur and product retailers don’t keep records. This seem to indicate increases in the installation in the order of five to ten times.
- The Chair requested meeting participants to please provide any numbers they could on existing and new job creating as this was a key focus and reportable outcome of the package. The Department asked whether a split of manufacturing versus installation/other jobs was possible, it was thought by participants that this separated information was possible.
Action: Participants agreed to forward numbers of existing job numbers to the program to assist in establishing baseline numbers prior to the EEHP commencement.
- A number of dwelling characteristic types were identified that may be extremely difficult (or impossible) to insulate e.g. cathedral ceilings. Response: how do we build-in good monitoring processes to allow an assessment of the numbers of the households that experience these challenges allowing for policy consideration if necessary?
- It was noted that people living in regional areas may not access ads in magazines and where travel cost may add to overall household servicing costs. These would need to be expressly considered to ensure that rural and regional households do not miss out on the assistance.

Cost considerations (product and installation)

- Commonwealth research indicates that the average cost of installing ceiling insulation is between \$1200 and \$1600, and the Government must work out mechanisms to avoid price increases.
- Some participants noted that the insulation market is very competitive and that they can’t see prices increasing because of the program. However, one participant pointed out evidence of household already being provided with seemingly large and suspicious quotes and gave an example of the area of the property being measured on Google maps.
Action: Participants agreed to forward their views on the average/ common cost amounts for certain sized areas. Also they agreed to flag key issues that would result in deviations from these average costs (roof list, down-light covers etc).
- It is critical that the area to be insulated is assessed is cross checked, with audits performed by a third party. Determining reasonable common costs for a certain sized area that is straight forward was broadly agreed as important.
- All meeting participants agreed that more than one quote should be required.
- It was felt that the average house in the target range was between 110 m2 and 130 m2, not 100 m2.
- It was noted that there are two different Australian Standards that are at odds with one another AS3999 and AS3000. This primarily related to the issue of down lights/halogen lights and the space requirements for fitting insulation around these light fittings. Open discussion occurred about lighting and the different standards/requirements available in relation to the size of the gap needed for halogen down-lights.

Action: A resolution of the matter may be sort out via the Standards Committee at the suggestion of

Shane Holt, Director of Energy Appliances REED. Shane to seek this issue to be an agenda item at the next Committee meeting.

- Issue about certain types of roofs (e.g. cathedral ceiling) that will miss out on the program because the costs to install insulation are higher than \$1600. The Chair clarified that the cap is \$1600, householder facing insulation amounts exceeding \$1600 will be required to meet the costs.
- Andrew Wilson from the Office of the Coordinator General informed that \$2.7M worth of funding is in part structured around the Government going into deficit for a short period of time. Clear statements from Treasurer and the Prime Minister states that funding is required to be spent within 2.5 years with a cap of \$1600 per household.
- The Chair assured meeting participants that site inspection and quality audits will certainly be a part of the program and, to take advantage of the assistance, eligible householders will be required to give permission for the property to be independently audited.
- An issue was raised about the consumer not being able to verify what is being installed meet the standards. There should be an expectation that every house will be audited, however, in the absence of this possibility for all households they should be given information to enable them to assess what to expect and whether the job has been done correctly. The Chair noted that the Guidelines are currently being drafted and that the Government would like to hear ideas from industry about the mechanisms / how the auditing should be done.
- One possibility to ensure quality is to have a quality rating system similar to that operating in the United Kingdom insulation programs whereby individual contractors are rated on the quality of their work determined by post inspections. Also, householders may be able to "rate" installers and their services. Both aspects may be able to feed into a quality rating and potentially underpin whether they are able to received further work under the program.
Action: Further exploration of this issue needs to occur in determining the appropriate monitoring frameworks to address the program reporting needs and potential future policy needs.
- There was general support for the consumer to be allowed to make the judgement as to which product and which supplier to use.

Consumer education issues

- Since we are in a position to educate the consumer, the Chair asked industry's cooperation to produce a booklet (user guide) to inform the consumer on the aspects of insulation. Also, there will be a web based response system, and ideas on relevant consumer information would be appreciated.
- One of the participants suggested it would be useful to have an independent fact sheet in regards to R-values. The Chair proposed the insulation section in the "Your Home" manual be used, and this was agreed by all.
- Open discussion about other data collection (other household energy dwelling features/equipment, strict energy use) and the mechanisms available. Many opportunities were presented with various pros and cons such as; getting the installer to collect broader information, undertaking household surveys, getting the household to agree the release of their energy data from their retailer and smart meters.

Agenda item 3. Installation Capacity

Available Skills, Training, Licensing

- Key Issues: Need to ensure that installers are properly skilled to deliver a quality job and use wherever possible currently available quality training and networks.
- Question to explore in more detail for the future discussion, where manufacturers provide in-house training - how do we integrate it all to ensure that those that have been adequately trained are recognised? Need to find out how many and who these people are.
Action: request to industry on how to recognise the individual for the central register.
- Open discussion about existing schemes and training modules that can be considered (e.g. Victorian training module, and competencies as part of the trade skills framework available throughout Australia).
- One key driver is to ensure that people do the one-day OH&S course for safety and liability issues. Presentation of the 'White' card will provide assurance that they have done the OH&S

course.

- The Chair advised that the Government would investigate options with DEEWR. There is more work that could be done to ensure that value and standards are high, and that there is no blockage for employment.
- It was raised that any training or registration process should be minimised for people that have already done the relevant training or elements of the training. Response: this is a good principle to build into the training and registration framework.
Action: a commitment was provided to review the content of the trades components against the Victorian course and recent installation standards material to ensure that they are current.
- It was proposed that the existing national module be utilised and developed, which has already been endorsed nationally for new entries.
- It was proposed that people that are already in the industry association, governed by a code of practice should be given priority to register for the program. Response: this should be further explored and where the level of competency has been completed previously there should be automatic registration. If aligning competencies are missing (the insulation modules) but the person has been operating in a building area with OH&S skills etc. an adjunct/ short course should be developed and delivered to this group. The majority seemed to agree that specialist skills are required and that builders won't necessarily know the technical details (r-values, etc). It was noted that the required course is a fast track course that would not pose as an impediment to anyone wanting to move to the insulation area. Peter Ruz provided an example in NZ, where a similar program had to be suspended because three people electrocuted themselves. The majority strongly recommended mandatory training for insulation installers.
- It was agreed that a common training regime should be given to new entrants to ensure safety and quality.
- The Chair advised that the Department would work closely with DEEWR to discuss mandatory versus voluntary training.

