



Proposal for Mandatory Third Party Accreditation of Building Insulation in Australia.

Proposal in Brief:

- 1. Product manufactures or importers required by State legislation to 3rd Party certify Insulation products to the Fire and Insulation Standards called up under the National Construction Code.*
- 2. 3rd Party certification undertaken by accredited certification organisations under the Governance of the existing JAS-ANZ scheme.*
- 3. Certified products listed under a national Certification Verification Directory (already partly in place).*
- 4. Building Professionals, Contractors, Certifiers and Regulators able to access the Verification Directory online or through a smart phone App.*
- 5. Complaints managed through the existing JAS-ANZ scheme and framework.*
- 6. Regulatory cost impact of such a mandated requirement expected to be less than 1% and less than the cost impact to the community of the current level of non-conformity in the market.*

Justification

Building insulation is required within the building fabric to provide resistance to thermal transfer across the building fabric in order to satisfy the energy performance provisions of the NCC. This is true whether a deemed-to-satisfy solution or an alternative (performance) solution has been adopted.

If non-conforming products are installed in the building fabric it is likely that it will not perform adequately either from day one or after a relatively short period of time in service, and this non-conformance would be very hard to detect or prove to be inadequate in-situ, but would affect the buildings thermal performance for the lifetime of the building. While insulation in flat ceilings can be topped up or replaced relatively easily, in other applications such as cathedral ceilings, walls, and sub-floor insulation would be more difficult to access and costly to replace, which wouldn't occur until major renovations were taking place.

Building insulation is also required to meet specific fire resistance properties under the NCC. This is critical in providing a safe living and working environment for inhabitants, protecting property and to reduce risk to fire services personnel in a fire event.

Non-conforming building insulation may not conform to the fire requirements of the NCC and could therefore present a safety risk to life and the structure for the life of that building. Furthermore, when installed into wall, floor and ceiling cavities non-conforming insulation once ignited via electrical or accidental fault may rapidly combust and propagate without detection from within the occupied internal space reducing the time under which a safe exit can be executed.

For the above reasons, it is seen justified that building insulation should be subject to mandatory third party accreditation.

For the purpose of this submission third-party certification means that an independent organisation has reviewed the manufacturing process and testing of a product and has independently determined that the final product complies with specific standards for safety, quality or performance that the product is claiming.

Proposed Scheme

All effective mandatory schemes globally have a component of accreditation process and market surveillance. These are administered by legislation, accreditation, verification and enforcement.

Legislation: The requirement for third party accreditation of listed building materials and products can exist within State Building Regulations administered by the relevant State Commission or Authority. Listed products and materials would be those that are required to ensure that the building will perform as required by the performance requirements of the NCC. This would mirror the requirements in Europe for CE Mark on critical building products, including insulation.

Accreditation: Accreditation can be provided by JAS-ANZ accredited certification bodies and Governed by JAS-ANZ, a system already in place and functional in Australia. There are currently four certification bodies accredited to issue 3rd Party certification to the NCC building product Standards and or NCC product compliance in the form of specific Australian Standards certification or Australian Building Codes CodeMark™.

Verification: Under the existing JAS-ANZ Scheme, a national register of current compliance certificates can be maintained by JAS-ANZ by way of an Online Verification Directory with proposals already in place to create such a directory application for smart phones.

Building professionals, contractors and Building certifiers can reference this Directory to check on the compliance of the insulation products offered and the insulation industry itself can to a large degree self-regulate on the foundation of such a requirement for 3rd Party Certification referencing such a *Verification Directory*.

Enforcement: State Building Commissions/Authorities (State Enforcement Authority) can enforce conformance with greater speed and lower cost with 3rd Party Certification mandatory and the availability of a verification Directory. Consumer law and the JAS-ANZ complaints mechanism are already in place to remedy non-compliance and fraud and the authorities are already empowered to carry out market surveillance (additional to the certification scheme market surveillance). This could be random market or site acquired samples for critical testing, such as thermal conductivity and fire performance. The prospect of a non-compliant product being detected in this way should act as a deterrent to insulation suppliers supplying non-conforming product, and penalties should apply when non-conformance is detected.

Regulatory Impact

A broad estimate of the regulatory cost of 3rd party certification is estimated at below 1% of the wholesale value of insulation sold in Australia. This arguably would be well below the current economic impact of non-conforming insulation on the community.

This cost assumption assumes that all participants already have a quality management system in place as required by the existing insulation Standard AS/NZS4859.1.2002. This cost would be expected to decrease further in line with increased demand and competition into the sector. The current CodeMark scheme is gaining in popularity as a voluntary tool and many Australian insulation manufacturers already 3rd party certify some, if not all of their insulation range to some form of certification or appraisal process.

About Insulation Australasia:

Insulation Australasia (IA) is a product-agnostic insulation trade association representing insulation manufacturers, distributors and installer companies large and small across Australia.

The association's primary objectives are to:

1. Promote the cost effectiveness of insulation-based energy efficiency in Australian and New Zealand buildings in reducing carbon emissions
2. Create a sustainable industry platform to support increased employment opportunities and a profitable environment for investment
3. Promote increased insulation industry standards through 3rd party insulation product certification and the accreditation of insulation installers.

Insulation Australasia members report a proliferation of non-compliant and nonconforming insulation products in the Australian market. While not exclusively, the vast majority of incidences reported involve imported products supplied into the Australian building and construction market sold directly into building and construction projects.

Insulation Australasia members have suffered loss of business and amenity due to unfair competition from non-compliant insulation products that have not been subjected to the same intensity of testing and do not achieve their promoted performance levels, or both.

This lack of conformance manifests throughout the life of the building as reduced energy efficiency reduced product longevity and increased fire hazard, amongst other potential failures.