

All Correspondence To:  
The Secretary  
AFIA  
139 Herald Street  
Cheltenham  
Victoria 3192

February 9<sup>th</sup> 2009

The Hon Kevin Rudd MP  
Prime Minister  
Parliament House  
CANBERRA ACT 2600

**Ref: FREE CEILING INSULATION ANNOUNCEMENT**

Dear Prime Minister

By way of introduction my name is Brian Tikey, President of AFIA, (Aluminium Foil Insulation Association) a peak body of Australian reflective foil insulation manufacturers. We advise we are in no way connected with the “*Insulation Council of Australia and New Zealand*” (ICANZ) who’s membership is just two companies (CSR Bradford and Fletcher Insulation). A sub-association member of ICANZ is AFIMA (Australian Foil Insulation Manufacturers Association). This association membership is also of the same two companies.

AFIA is writing to you Prime Minister with great concern regarding your Governments announcement introducing free ceiling insulation for up to 2.7 million homes across Australia as part of your overall national stimulus package for the Australian economy. Our Association industry sector has not been consulted by your Government on this proposal and we understand the same applies to the Australian cellulose and polyester insulation industries.

While all initiatives are welcomed our concerns are that the insulation subsidy being proposed has not been clearly engaged as the correct route for the best outcome of approved public funds.

Although housing in most States of Australia does need ceiling insulation as part of there compliance to the Australian Building Codes (BCA) this subsidy does not target the real issues of national interest (retro fit or otherwise) which is best practice construction for maximum “energy efficiency” and reducing greenhouses gases emissions in compliance with the BCA.

Simply handing out to one sector of consumers Australian tax payers funds (borrowed or otherwise) to purchase fibreglass insulation from one sector of the insulation industry to put into ceilings will have a negative impact on not just the energy efficiency and carbon foot print of many of these homes but also other sectors of the Australian manufacturing market.

Below we give two examples below of “Energy Efficiency”;

1. Homes in Queensland that are on piles will be better off with foil placed under the floors or affixed as retrofit to the underside of roofing rafters as opposed to batts in the ceiling. Heat naturally rises and where it enters a house through floors, walls and windows it gets trapped under ceilings if they are **over insulated**. The result is that air-conditioning must be employed to cool the building down, not a good result for green house gas emissions or energy efficiency. Electric fans could also be installed.
2. Homes in New South Wales or Melbourne that are insulated with retro fitted R3.0 or higher R-value batts in ceilings such as R6.0 will have a negative impact in the summer or warmer months of the year. The batts will only work at their optimum tested temperature band of 23 DegC mean so long as the roof attic space does not get above this temperature. If this happens the R-value begins to reduce incrementally as temperature rises. This is also known as heat sink.

The temperature in attic spaces is rarely never below 23 DegC mean in summer, and in such conditions that we are experiencing now right across the country the attic space is nearer 60DegC in most states (50 – 70 DegC). The net economic and energy efficiency result from this situation is that, once again air-conditioning will have to be employed to reduce human discomfort.

The outcome of spending funds which do not provide a cost benefit is known as “The Law of Diminishing Return”. There is plenty of information research on the subject.

Prime Minister, AFIA feels that tax payer funds could be better spent with greater community approval and support if your package targeted the **“Energy Efficiency”** theme with insulation being just part of that approach but allowing options to use other energy efficient materials to achieve a greater result.

We believe our approach would alleviate the subsidy to just going to one sector of the insulation industry avoiding “Fair Trading” issues. In addition best practice would be applied giving a greater number of manufacturers of other energy efficient products a fair go and an opportunity to trade under equal emphasis. Your stimulus currently appears to only supports manufacturers of fibreglass insulation materials.

Your stimulus will also open the door to many cheap imports that will not be approved to AS/NZS4859.1 or compliant to the Building Codes of Australia (BCA).

We see such a program as being;

1. Re-present the subsidy as a Govt initiative to maximise the scope of the energy efficiency of the building which will assist in the reduction of greenhouse gasses emissions (a key goal of the AGO);
2. Introduce a requirement to ensure that all products used must be compliant to AS/NZS 4859.1 and the BCA Energy Efficiency Provisions of May 1<sup>st</sup> 2009.
3. Introduce an “application system” for the subsidy a key part of the process using a standard web based downloadable form.
4. Each application must be supported by a registered (ABSA) energy auditors report. Allocate \$400.00 of the \$1,600.00 to this report. The report would;
  - a. Outline the best options of use of the subsidy in terms of product use;
  - b. The report will note that the application only supports products that comply with the Australian Building Codes and conform to testing and R-value statements under AS/NZS4859.1 and its Amendment 1,
  - c. Options for use of other products
    - i. Shading of windows with planting of trees (create oxygen and reduces carbons),
    - ii. Window treatment such as double glazing, tinting or mechanical shading or reflective foil blinds,
    - iii. Treatment options for the building envelope such as reflective insulations under floors, under rafters,
    - iv. Insulating of the ceilings with fibre glass batts, polyester batts or cellulose insulation in conjunction with the envelope treatment,
    - v. Instillation of ceiling fans.

These options Prime Minister are where the entire community services sector at large will benefit while reducing greenhouse gasses emissions. The energy auditor could state that window treatment and shading could form part of the costs as well as lower ceiling insulation or companioning it with other insulation products that will better affect the buildings performance. Insulating the envelope should be the priority including floors and roofs, this is what the BCA energy efficiency provisions are all about, (Total R-value performance).

In concluding, we understand that best practice energy efficiency design is difficult to understand but it can also not be ignored. We have tried to relay to you some of the main points while keeping the explanations simple and understandable. We thank you in advance for taking the time to read this letter and if our Association can be of any assistance in conveying the story of how all insulations materials effect the buildings performance we would be only to happy to have the dialogue.

Finally we wish you well in your endeavours to stem the tide of economic retraction.

Yours truly,

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**Cc: Leader of the opposition  
Hon Malcolm Turnbull MP  
Liberal Party**