Compliance issues

- A question was made about who should the consumer contact if he/she is not satisfied with the work done. Clarification provided that initially, the householder would contact the installer, but we need to further work out the legal framework and communicate to household based on the final implementation design.
- Issues about registration, licensing and training will require a separate session to be fully discussed. The Department will be organising these sessions in the near future.
Action: The Department to contact interested participants about the future session on training.
- The Chair informed that a particular compliance and product requirement approach needs to be considered up to the time before the delivery system is fully operational. This ensures that times between clarity of guidelines etc are appropriately managed.

Agenda item 4. Program Implementation & Delivery

- Regional / Intermediary Delivery - Household demand management

- Issue – until a delivery system is fully operational by mid 2009, we need to look for ways to keep insulation happening. From mid July – the Department is not keen on having a centralised system where DEWHA would handle household requests individually. A regional delivery approach is preferred. There are a number of mechanisms available, and the Department would like to hear from Industry and have further discussions on how that might work.
- Open discussion about existing delivery models, such as the one used by Sustainability Victoria, but it was noted that that is a rebate model that would not be applicable for this program because of the volume of households that will seek assistance under the program.
- REC's model received greater support because all documentation is kept by the service provider who invoices the Department on a monthly basis.

Managing household expectations:

- Need has been identified to manage high volume household expectations. PV program was criticised because people thought they could have it installed straight away and the UK program suffered severe public relations problems when a large media campaign stimulated more demand that was able to be handled. These are lessons to learn from.
- There is the need to develop a mechanism to avoid high intake of people in the first couple of months. One approach with wide support was to implement a phased approach in which people on low-incomes would be assisted in the first six months (or more) of the program.
- The formation of a Central booking agency restricted to people on Centrelink payments was proposed but the majority didn't agree with a centralised booking process and agreed that the booking should be handled by the contractor systems.
Action: Industry to provide their views on how this should be handled.
- Conflicting opinions about the market being competitive and a centralised booking would make that difficult. Some participants disagreed and claimed that people who provided a quote first would be disadvantaged because the second quote would win the job supplied with price quoted by the first supplier. Ultimately, the consumer has to have the ultimate decision as to whom is allowed in their homes to do the work. Need strict guidelines about what is an acceptable quote and two would be preferable.
- The Department intends to organise more detailed discussions on the delivery model in the near future.
Action: The Department to contact participants about these more detailed discussions

Agenda item 5. Ongoing Consultations & Wrap Up

- Next steps

- Outcomes of today's meeting
Action: The Department to circulate minutes of meeting by COB Friday 20 Feb 09.
Action: Meeting Participants to provide comments to Juliana Marconi ASAP in tracked changes - please point out anything may have been missed.
- Guidelines are due to be posted on the Department's website on Thursday 26 February – they need to be cleared by Minister Garrett before then.
Action: DEWHA to circulate the draft Guidelines to meeting participants for comment by COB Friday 20 February.
Action: Provide comments to the guidelines by no later than 3pm Mon 23 Feb
- Technical information – this will be put on the issues register and consulted with independent advisers. It will also underpin final decisions within the program Guidelines.
Action: Meeting participants to send technical issues to Juliana Marconi ASAP.
- Standards cost and job number information requested in Agenda Item 2.
Action: Provide information to Juliana at your earliest convenience.

The Chair advised that the Department will be looking at putting together an **ongoing advisory group** to assist in the ongoing planning and management of the program.

18 February 2009

Attendees

Contact	Position	Organisation
Industry Participants		
Dennis D'Arcy	CEO	Insulation Council of Australia and New Zealand (ICANZ)
Ray Thompson	Marketing Manager	Insulation Manufacturers' Association of Australia (IMAA)
Warrick Batt	General Manager, AUTEX	Polyester Insulation Manufacturers' Association (PIMA)
Kevin Herbert	Secretary	Australian Cellulose Insulation Manufacturers' Association (ACIMA)
Laurie Moylan	President	Australian Cellulose Insulation Manufacturers' Association (ACIMA)
Keith Anderson (for Brian Tikey)	Technical Advisor Air-Cell Innovative Insulation	Aluminium Foil Insulation Association (AFIA)
Steve Oliver	Treasurer	Aluminium Foil Insulation Association (AFIA)
Neil Gow	National Manager, Training Policy	Master Builders Australia (MBA)
Bob Appleton	National Director, Technical and Regulatory Policy	Master Builders Australia (MBA)
Peter Ruz	National Marketing Manager	Fletcher Insulation
Anthony Tannous	General Manager	CSR Performance Systems
Kristin Harder	Manager	CSR Performance Systems
Simon Tennent	General Manager, Training Services	Housing Industry Association (HIA)
Brian Ashe	Manager, BCA Research	Australian Building Codes Board (ABCB)
Matt Andell (for Nikky Carter)	Manager	AGI Insulation
Chris Johnston	A/g Assistant Secretary	Prime Minister and Cabinet (PM&C)
Simon Cox	Officer of the Coordinator General	Prime Minister and Cabinet (PM&C)
Andrew Wilson	Officer of the Coordinator General	Prime Minister and Cabinet (PM&C)
James Fricker	James M Fricker Pty Ltd	54 Felix Crescent
DEWHA Participants		
Kevin Keefe	Chair	DEWHA
Beth Riordan	Program Director	DEWHA
Shane Holt	Director	Appliances Team, DEWHA
Cathy McArthur	Assistant Director	LEPR, DEWHA
Juliana Marconi	Project Officer	IAHP, DEWHA
William Kimber	Project Officer	IAHP, DEWHA
Jane Spence	Project Officer	IAHP, DEWHA
Apologies		
Brian Tikey	Executive Chairman Austrell Group Ltd	Aluminium Foil Insulation Association (AFIA)
Nikky Carter	Manager	BGC Australia

ENERGY EFFICIENT HOMES PACKAGE INSULATION INDUSTRY CONSULTATION MEETING

MEETING SUMMARY

20 MARCH 2009, OLD PARLIAMENT HOUSE, CANBERRA

- Key Industry Actions are at [Attachment A](#).
- The meeting attendance list is at [Attachment B](#).

Agenda item 1.

Welcome & stakeholder advice framework

- An outline of the purpose of the roundtable, the key activities undertaken to date and the proposed working group approach for stakeholder engagement was provided to meeting participants and noted.

Action: Industry to nominate their representatives for the three Working Groups (**see Attachment A**).

Agenda item 2.

