

**1 October 2009**

Mr. Greg Lemmon  
Home Insulation Program  
Commonwealth Department of  
Environment, Water, Heritage & the Arts  
John Gorton Building  
Canberra, ACT

***Subject: Australian Government Energy Efficient Homes Package  
“Homeowner Insulation Program”(HIP)***

1. **Introduction:** By way of introduction I am Brian Tikey, President of AFIA (Aluminium Foil Insulation Association). AFIA is a key insulation industry stakeholder and represents manufacturers and distributors of a range of reflective insulation products within the Australian economy. Additionally, AFIA maintains a seat on Standards Australia Committee BD-058 for Thermal Insulation which governs the maintenance and development of AS/NZS:4859.1 as called up within the BCA.
2. **Subject:** AFIA seeks to have the Commonwealth Department of Environment, Water, Heritage & the Arts (DEWHA) review with urgency the “Home Insulation Program” (HIP) guidelines. Of great concern to our Association membership are the following key issues.
3. **Key Issues:**

**3.1. Installation practices:** The recent September publication of “Installer Advisory No:9” document is a welcomed article of both advice and instruction issued by the Commonwealth Department (DEWHA) in so far as it asserts best practice of conformance within the program which is essential for consistency. AFIA is also very much aware of other media statements and industry innuendo surrounding safety issues concerning ceiling down lights, heating flues and old wiring in homes without insulation that pre-date changes to the electrical wiring code AS/NZS:3000.1.1 originating in 1987.

To this end AFIA has published and released its own consumer advisory statement (MEDIA RELEASE) noting that consumers who select and install AFIA member “Australian made” reflective insulation products can be assured these products meet the relevant insulation industry standard, AS/NZS4859.1 for thermal performance calculation and material testing. AFIA further advises DEWHA that its members apply best practice in developing installation instructions for their products according to product type and installation technique. We herewith attach a copy for your records.

In relation to other media reported concerns over poor practice installations of reflective insulation AFIA is seeking to speak to local authorities in which States these incidents occurred whereupon we will seek to discuss these concerns and seek to assist where we can to prevent further incidents from occurring. AFIA member manufacturers understand they account for only around 4% of the program size thus representing only 4% of the problems surrounding bad practices but nonetheless give assurances to DEWHA we will continue to work diligently with the program staff to ensure it is supported to the best of our ability.

**3.2. Pricing Table:** It is vitally critical that DEWHA look at the pricing table published on its web site. Early in September we wrote to you via email letter to voice our concerns over the rationale behind the pricing table and on what basis the program planners have developed the mean averages.

Table 2: Pricing Table

Product Type	Straightforward Installation price per square metre	Average price per square metre	Complex or Remote Installation price per square metre
Cellulose	\$5.80	\$13	\$15
Glasswool	\$7.60	\$12.50	\$14.50
Natural Wool	\$10	\$16	\$18.40
Rock Wool	\$10.25	\$14.50	\$16.60
Polyester	\$11.70	\$16	\$18.40
Foil	\$10	\$10	\$11.50

Over the years and without question reflective insulation products have been the dearest to both purchase and install. Since the program has commenced reflective insulations seemed to have become the cheapest in the market. AFIA would like the program to reflect the true value of product options to consumers. AFIA believes that the advertised table should read;

- Straightforward: \$10.00 psm
- Average: \$11.25 psm
- Complex: \$12.50 psm

AFIA would also like to see a full accountable review undertaken of the costs published for all other insulation materials and adjusted accordingly.

**3.3. Registration of insulation products:** AFIA believes DEWHA must amend the HIP to include the registration of every product tendered or offered for use within the program. This means both locally made and imported products.

The registering company must provide, a) relative test certificates compliance with AS/NZS:4859.1 or in the case of reflective insulations relative emittance test certificates and validated thermal performance design computations, b) installation design drawings and c) any relevant safety instructions relating to

the product installation. DEWHA upon its assessment will then issue a conformance approved registration number and the applicant can then be added to a website register. Installers selecting materials must then use materials from the register and provide the material registration number within the installers claim form. Tracking this data means the DEWHA will know with greater accuracy just how much imported material is being used within the program and how much of the funding is being moved off shore or being put back into the community. It also provides DEWHA with important data should any consumers make complaints about either performance or installation practices.

**3.4. Compulsory registration of installers:** In relation to installers AFIA believes all installers should be forced to mandatory attend the HIP installation induction classes where upon at the completion of the course the installer is assigned a registration number which must be advertised against the installers details promoted on the Governments installers website and on each and every claims form application. Currently the program only encourages installers to undertake the training program on a voluntary basis. The information provided on the governments website indicates an installer may be required to undertake training if the program managers deem it necessary. AFIA believes many of the problem installation practices being noted within the program are directly related to those installers who are not conversant with standards of safety or duty of care.

**3.5. Claims documentation:** As indicated above AFIA believes that all claims documentation should incorporate;

**3.5.1.** The registration number of the installer along with his ABN, and

**3.5.2.** The registration number of the material which was installed, including  
3.5.2.1. Brand and material type.

**3.6. Future wind down of HIP:** AFIA is very concerned as to the possibility of the market becoming flooded with non-compliant insulation materials once the HIP has begun its wind down or in the event the Government elects to trigger a halting of the stimulus. In parallel will be the pricing war that will erupt which will place enormous pressures on local manufacturers to the degree that some manufacturers may be forced out of the market. In order to avoid this forecast tragedy AFIA seeks to have the HIP managers review the above proposals with due concern and to take steps to implement these changes as soon as possible within the early life of the program to ensure, greater accountability of consumers funds, protection of local business's, the credibility of the national insulation market and to keep in check the new entrants be they importers or installers.

We look forward to your review and reply.

Brian Tikey

President - AFIA