

3rd August 2015

Senate Standing Committee on Economics

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Parliament House
Canberra
ACT 2600

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Dear Committee,

RE: Non-conforming building products enquiry

Introduction:

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 accreditation and the accreditation of insulation installers.

Insulation Australasia welcomes the Senate Enquiry into non-conforming building products and is very willing to assist in the process of ensuring that buildings in Australia are constructed with fit-for purpose and National Construction Code (NCC) compliant materials.

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.

Examples of such failures have been in the form of overstated thermal performance (R-values), poor resilience to operating conditions coupled to meaningless warranties and low or no resistance to flammability. The national construction code sets the minimum requirements and Australian Standards of which insulation products must comply and the building regulators should be in place to ensure they do.

Insulation Australasia and its members see a failure of the system not at a construction code and or Standards level but at a policing and enforcement level, the outcome of which has allowed non-compliant insulation to infiltrate the Australian building and construction market un-impeded.

Details:

Thermal Performance non-Conformance:

The National Construction Code is very specific in detailing the thermal Insulation Standards that insulation products must adhere to and the thermal performance required by buildings in the various climatic zones throughout Australia. These thermal performance standards are part of the overall energy efficiency provisions contained in the construction code aimed at supporting Australia's commitment to increased energy efficiency and lower greenhouse gas emissions. The State and Territory Building regulators are tasked with enforcing these Standards and energy efficiency requirements.

On request *Insulation Australasia* is in a position to provide specific documented examples of predominantly imported insulation products that are either non-compliant to Australian Standards or nonconforming in their application with the National Construction Code. The evidence IA would present includes specific civil and private buildings where the non-compliant or nonconforming products have been used including hospitals, hotels, shopping centers, commercial buildings and residential homes.

In some of the reports available to the Senate Committee, variations of greater than 50% have been observed between what was claimed by the supplier and what was independently verified as evidence of wide spread non-compliance in the insulation industry resulting in consumers being misled and buildings being delivered at energy efficiency levels below the requirements of the National Construction Code.

Fire Performance Non-Conformance:

The National Construction Code is very specific in detailing the flammability standards that insulation products must adhere to and the fire resistance performance required in various types of buildings and building applications. This goes to the very heart of providing safe working and living environments for people and the protection of public and private assets in the event of fire. Non-compliant and flammable insulation has been directly linked to loss of life and the destruction of buildings.

On request Insulation Australasia is in a position to provide specific documented examples of predominantly imported insulation products that are either non-compliant to Australia's fire Standards or nonconforming in their application with the National Construction Code. The evidence IA would present includes specific civil and private buildings where the non-compliant or nonconforming products have been used including hospitals, hotels, shopping centers, commercial buildings and residential homes.

In some of the reports available to the Senate Committee, examples of counterfeiting of test certificates, tests from unrecognized laboratories and the claiming of fire resistance by products independently determined to be flammable can be presented as evidence of wide spread non-compliance within the insulation industry with potential risks to life.

Policing and Enforcing:

Overwhelming evidence suggests that current attempts to police non-compliant or nonconforming building products are not effective, and the problem is reported to be worsening. Dramatic incidents such as the Lacrosse Apartments fire in Melbourne involving non-conforming insulated cladding are only the tip of a very large 'iceberg' of issues that are prolific in the industry and it is obvious that more needs to be done.

Policing non-compliance through the building certification process has been ineffective building certifiers are in the most ill equipped to identify all of the technical compliance requirements for all of the products and materials in a building. There is also the question of building certifiers often being engaged by the builder which produces a circumstances where the certifier could be compromised in respect to policing of elements of a building that have a significant cost impact on that builder as removing and replacing non-compliant elements of a building is extremely expensive.

Clearly, there needs to be a process whereby products are assessed by experts on the technical requirements of that product, and where this assessment is documented such that the certifiers can recognise the validity of the assessment. This form of assessment exists in the form of the Australian Building Codes 'CodeMark' certification scheme and various 3rd party product standards mark conformance schemes available under the Joint Accreditation System of Australia and New Zealand (JAS-ANZ).

While the vast majority of Australian Manufacturers do the right thing and produce quality compliant products there are still those that will try to substitute quality and compliance in the pursuit of cost advantage a situation likely to become worse within an environment of freer bilateral trade between Australia and its neighbours.



Insulation Australasia believes that only through the mandatory requirement for third party certification governed by schemes such as the Joint Accreditation System of Australia and New Zealand (JAS-ANZ) can the Australian public be protected from non-compliant insulation products. This would also ensure that products have been properly assessed and documented to assist specifiers, certifiers and builders with product selection, and ensure that products used will perform as expected and are fit for purpose.

With third party certification of insulation products mandatory the insulation industry, building certifiers and regulators have a foundation under which the industry can be policed quickly, calling to account those that try to market non-compliant insulation products.

I thank you allowing Insulation Australasia to contribute to this enquiry, and supporting documents are available on request.

Yours faithfully,

Keith Anderson
Technical Sub-Committee
Insulation Australasia Trade Association