Indications of progress – session chaired by the Hon Peter Garrett AM MP

Industry participants indicated that:

- Overall industry was satisfied with the three changes to the guidelines outlined by Minister Garrett.
- Industry participants noted that job creation and retention is significant. For example:
 - ICANZ noted that a factory shift was removed late last year, shedding 25 jobs. Those jobs have now been re-created.
 - ACIMA noted that a profound impact on jobs was occurring with ACIMA members looking to employ 1500 extra people and ramp up to insulating 175,000 homes per year.
- There was general agreement that since announcement of the Package the number of enquires from households seeking quotes had risen sharply. Matt Anderl of AGI Insulation also noted that some 30 calls from prospective installers seeking work had also been received.
- PIMA noted that despite the increase in enquiries, some households were also taking a “wait and see approach” till phase 2 of the program.
- Training emerged as an area for priority attention – further discussion directed to the nominated session.
- The requirement for two quotes was highlighted by many as inadvertently posing some challenges – further discussion invited by the Minister with department officials throughout the day. Specific mention of problems in rural and remote settings with the Minister indicating a need for a practical approach in these situations.

Agenda item 3.

Industry Capacity

- The scope is achievable, so long as companies move to anticipate employment and demand. Carrying debt and two quotes is a burden. Conversion rate has decreased with two quote requirement.
- With the current downturn in new housing construction the affected capacity and labour is being re-deployed in response to increased demand under the program.

ICANZ suggested that every new house construction that drops off is capacity for two new ceilings.

- Broad agreement that industry call staff have been swamped under call load from households.
- Production capacity is less of a problem than trained and skilled staff. Need certainty for business confidence to invest in capacity. Ongoing energy efficiency opportunities for new entrants will give longer term certainty.

Agenda item 4.

Installer Training

- DEEWR provided a summary of some initial training development activities. These activities have sought to build on existing competencies and link in with current training mechanisms (RTO's etc.) to enable national reach in minimal timeframes.
- Industry capacity is hard to predict. Quality of the training will speed up creation of high quality capacity.
- Marketing and good training is needed to promote recruiting contractors.
- Some associations (e.g. HIA and MBA) can offer training. Suggestion for a mechanism to be established for small business to work with HIA/MBA in taking on redundant apprentices.
- Need to be aware of time and financial impost on business from a five day course for insulation installation.
- For existing operators, it is important to enable recognition of prior learning (RPL) and experience. There is a need to map the existing competencies against the skills and experience of those wishing to undertake the work to identify the best entry requirements for the installer register. Logbook approach could be used for on the job training as an example for those operating in the industry without the need for further training.
- Key driver is to ensure adequate quality assurance that is business friendly.
- Feedback provided that competency needs to be assessed by watching someone install insulation correctly.
- Possible model is a one day installer refresher course, 2 day trade transition course, 5 day new entrant course. Competency based within the Australian Training Quality Framework.
- Registration of business after 3 February 2009 may be a key determinant of new entrants.
- Need to identify and have ways to detect multiple quote books problem – two quote workaround process that has emerged by certain parent companies with multiple operations
- Broad support for establishing a robust process for assessing installation (and business) competency with tailored accreditation pathways is imperative. This will take some time to put in place but essential to ensure quality outcomes, build new capacity, and protect and smooth the transition for current operators.
- Industry suggests they have a role to play in addressing poor quality and business practices.
- The training and technical/compliance working groups will explore these issues in more detail.

Action: Associations to provide DEWHA with a copy of their code of conduct on the requirements which they place on their own members as a condition of their membership (**see Attachment A**).

Agenda item 5.

Eligibility and Compliance

Household Information

- Household education is essential to overcome information barriers. There is a need to

improve consumer capacity to make informed choices about the best insulation for their particular circumstances (e.g.: cost, home construction, climate zone, quality installation).

- There are multiple conflicting information streams on every product. It's very hard for consumers to decide. Households are susceptible to high pressure sales representatives.
- Need to inform households that insulation installation may cost more than \$1600 in certain situations, depending on characteristics of the home such as construction of the roof and ceiling, it's location in a rural or remote area and size.

Action: Industry to provide information to the Department on any unscrupulous or deliberately misleading information being provided by specific industry sections. A complaints email is set up specifically for industry and industry associations to report to. Households and other stakeholders will still use the existing public email inbox (**see Attachment A**).

Two Quotes Issue

- A range of views were put forward on the need for two quotes, some people supported the two quotes, however all agreed there was a need for flexibility where installers were scarce such as in rural and remote areas.
- All agreed on the need for integrity measures in the rebate system to protect both households and installers that are doing the right thing.
- It was suggested that the requirement is causing inefficiencies in the roll out to households and some installers are finding ways to get around the requirement, such as running two quote books.
- Potential alternatives were suggested including:
 - An indicative pricing model on the DEWHA website for consumers scaled on regions and difficulty of installations.
 - A m2 rate or price range, scaled on regions and difficulty of installation.
 - A model for regional areas similar to the regional fuels grants scheme.

Action: Industry to provide written suggestions to the Department on the two quotes issue. ACIMA and ICANZ to coordinate this submission.

Other issues:

Negligible Effectiveness

- There is a need to provide more detailed guidance on what constitutes negligible effectiveness.
- A number of suggested examples were broadly agreed by participants including:
 1. where sea grass material has been installed;
 2. where there is roof sarking at the roofline only present;
 3. where 1 inch roofing blankets only are present; and
 4. where loose fill or bulk insulation products are present at a thickness of 25mm or less

Action: Industry participants to provide feedback on the wording of the examples above to enable use in installer and household information.

Whole living space:

- Industry suggested that the whole living area should be "the conditioned space" i.e. including the garage if that is part of the house (has a connecting wall or shared roof with the living space), and where such spaces are heated or cooled.

Adhesive Sealing:

- ACIMA suggested that poor installation is the cause of loose fill moving around and adhesive sealing is not needed. ACIMA provided some material from CSIRO on this matter.

Hazardous Materials

- Industry suggested that asbestos is quite rare in terms of a threat to installers and did

not express a need for any program changes to address it.

