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INSULATION COUNCIL OF AUSTRALIA AND NEW ZEALAND

## **Australia must not cut and run from energy efficiency initiatives**

A leading building industry group today called on Federal and State Governments not to wind back planned energy efficiency initiatives for buildings.

Dennis D'Arcy, President of the Insulation Council of Australia & New Zealand (ICANZ), was responding to a draft Productivity Commission report released yesterday.

The report places major emphasis on the cheapness of energy in Australia to justify a suspension in the rollout of proposed new energy efficiency building regulations which were endorsed by the Ministerial Council on Energy last year.

The report said that a nine point plan for promoting the uptake of cost-effective energy efficiency improvements in new and existing buildings should not be implemented until independent evaluations of the effectiveness and efficiency of existing programs have been undertaken.

Dennis D'Arcy said that energy costs to Australian consumers were not insignificant as suggested by the report, and to abandon planned initiatives, such as the adoption of 5-Star energy efficiency ratings for new houses and the retro-fitting of existing houses with insulation, would be a major set back.

"Buildings have an average life of over 60 years. Australian buildings are recognised as the least efficient in the OECD countries. Almost all developed countries in the world have an ongoing progressive program to increase energy efficiency in both new and existing buildings. To stop and wait will only create a more polluted, more expensive, and more wasteful energy consumption regime in Australia," Mr D'Arcy said.

"ICANZ agrees that public education and awareness programs are important to creating an energy efficient society. However, these programs must be run in parallel with planned regulatory initiatives that promise tremendous social, economic, and environmental benefits for Australians," he said.

Mr D'Arcy said that the adoption of 5-Star ratings for new homes would substantially reduce greenhouse gas emissions, dependence on fossil fuels, and reduce energy demand, particularly at peak demand load times.

"All Australian States are currently experiencing difficulty, sometimes to the point of blackouts, in meeting peak energy demand loads. At the same time domestic energy consumption in Australia is soaring, particularly in summer as the number of homes with air-conditioning increases. Insulation is the single most effective solution to this problem. The cost of moving from the current regulatory regime to a 5-Star system would cost the owner of a typical new Australian home as little as \$400," Mr D'Arcy said.

"The benefits of retro-fitting existing homes are also compelling. For example, an estimated 40 per cent of existing homes in Sydney are poorly insulated. Many of these are



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rental houses occupied by low income residents to whom the monthly energy bill is a major impost."

Modern glass wool and rock wool insulation can last the lifetime of the building without maintenance. So it continues deliver economic rewards for decades to come and protects against the burden of inevitable future energy price hikes.

Mr D'Arcy also said that criticism in the draft Productivity Commission report of the inadequacy of some software used by the building industry to assess energy efficiency in buildings had been substantially addressed by the time report was released.

"Energy rating software gives builders and designers more flexibility and can reduce the overall cost of a building. The building industry and the end consumer will benefit by wider adoption of this technology".

Another major issue is the lack of energy efficiency regulations covering commercial buildings – a major energy use segment. ICANZ believes that energy efficiency regulations in this area will also achieve substantial economic, social and environmental benefits.

**About ICANZ:**

The Insulation Council of Australia & New Zealand (ICANZ) focuses on the application of insulation technology to improve energy efficiency in Australia and New Zealand. ICANZ is dedicated to ensuring that the use of the right insulation continues to be one of the single most cost efficient ways of achieving energy efficiency, and reducing energy consumption and greenhouse emissions.

**Media inquiries:**

Glenn Schaube, GRS Communications. M: 0439 320 151.

Steve Nason, GRS Communications. M: 0438 538 456.