



INSULATION COUNCIL OF AUSTRALIA AND NEW ZEALAND

To: E2WG Secretariat

Comments on NFEE Stage 2 – Consultation paper

Attention: Committee Secretary

We regret ICANZ is unable to make personal representation in Melbourne on 24/09 as all our representatives are involved in the biennial Australian Building Codes Board Conference running in QLD from 23/09 – 26/09. In lieu of this, our Council welcomes the opportunity to make a short written submission.

ICANZ strongly supports the policy initiatives of NFEE stages 1 and 2 and the work completed to date.

We have two areas for particular comment.

1. Consumer and trade education of the benefits of energy efficiency.

Despite many years of extensive promotion by our industry and others, there still remains a basic lack of appreciation by the general public and trade of the substantial personal and community benefits, and the necessity for, better energy efficiency in buildings. Despite their very attractive payback periods and their long lasting benefits, minimum mandatory energy efficiency regulations are still seen and resisted within industry as unnecessary costs. Given the long life of buildings, unnecessary inefficiencies are inbuilt for 70 years or more. Gaining the co-operation and positive involvement of the larger interests in the building industry is necessary to make good progress with NFEE's initiatives.

2. Mandatory disclosure of energy performance on sale or lease.

This also addresses 1 above. ICANZ supports this measure.

On the basis of recent ABS information, ICANZ estimates that around 40% of existing housing stock have inadequate or no ceiling insulation. In 2007 ICANZ commissioned Insight Economics to quantify the economic benefits of providing ceiling insulation to these homes.

In summary the key benefits were compelling:

- value of total energy saved between 2008 – 2020 would be \$2.9bil.
- A saving of \$250m in additional generation costs over this period
- A reduction in electricity pricing trending from 1% – 5% over 2008 - 2020

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- CO₂ t saved would be
 - *2.4m/tonnes p.a.
 - *23.9m/tonnes by 2030,
 - *100m/tonnes by 2050
- An increase in GDP of \$894m over the period 2008 – 2030.
- A boost to real consumer spending of \$1.1b through accrued household savings over the period 2008 – 2030.

These savings are just from addressing inadequacies of ceiling insulation for existing housing stock. Total benefits from a more comprehensive assessment would be substantially higher.

There are significant other benefits of better energy efficiency measures in buildings not quantified in the above findings, or in traditional Government analysis. For occupants these include better health for occupants, reduced sick days and doctor visit, lower absenteeism, higher productivity and an overall improvement to the quality of life. For landlords there is evidence to show a superior financial payback through tenants staying up to four times longer in energy efficient more comfortable dwellings.

The above information is provided to the committee in support of its proposed initiatives. Further details are available on request.

Yours sincerely,

Dennis D'Arcy
CEO ICANZ



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