ATTACHMENT A

Key Actions - Industry Associations

Due by Wednesday 25 March 09

<u>Action</u>	<u>Person Responsible</u>
<p>Develop in writing options to address the two quotes issue (including in remote areas) that would be acceptable to industry participants, and provide it to Mr Kevin Keeffe by email.</p>	<p>Ray Thompson, ICANZ and Kevin Herbert, ACIMA <i>(With input from all other associations, and the independent industry participants who attended the 20 March 09 Roundtable)</i></p>
<p>Each association to nominate* for membership of the three working groups:</p> <ol style="list-style-type: none"> 1. Installer training working group. 2. Installer technical compliance working group. 3. Regional delivery working group. <p>*Note: Preferably one person, with a maximum of two people, to be nominated per association, per working group. Working group business will be conducted primarily via email and teleconference.</p>	<ul style="list-style-type: none"> • Denis D'arcy (for ICANZ). • Kevin Herbert (for ACIMA). • Steve Oliver (for AFIA, representing Brian Tikey). • Greg Selwood (for PIMA). • Neil Gow (for MBA). • Simon Tennant (for HIA).
<p>Associations to provide DEWHA with a copy of their Code of Conduct for their members (conditions of membership) and any other requirements they place of their members such as minimum training standards, quality assurance in members work, penalties and breach protocols.</p>	<ul style="list-style-type: none"> • Denis D'arcy (for ICANZ). • Kevin Herbert (for ACIMA). • Steve Oliver (for AFIA, representing Brian Tikey). • Greg Selwood (for PIMA). • Neil Gow (for MBA). • Simon Tennant (for HIA).
<p>Industry to notify DEWHA of substantiated fraudulent activities, unprofessional business practices, and safety breaches via: insulationcomplaints@environment.gov.au</p>	<p>All industry representatives.</p>

ATTACHMENT B**Meeting Attendees**

- The Hon Peter Garrett, MP, Minister for Environment, Water Heritage and the Arts
- Mr Matt Levey, Advisor, Minister Garrett's Office

Contact	Position	Organisation
Industry Participants		
Dennis D'Arcy	CEO	Insulation Council of Australia and New Zealand (ICANZ)
Ray Thompson	Marketing Manager	Insulation Manufacturers' Association of Australia (IMAA)
Warrick Batt	General Manager, AUTEX	Polyester Insulation Manufacturers' Association (PIMA)
Kevin Herbert	Secretary	Australian Cellulose Insulation Manufacturers' Association (ACIMA)
Matthew Hannam	Director	Environmentally Safe Natural Insulation (ESNI), (ACIMA)
Greg Rashleigh	Director	All Seasons Insulation (ACIMA)
Robert Palmer (for Keith Anderson)	Director	5 Star Building Foils Pty Ltd (AFIA)
Greg Selwood	Director	Martini Industries, (PIMA)
Craig Collins	Director	United Bonded Fibres (Tontine Insulation), (PIMA)
Steve Oliver (for Brian Tikey)	Treasurer	Aluminium Foil Insulation Association (AFIA)
Neil Gow	National Manager, Training Policy	Master Builders Australia (MBA)
Bob Appleton	National Director, Technical and Regulatory Policy	Master Builders Australia (MBA)
Peter Ruz	National Marketing Manager	Fletcher Insulation
Simon Tennent	General Manager, Training Services	Housing Industry Association (HIA)
Brian Ashe	Manager, BCA Research	Australian Building Codes Board (ABCB)
Matt Andell	Manager	AGI Insulation
Peter Olsen	Director	Insulation Corp
DEWHA Participants		
Kevin Keeffe	Chair	DEWHA
Beth Riordan	Program Director	DEWHA
Harry Zevon	Director	Appliances Team, DEWHA

Cathy McArthur	Assistant Director	LEPR, DEWHA
Juliana Marconi	Project Officer	IAHP, DEWHA
Mali Stanton	Project Officer	DEWHA Public Affairs
Jane Spence	Project Officer	IAHP, DEWHA
William Kimber	Assistant Director	IAHP, DEWHA
Other Government Officials		
Andrew Wilson	Office of the Coordinator General	Prime Minister and Cabinet
Simon Cox	Office of the Coordinator General	Prime Minister and Cabinet
Melissa McEwan	Director	DEEWR
David Merrett	Assistant Manager, Manufacturing Industries Section	Department of Innovation, Industry, Science and Research
Julie Claydon	Assistant Manager, Building Policy Section	Department of Innovation, Industry, Science and Research
Brian Ashe	Manager	Australian Building Codes Board
APOLOGIES		
Keith Anderson (Robert Palmer attending instead)	Technical Advisor Air-Cell Innovative Insulation	Aluminium Foil Insulation Association (AFIA)
Ivan Donaldson (Brian Ashe attending instead)	General Manager	Australian Building Codes Board (ABCB)
Anthony Tannous	General Manager	CSR Performance Systems
Kristin Harder (Ray Thompson attending instead)		CSR Performance Systems
Warrick Batt (Greg Selwood & Craig Collins attending instead)	General Manager, AUTEX	Polyester Insulation Manufacturers' Association (PIMA)
Laurie Moylan	President	Australian Cellulose Insulation Manufacturers' Association (ACIMA)
Brian Tikey	Executive Chairman Austrell Group Ltd	Aluminium Foil Insulation Association (AFIA)

ENERGY EFFICIENT HOMES PACKAGE INSULATION INDUSTRY CONSULTATION MEETING

MEETING SUMMARY

29 JUNE 2009 STAMFORD PLAZA, BRISBANE

- Key Actions - [Attachment A](#).
- Attendance list - [Attachment B](#).

Agenda item 1.

Welcome and program update

- The purpose of the roundtable was outlined and participants noted the key issues facing the program from the formal launch on 1 July 2009.

Agenda item 2.

Indications of progress – session chaired by the Hon Peter Garrett AM MP

Industry participants indicated that:

- Overall the industry is supportive of the program however a number of issues were identified as potential challenges moving forward.
- Employment growth has been solid with the expectation that the originally forecast 4,000 jobs would be exceeded
- Having the right number of people trained and having Registered Training Offices (RTOs) meeting the program's requirements is important. Once properly established, the training will extend beyond the life of the program – a good outcome as previously it has been inadequate.
- The audit program will be important once the outstanding technical issues have been resolved. It will be particularly relevant in identifying installers who engage in suspect practices.
- There is a potential risk to the success of the program that is posed by installers who engage in questionable practices. A number of examples were cited. A combination of training, monitoring, audit and appropriate, responsive action, should help to minimise the risks.
- Cash flow is an issue for some small businesses and prompt payment by the government will be important for these participants.
- Package recycling is important and needs to be communicated to installers.
- Installers should be required to undertake on-site visits before providing quotes.
- Clarification is required on some technical issues including, negligible effectiveness, exposed beams, down-light covers. This issue was progressed later in the meeting.
- Supply lines could be a potential problem particularly when some larger companies have standing orders for materials which are subsequently not required, causing peaks and troughs in product availability.
- Price creep was become an issue, influenced by materials availability, and householder indifference if the price is equal to or less than the amount of assistance.

