

**Senate Standing Committee on Environment, Communications and the Arts
References Committee**

Answers to questions on notice

Inquiry into the Energy Efficiency Homes Package

February 2010

Question No: 41
Topic: ACMA Do Not Call Register
Hansard Page ECA: In writing

Senator BARNETT asked:

Please provide a brief including detail on the impact of the housing insulation program on the Do Not Call Register and advise the number of complaints received with respect to the HIP.

Answer/s:

These details should be sought directly from the Australian Communications and Media Authority.

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February 2010

Question No: 74
Topic: Effect of insulation on energy consumption
Hansard Page ECA: In writing

Senator BIRMINGHAM asked:

How has existing insulation reduced or impacted on energy consumption? What kinds of houses show the biggest benefits from installing insulation? What types of climate are most beneficial or receptive to insulation? What are the estimated changes in energy consumption per home fitted with insulation under this program? What evaluation of energy consumption patterns is taking place following the installation of insulation in households under this program? Will such evaluations be made public? If so, when?

Answer/s:

The Department of Climate Change and Energy Efficiency provided updated estimates of greenhouse gas abatement for the Energy Efficiency Homes Package in March 2010. It is estimated that 27 million tonnes CO₂-e will be saved by 2020. These estimates of greenhouse gas abatement are calculated for the Energy Efficiency Homes Package and include the Home Insulation Program and the Solar Hot Water Rebate Program.

Ceiling insulation is considered the most cost effective form of insulation. While future aggregate greenhouse gas and energy savings can not be accurately estimated using currently available data, the department expects individual householders receiving the assistance will see a range of results in actual energy and cost savings. This is due to factors such as the construction, design and orientation of the home, the climate zone where the home is located, the type of heating and cooling appliances used and the householder's individual preferences on the frequency and intensity of heating and cooling appliances. Therefore, given the range of factors, it is difficult to provide information on the kinds of houses that show the biggest benefits from installing insulation, as house type is one factor.

The appropriate insulation type depends on climate, building construction type and whether auxiliary heating and/or cooling is used. For example, in hot and humid climates reducing heat gain to the building is the priority. This may be better achieved using reflective insulation products. Program Guidelines outlined the importance of householders familiarising themselves with the range of products available to suit their circumstances and advised householders to seek advice from www.environment.gov.au/energyefficiency.

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Question No: 83
Topic: Consultations with states prior to program ceasing
Hansard Page ECA: In writing

Senator BIRMINGHAM asked:

What consultation took place with state governments prior to the suspension of the program? What consultation took place with the states prior to the announcement of financial assistance for those impacted by the suspension? What role will the states have in providing or coordinating assistance? What consultation is taking place with the states in relation to the design of the new program?

Answer/s:

Refer to the response to Question 30 from the Department of Prime Minister and Cabinet.

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Question No: 88
Topic: Inspectors
Hansard Page ECA: In writing

Senator Birmingham asked:

How many inspectors did the Government plan to have inspecting these installations at the outset of the program? How many inspectors will now be hired?

Answer/s:

Inspectors were hired at the outset of the Home Insulation Program (the Program) prior to the commencement of the PricewaterhouseCoopers (PwC) contract for compliance and audit services on 29 September 2009. The number of inspectors (subcontracted to United Group Limited by PwC) has varied throughout the duration of the Program subject to requirements. At certain times there have been in excess of 100 inspectors.

The Department is currently settling arrangements for the inspection regime covering foil insulation and other insulation products including the number of inspectors required. This will involve a dramatic increase in the number of inspectors.

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Question No: 89
Topic: Inspections per day
Hansard Page ECA: In writing

Senator Birmingham asked:

How many inspections are the inspectors meant to do in one day?

Answer/s:

There is no prescribed number of inspections per day. The number of inspections carried out per day is dependent on the number of bookings, capacity to access homes, scope of the work required at each house, as well as availability and capacity of inspectors.

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Question No: 95
Topic: Business model
Hansard Page ECA: In writing

Senator TROETH asked:

The Minister Ellison assessment noted that KPMG had commenced planning with the Department to develop a Business Model (page 3):

- a) Was this Business Model completed by the end of last week (Friday 19 February)?
- b) Had a Cost Benefit Analysis been undertaken for the program?
- c) It is a standard practice for the Department to develop a Business Model or Cost Benefit Analysis for programs that have a commercial aspect to them

Answer/s:

- a) KPMG undertook work for the Department of the Environment, Water, Heritage and the Arts (the Department) on business model options and targeting remote and regional communities and indigenous communities for the Home Insulation Program (the Program). This work was completed prior to 1 July 2009.
- b) An analysis of the benefits of the Program was conducted as part of the development of the Government's economic stimulus package measures. The Program was designed to stimulate the economy and support jobs in the manufacturing, distribution and installation of residential ceiling insulation. No formal cost benefit analysis was undertaken for the Program by the Department.
- c) Major programs delivered by the Department would routinely be supported by a project plan, budget and relevant governance arrangements.

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Question No: 106
Topic: Cost of program
Hansard Page ECA: In writing

Senator BARNETT asked:

Please provide the total cost to date of the program and provide a breakdown of those costs in detail. Provide details of costs for subsidy, audit work, training, consultants, internal costs and details of how many and who in the Department are working on the program.

Answer/s:

As at 28 February 2010, approximately \$1.5 billion had been provided for rebates, \$4 million spent on audit/compliance, \$9 million for Departmental costs including staffing, training and consultants, and \$13 million spent on service delivery.