

Engage Victoria
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Re: The Victorian Energy Jobs Plan Consultation Paper

The Affiliated Insulation Industry Coalition (AIIC) welcomes the opportunity to make a submission regarding the Victorian Energy Jobs Plan Consultation Paper.

The AIIC is a collective of insulation trade associations including the Australian Modern Building Alliance (AMBA), Insulation Australasia (IA) and the Insulation Council of Australia & New Zealand (ICANZ). Collectively, the AIIC represents Australian insulation manufacturers, accredited insulation installer organisations and polymers-based insulation supply chain manufacturers.

The AIIC notes the role of skilled workers in ensuring Victoria achieves a zero-carbon ready built environment and orderly energy transition. We have made some high-level comments in support of this below.

Skills on the demand side of the transition

The paper considers supply side skills in detail; however, the demand side of the paper is less considered and could represent a missed opportunity for the state.

The significance of demand side interventions in emissions reduction and energy transition should not be understated. In Australia, energy efficiency and electrification can deliver 14 per cent and 26 per cent of Australia's emissions reductions, respectively, at low cost.¹

Jobs that support the transition through demand side measures like thermal performance upgrades are energy jobs and should receive the same level of consideration in the jobs plan as jobs on the supply side of the transition.

Thermal performance and the energy transition

Buildings with high thermal performance place the lowest demands on the grid by reducing the volume of energy required to maintain comfortable internal temperatures, as they are better able to resist weather extremes.

Improving the thermal performance of buildings will make a significant contribution to overall grid stability, by reducing demand at times of significant grid stress.

Similarly, high-performing buildings use less energy, meaning they can devote a greater proportion of any solar PV generation to the grid, and make more effective use of household battery energy storage.

¹ Northmore Gordon 2023, [Energy efficiency scenario modelling](#).

As efficient buildings reduce the amount of energy our networks need to supply, the size – and cost – of the entire system can be lowered.²

Victoria's poorest housing stock offers the biggest opportunity in terms of emissions reductions and opportunity to take pressure off the grid. For example, it is possible to take a Melbourne home from a 1 to 4 star NatHERS rating through insulation alone, and deliver an energy reduction of about 65 per cent.³

Good thermal performance can also reduce the cost of transition at a household and business level through limiting energy waste, meaning appliances such as efficient electric heating and cooling systems can be smaller in size to achieve the same results.

Jobs, skills, and the Gas Substitution Roadmap

Victoria is the largest user of fossil gas in Australia, with two million households and businesses connected to the reticulated gas network. The technology exists to get most of these two million properties off gas, however a large skilled workforce will be needed to deliver energy performance upgrades at this scale.

The gas substitution roadmap proposes minimum energy performance standards for insulation in rental properties to support the transition away from fossil gas. The AIIC is very supportive of this measure given the known benefits of coupling thermal performance with efficient electric upgrades – and the health and comfort benefits this will deliver to renters.

The use of Certified Insulation Installers, fit-for-purpose product, and the provision of electrical safety checks will be essential to the success of any minimum standard introduced.

The ACT implemented similar measures in 2023, offering the rest of the country a useful test case in professionalising the insulation industry – which has been largely unregulated to date, and requires very few checks and balances in terms of installation quality and safety.

In particular, the ACT experience highlighted that government programs, schemes and regulatory interventions can act as a driver for increased training and skilling, even in industries without licencing.

However, to achieve these outcomes successfully, bespoke, early, and clear communication with impacted industry is essential. Good quality and accessible training options at an affordable price point is also key to the success of any such measure – noting that all new training options should be developed in consultation with a diverse group of industry experts.

Market confidence

Program longevity and sustainability are important considerations for businesses and workers alike. Programs should scale up slowly and sustainably, to ensure that effective quality and safety controls are in place, and a skilled workforce can be created with sufficient training and expertise to carry out thermal performance upgrades in a way that builds confidence.

² EEC and ANZ, [Putting energy efficiency to work](#), 2023.

³ Sustainability House, [Residential improvements project: cost-effective energy efficiency improvements for a sample of new apartments, and existing houses and apartments in Australia](#), (2013), Pure Electric, [What does the home energy star \(NatHERS\) rating system actually mean in terms of home heating?](#), (2019).

Program longevity helps build a critical mass of skills and expertise, as well as helps create a pool of advocates in the community who can recommend programs to their peers. Ad-hoc or stop-start programs fail to build confidence among practitioners and the community, and present risks to safety and quality that should be avoided at all costs.

Should you wish to further discuss the matters raised in this submission, please contact our advisor, Rachael Wilkinson, on [number redacted] or at Rachael.Wilkinson@eec.org.au.

Sincerely,

Jim Hall
Chair, Affiliated Insulation Industry Coalition