The Minister indicated that the program aims to achieve 2.9 million households with ceiling insulation, hopefully by the current program termination date of 31 December 2009. He thanked the participants for their fulsome feedback and emphasised the need to persevere and maintain open communications between the industry and government.

Agenda item 3.

Industry Capacity

- PIMA is increasing production capacity in Sydney
- Bradford Insulation is increasing production in Brendale, Qld.
- Raw materials are being imported from Thailand and New Zealand.
- While wholesale prices for paper have increased by almost 50% since February 2009, prices are now beginning to stabilise.
- Employment has increased in all areas.
- There is concern that installers will not have received work order books, UserIDs and Passwords to enable them to continue installations under the program from 1 July 2009.
- Materials supply is an issue in some areas as speculative standing orders are lodged by some installers and these are later cancelled when the material is not required. This means smaller companies are being denied prompt access to materials as they require them.

Agenda item 4.

Installer Training

- Larger organisations are providing their own in-house training to installers.
- Industry associations are knowledgeable about specific requirements; what is available; where to obtain training and can advise their members on these and a number of program-related issues.
- The Department of Education, Employment and Workplace Relations is assisting DEWHA in facilitating RTO's to establish relevant training programs and bring them on scope. Additional resources being developed by the Construction and Property Services Industry Skills Council (CPSISC) and to be available in July 2009 include: Pocket Book for learners and a PowerPoint delivery presentation for Trainers, Working safely at heights; Acoustic and thermal protection; and Recognition of prior learning.
- Training needs to reflect practical application not only the theoretical aspects.
- There was a view that there may be suppliers on the register who do not have appropriate training. The policy however is quite clear that OH&S training is essential and a supervisor must have the relevant qualifications to sign the work order form.
- Discussion resolved not to send out copies of the relevant Australian Standards to all registered installers but noted that installer education is critical.
- DEWHA undertook to review guidelines on insulation installation issued by the Victorian Sustainable Energy Authority:
http://www.sustainability.vic.gov.au/resources/documents/insulation_installation.pdf to see if the document might be relevant for the Energy Efficient Homes Package.
- Householder education about the program and eligibility is also important and it was noted that this would be achieved, in part, through the public information campaign, call centre and website material.

Agenda item 5.

Eligibility, Compliance and Audit Framework

Eligibility issues clarified:

- Homes approved for building after the BCA provisions came in during 2003 are not eligible.
- Homes with no ceiling insulation but with roof sarking are eligible provided they were approved prior to 2003.
- Partially insulated homes are only eligible if the minimum total R-value for the entire living area is met. Installers need to verify this.

Audit and compliance framework:

- Installers' ABNs are being verified, insurance checked and compliance with training requirements will be ascertained.
- The payment system has its own checks for claims and payments.
- Issues being addressed include field audits; internet fraud; processes to address non-compliance to be implemented promptly; installers to be regularly reminded of review mechanisms; make good provisions.
- Action to address any non-compliance or fraud will be vigorous and prompt. Installers may be removed from the register. The Department is required to give due notice but not a warning as such.

Other Issues.

Communications:

Discussion resolved that it would not be practical to try to provide guidance for householders about typical costs on the website as there were too many variables involved. However the Department will pursue the possibility of using the Australian Consumer Association to provide information about insulation types and issues to be considered when having it installed from the householder's perspective.

The installation relationship is one between the householder and the installer and each has mutual responsibilities. Where a householder is deemed ineligible, the supplier will not be paid. Consequently it is in the installer's interest to ensure the householder is fully aware of the relevant guidelines and able to make an informed assessment of their eligibility.

A public information campaign will notify people about the program with the comprehensive details being available through the program guidelines, website and call centre.

ATTACHMENT A

Key actions arising from 29 June 2009 discussions

<u>Action</u>	<u>Person Responsible</u>
Follow up on Installer Register, search facility: Installers claimed that it was not possible to select more than one area	DEWHA: Aaron Hughes and Greg Lemmon
Follow up on recycling of batt bags and packaging (EQD, Waste Taskforce).	DEWHA: Will Kimber, Troy Delbridge
Aggregate previous round of information from industry on job creation and circulate to industry. Approach industry to update the information on a regular basis	DEWHA: Will Kimber and Greg Lemmon
Investigate the Sustainability Victoria guide for installers on compliance with relevant Standards. Review and circulate to installers by email if appropriate	DEWHA: Greg Lemmon and Will Kimber
Continue to improve guidance to households on how to choose an installer	DEWHA: Greg Lemmon and Public Affairs
Investigate if there is any benefit in a consumer organization such as "Choice" to analyse consumer protections in the program	DEWHA: Greg Lemmon
Advise DEWHA about supply expansion and product/materials accessibility at regular intervals – or as necessary.	ICANZ, ACIMA, PIMA, AFIA and independents

Meeting Attendees

- The Hon Peter Garrett, AM MP, Minister for Environment, Heritage and the Arts.
- Matt Levey, Adviser to the Minister for Environment Heritage and the Arts.

Contact	Position	Organisation
Industry Participants		
Dennis D'Arcy	Chief Executive Officer Insulation Council of Australia and New Zealand (ICANZ)	ICANZ
Grant Tenni	General Manager Fletcher Insulation	ICANZ
Kevin Herbert	Secretary Australian Cellulose Insulation Manufacturers' Association (ACIMA)	ACIMA
Matthew Hannam	Director Environmentally Safe Natural Insulation	ACIMA
Warren Allen		ACIMA
Greg Rashleigh	Director All Seasons Insulation	ACIMA
Steve Oliver	Treasurer Aluminium Foil Insulation Association (AFIA)	AFIA
Warrick Batt	Director AIR-CELL Insulation	PIMA
Michael Reynolds	General Manager, AUTEX	PIMA
Michael Reynolds	Manager United Bonded Fibres (Tontine Insulation)	PIMA
Tino Zuzul	Director Martini Industries	PIMA
Matt Andell	Manager AGI Insulation	Small business
Peter Olson	Director Insulation Corp	Small business
Kelvin Cuskelly	Assistant Director Technical Services Housing Industry of Australia	HIA
Government Representatives		
David Merrett	Assistant Manager Manufacturing Industries Section	DIISR
Kevin Keeffe	Assistant Secretary, Home Energy Branch	DEWHA
Greg Lemmon	Director Stakeholder Management	DEWHA
William Kimber	A/g Director, Program Design and Delivery	DEWHA
Louise Courtney	Stakeholder Management	DEWHA

Government Observers		
Courtney Bryant	Public Affairs	DEWHA
Marissa Wild	Public Affairs	DEWHA
Apologies		
Gavin Webster	National Operations Manager Manager United Bonded Fibres (Tontine Insulation)	PIMA
Neil Gow	National Manager, Training Policy Master Builders Australia (MBA)	MBA
Greg Selwood	Director Martini Industries	PIMA
David Isaacs	Director Fletcher Insulation	ICANZ
Anthony Tannous	General manager Bradford Insulation Group	ICANZ
Noel Higgins	Managing Director Install Assist Pty Ltd	Small Business
Brian Ashe	Manager Major Projects and Research Australian Building Codes Board	Building Codes Board
Martin Hoffman		Prime Minister and Cabinet

Communiqué – Ceiling Insulation Round Table

29 June 2009

1. From manufacturers to small businesses the Australian insulation industry has reported strong growth. The Australian Government's Energy Efficient Homes Package ceiling insulation programs have led to increased employment throughout the supply chain and more broadly there is a positive flow on effect beyond the industry. ICANZ has said their original figure of an additional 4,000 new jobs needs to be upgraded – it will be more than this.
2. The ceiling insulation training package developed by the Department has been welcomed by industry as it is seen as an opportunity to promote national industry standards, where they previously did not exist. The training program will benefit the industry beyond the life of the program, resulting in a strengthened insulation industry. These standards will position the industry well for the future to implement energy efficiency requirements mandated by governments for commercial and residential properties.
3. Industry is reporting that householders are appreciative of the initiative and they are receptive to investing in other energy efficient measures such as wall and floor insulation. This will help the industry going forward, as individual householders tap into other efforts they can make in their homes to become more energy efficient and reduce greenhouse gases. This will further support green jobs in Australia and maintain a strong industry.

ENERGY EFFICIENT HOMES PACKAGE INSULATION MANUFACTURERS' MEETING

MEETING SUMMARY

7 AUGUST 2009

JOHN GORTON BUILDING, CANBERRA

- Key Actions - [Attachment A](#).
- Attendance list - [Attachment B](#).

Agenda item 1.

Welcome and program update

- The purpose of the roundtable was outlined by the Chair and participants noted the key issues facing the program.
- The Hon Peter Garrett AM MP called on each industry participant to give a synopsis of the current state of affairs.

Agenda item 2.

Manufacture capacity – domestic

Industry participants indicated that:

- The commencement of the Program has seen unparalleled demand for product and several manufacturing plants are now running at full capacity.
- There may be scope for increasing production however there is some uncertainty attached to investing in new infrastructure when a major manufacturer such as Knauf may enter the market.
- The polyester insulation industry has also seen a dramatic increase in demand with increased production capacity in QLD, NSW and VIC. Additional high capacity plant equipment is being installed and will double capacity for Autex while a 20-50% increase by other Australian suppliers is expected over the next 6 to 7 months.
- The polyester industry has also experienced an increase in demand from the commercial market which may be a result of a shortage of glasswool products.
- The cellulose industry is experiencing growth but the supply of raw material may become an issue in the future; waste paper is now beginning to be sourced from Thailand.
- Capacity is not an issue for foil.

Agenda item 3.

Imported materials – volumes, quality control and testing

- Fletcher Insulation and CSR indicated that they are able to supplement supply by working with their technology partners in the United States and China. The United States in particular has great import potential as huge plants are currently running at low capacity. The volume of import will be driven by demand but it must be noted that there is a 10 to 12 week delay between placing the order and distributing the order.
- CSR advised that they would rather not import but saw the necessity to fill up the channels because another large player will come in and fill them if they do not.
- Australian suppliers have been approached by a number of overseas suppliers from Asia and North America. Fletcher Insulation and CSR's technology partners in the United States use the same technology affording them confidence in the quality of their imports.

- An issue exists around newcomers who do not understand the testing regimes. There have been reports that some overseas suppliers have adopted a “what do you want on the label?” attitude to quality control reinforcing the importance of testing. BRANZ is the primary service provider for product testing while CSR are accredited to perform their own testing. It was suggested that the CSIRO would be a useful resource for product testing purposes.
- It was noted that the cellulose industry members check each other’s product which provides for a very good quality checking regime.

Agenda item 4.

Employment opportunities

- ICANZ initially estimated that the Program would create 8,000 jobs in the glasswool industry; they advised that they would revise this forecast as it is predicted that the Program will create many more than that.
- The cellulose industry have increased to 12 members with others looking to join. An associate member scheme has also been devised that covers installers. There are now 40 associates with the number expected to increase to approximately 60 in the next few months. Membership is limited to those who prove the quality of their installation practices.
- ACIMA have advised that its members will only install at a rate which ensures quality installation. They will not employ unskilled people in order to respond to demand. Members are small businesses and will only expand to a level that they feel they will be able to maintain beyond 2011.
- It was noted that because a majority of employment is downstream, the fuller employment effects will come from having enough supply to meet demand. Apart from installer employment, there are large numbers of downstream jobs being created in call centres, office refurbishment, warehouse, transport and distribution etc.
- AFIA predicted that for every 4,500 installations, 14 jobs are created.

Agenda item 5.

Industry shutdown in December/January

Manufacturing plants will not shut down over the December/January period. However there are several events that may impact supply:

- September - October 2009: impact from schools stimulus (however this will be commercial building material).
- December 2009 – January 2010: a lull in imports may occur due to an increase in price for importing over the Christmas period.
- January – February 2010: impact of First Home Owners Grant.
- March 2010: community housing impact.

Other Issues.

Demand:

- If demand continues at the present level and that demand is met, there is a concern that the program will be completed in 18 months. It would be beneficial to slow demand so that the full 30 months of the Program are realised.
- It was noted that slowing the number of installers would help with supply issues. Although the number of installers may drop once the audit process is in full swing, it was suggested that another way to control demand would be a requirement for at least one physical quote.

Closing:

- Minister Garrett made a final comment regarding the Government’s strong objective to make sure that households are receiving the full benefit of the Program through quality of product and installation practices.

- It was noted that quality installation is a very big issue for the Department. The Department is now getting in enough data to start to establish good indicators of quality installation rates and this will feed into the Department's audit processes by helping to identify installers who are doing too many jobs.

ATTACHMENT A

Key actions arising from 7 August 2009 discussions

<u>Action</u>	<u>Person Responsible</u>
The Department has commissioned an independent report on the current status of demand and supply. The report is due Friday 14 August.	DEWHA: Greg Lemmon and Karen Graham
Continue to advise DEWHA in relation to supply expansion and access to product.	Industry

Meeting Attendees

- The Hon Peter Garrett, AM MP, Minister for Environment, Heritage and the Arts.
- Matt Levey, Adviser to the Minister for Environment, Heritage and the Arts.

Contact	Position	Organisation
Industry Participants		
Kevin Herbert	Secretary Australian Cellulose Insulation Manufacturers' Association (ACIMA)	ACIMA
Rod Skelton	National Operations Manager, Fletcher Insulation	ICANZ
Anthony Tannous	General Manager CSR Performance Systems	ICANZ
Warrick Batt	General Manager, AUTEX	PIMA
Robert Palmer	Director 5 Star Building Foils Pty Ltd	AFIA
Government Representatives		
Malcolm Forbes	Chair, Deputy Secretary	DEWHA
Ross Carter	First Assistant Secretary	DEWHA
Aaron Hughes	A/g Assistant Secretary, Home Energy Branch	DEWHA
Greg Lemmon	Director Program Marketing	DEWHA
Tracey Bell	Director Public Affairs, REED	DEWHA
Karen Graham	Program Marketing	DEWHA
Anna Chu	Program Marketing	DEWHA
Apologies		
Dennis D'Arcy	Chief Executive Officer	ICANZ
Andrew Arblaster	President	ACIMA
David Isaacs	Director Fletcher Insulation	ICANZ
Brian Tikey	Executive Chairman Austrell Group Ltd	AFIA
Noel Higgins	Managing Director Install Assist Pty Ltd	Small Business

Home Insulation Program– Industry Consultation

Wednesday 3 February 2010

MEETING OUTCOMES

Agenda Item 1. Welcome and introduction

The Chair opened the meeting, thanked participants for their attendance and outlined the program for the day. The Chair indicated that this forum would not be discussing the forthcoming Senate enquiry.

Agenda Item 2. Product Quality

The Chair explained arrangements with the new Approved List of Products, tabled a flow chart of the verification process and invited industry comments.

ICANZ made the following points:

A better outcome would be achieved by requiring product accreditation not only product testing.

Some products do not meet the labelling requirements.

Compliant products should be promoted.

There is a cost to industry of compliance and some participants in the program do not invest in compliance activities.

The Approved List of Products is difficult to find on the website.

PIMA made the following points:

A flood of sub-standard material is being imported.

The Department should explore what role ACCC has in addressing the import issue.

A number of products are below half that of stated ratings.

There is no method for testing post installation.

Legitimate business finds it difficult to compete with cheap non-compliant imports.

ACIMA made the following point:

Some of the products on the Approved List of Products would not meet the Australian Standard.

AFIA made the following points:

All members of AFIA produce compliant products.

Often people do not know how to interpret the testing certificates.

Small Business made the following point:

While it is relatively easy to get a product up to standard for a single test, ongoing product quality is an issue and this could be addressed through randomised testing.

Agenda Item 3. Down Lights

The Chair explained the background to the mandatory requirement for Downlight covers to be used and invited industry comment.

ICANZ made the following points:

A submission has already been made that downlight covers are not required where the installer warrants that the installation is in accordance with the installation standard and the manufacturer has warranted that the product meets or exceeds the fire safety requirements. An exemption from the mandatory use of downlight covers is appropriate in these circumstances.

PIMA made the following point:

Entry requirements for installers need to be strengthened to ensure installers understand the safety requirements.

ACIMA made the following points:

The Lighting Council of Australia is preparing a draft standard on this issue.

The quality of installers is a key issue.

Inspectors undertaking roof inspections should be required to have trade certificates.

Energy Efficient Homes Package - answers to questions taken on notice 17/2/2010 - QON 7-10
Separate from the downlight issue, the 1800 call centre has been providing incorrect information about insulating garages and difficult roofs.

AFIA made the following point:

Prior to this Program foil insulation did not require downlight covers but now it does regardless of how well the wiring rules are met.

Agenda Item 4. Discussion with the Minister for the Environment, Heritage and the Arts, the Hon Peter Garrett AO MP

The Minister explained that his primary concern is for the safety of installers and householders. He indicated the Government's commitment to seeing the program achieving the target of 1.9 million homes insulated, and thanked the industry participants for their ongoing support.

The Minister invited comments from each group represented at the meeting. The issues raised are generally covered under the specific agenda items, however in summary:

ICANZ made the following points:

The job creation is welcomed, but for sustainability, a strong regime of product and manufacturing standards is required to overcome fraudulent activity.

It is important to give the industry adequate notice of proposed changes to the program as planning is essential for business management.

There are ongoing issues with cheap, non-compliant imported materials flooding the market place.

PIMA made the following points:

The program has been good for the industry, however there have been some problems with its implementation.

Imported material quality is an ongoing concern.

Some program changes have been detrimental to PIMA's business position.

ACIMA made the following points:

The cellulose business has done well under the program and product quality is not an issue.

Consideration needs to be given to householder energy efficiency initiatives after this program concludes.

AFIA made the following points:

The program does not deserve some of the media criticism that it has attracted.

There are issues with quality control and counterfeit materials in relation to imported product.

Small business made the following points:

The program is running well for small business which has experienced growth.

Being relatively small has allowed a good deal of flexibility to respond to rapid change.

As with all program participants there are concerns about moving forward towards the end of the program.

Independent manufacturing made the following point:

It is important to ensure that businesses are kept up to date with any proposed program changes to assist with forward planning.

Agenda Item 5. Mandatory training and Competencies

The Chair outlined the new competency requirements and that their introduction was as a result of both industry concerns and the Minister's desire to ensure the safety and well being of participants in the program.

ICANZ made the following points:

Training is an additional cost to industry and there needs to be some certainty about the program for employers to make the investment, including that the amount of assistance will not decrease and that the commitment to insulate 1.9m homes will not change.

ACIMA made the following points:

Cellulose is experiencing difficulty is sourcing relevant training.

Energy Efficient Homes Package - answers to questions taken on notice 17/2/2010 - QON 7-10

There are no guarantees that staff will be retained following the investment in having them trained.

Some RTOs appear to be profiteering from the training for this program.

Help is required to identify trainers who will provide training in time and in regional areas.

Most reputable installers will be able to achieve the 12 February 2010 deadline.

Agenda Item 6. Deregistrations and Update on Compliance

The Chair outlined the increase in compliance activity stemming from the strong focus on installer and householder safety and indicated that the increase in compliance actions had resulted in a number of installers being removed from the Installer Provider Register.

PIMA made the following points:

The list of deregistered installers needs more detail on why installers are deregistered.

Consideration needs to be given to rectification processes where insulation has not been properly installed.

Insulation materials can be mixed with compliant materials being used for only a proportion of the installation, and with only one label being attached there is scope to complete the job with inferior materials.

ACIMA made the following points:

There appears an imbalance in who is targeted for desktop audits.

It would be useful to have a public exposure of installers doing the wrong thing.

AFIA made the following point:

There is evidence of fraudulent activity over swapping quote books between colluding installers to provide two quotes.

Small business made the following point:

There needs to be a method for auditing two quotes and many installers do not inform the householder that two quotes are required.

Agenda Item 7. Industry issues and concerns

The Chair invited industry participants to raise issues of concern.

ICANZ made the following points:

There needs to be sufficient time allowed to implement changes to the program.

Public relations activity by the Department could usefully include the benefits of insulation and the various products, not only the program.

Industry should be prepared to provide a warranty on both product and its installation. This would come from the manufacturer and the installer respectively.

ICANZ does not support a proposal to reduce the amount of assistance under the program.

Concern remains over the flood of non-compliant cheap imported product.

Initially ICANZ indicated that demand would be small to moderate and underestimated that the take up would be as strong as it is. Unfortunately this has led to there being far too many installers on the Register.

The Department needs to investigate the possibility of promoting Australian Made products for use in the program.

PIMA made the following points:

At the conclusion of the program the industry has a solid opportunity to be acknowledged for its work in providing apprenticeships and to establish itself as observing best practice in training and accreditation.

Aiming for future sustainability should be a common goal. This group should work cooperatively to achieve this outcome. This goal can be progressed through future meetings of this forum.

The costs of providing two quotes, including associated labour costs and the inroads made by the cost of downlight covers, when the amount of assistance has been reduced to \$1,200, are impediments to reputable industry participants.

Industry needs early consultation on any proposed program changes.

The Department needs to promote the energy efficiency benefits of the program.

ACIMA made the following points:

The program needs to acknowledge installers as Tradesmen.

Two quotes are a serious impediment to business.

Warranty was provided on product and installation before the program and now less reputable installers cannot give a warranty on their sub-standard product.

The number of installers on the Register needs to be reduced in the interests of program sustainability.

AFIA made the following points:

Promotion of the program could usefully focus on the money to be saved in energy bills.

AFIA supports the PIMA proposal on accreditation, but not their proposal to reduce the amount of assistance.

Abolition of the two quote requirement is supported.

Better planning by industry at the outset of the program would have averted the current situation with poor quality imports folding the market.

Small Business made the following points:

It would be helpful to have information on progressive program expenditure.

The proposal to reduce the amount of assistance is not supported as the previous reduction has led to the influx of sub-standard imports.

Open competition in the domestic market for product manufacture is welcomed.

Independent manufacturing made the following point:

It is important to be conscious of the employment stimulus created by the program and the benefits this offers moving forward.

Actions Arising:

Agenda Item 2

- 2.1 The Department will confirm with ACCC the respective roles (re product quality) and progress as appropriate.
- 2.2 ICANZ will coordinate information and put a submission to the Department by end of this week.
- 2.3 The Department will undertake further work on the manufacturing/testing issue following receipt of the ICANZ submission (2.2 above refers).
- 2.4 The Department will review positioning of the Approved List of Products on the website.

Agenda Item 3

- 3.1 The Department will ensure the call centre provides correct, accurate information particularly in relation to garages and difficult roofs.
- 3.2 Mr Hannam, ESNI, will send to the Department evidence of incorrect information being provided by the call centre.

Agenda Item 5

- 5.1 Members to advise where they are encountering difficulties in sourcing training within the required timeframe and the Department will respond with information on training availability, noting that there is information available on the website.
- 5.2 The Department will respond as appropriate to 5.1.

Agenda Item 6

- 6.1 The Department will consider how to better identify reasons for deregistration on the 'name and shame' list.
- 6.2 In relation to remedial work, the Department will consider the scale of the problem and advise the Minister with options to address the issue.
- 6.3 The Department will review the requirement for two quotes.
- 6.4 The Department will review options for identifying products installed, including how onerous it is for installers to attach labelling from all packaging used for individual installations.

Agenda Item 7.

- 7.1 The Department will review information flows to ensure more timely advice, and better information sharing.
- 7.2 Industry consultative meetings will now be held regularly at six week intervals, with action items and minutes distributed following each meeting.
- 7.2.1 The Department will send out advice to installers in relation to product quality and non-compliant materials.

**Energy Efficiency Homes Package - Industry Consultation
Wednesday, 3 February 2010**

Attendee	Title/Organisation	Representing
Dennis D'Arcy	Chief Executive Officer Insulation Council of Australia and New Zealand	ICANZ
David Isaacs	General Manager Fletcher Insulation	ICANZ
Anthony Tannous	General Manager CSR Performance Systems	ICANZ
Wayne Allen on behalf of Laurie Moylan	President	ACIMA
Kevin Herbert	Secretary	ACIMA
Matthew Hannam	Director Environmentally Safe Natural Insulation (ESNI)	ACIMA
Greg Rashleigh	Director All Seasons Insulation	ACIMA
Michel Bostrom	Vice President	AFIA
Steve Oliver (attends mtgs on behalf of Brian Tikey)	NSW State Manager Air-Cell Insulation and treasurer	AFIA
Leisa Warren	Managing Director Insulation Superstore	AFIA
Jo-anne Kellock	Executive Director	PIMA
Warrick Batt	General Manager	PIMA
Tino Zuzul	Director Martini Industries	PIMA
Jim Liaskos	Director United Bonded	PIMA
John Bain	Manager AGI Insulation	Small Business
Alistair Wild	General Manager Knauf Insulation	Independent manufacturing
Stuart Dunbar	Sales and Marketing Knauf Insulation	Independent manufacturing
Tamara Lions	Senior Research Assistant Knauf Insulation	Independent manufacturing
From the Department		
Aaron Hughes	Assistant Secretary Energy Efficiency Taskforce	DEWHA
Kathy Belka	Director Policy	DEWHA
Ross Davidson	Director Stakeholder Management	DEWHA
Louise Courtney	Assistant Director Stakeholder Management	DEWHA
Observers		
John Francis	Public Affairs	DEWHA
Shaun Williams	Stakeholder Management	DEWHA