

The Energy-Efficient Homes Package

Submission to the Senate Environment, Communications and the Arts References Committee inquiry into the Energy Efficient Homes Package

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As part of its ongoing research into the design of Australia's climate-change policies, The Australia Institute recently conducted polling to better understand the relevant experiences and attitudes of Australians. Some of the questions asked related to the Australian Government's roof insulation scheme and these results are presented below to help inform the Senate inquiry into the Energy Efficient Homes Package.

I would be happy to discuss these findings in more detail if required.

Method

The Australia Institute conducted an online survey of 1,360 people from across Australia. Of these, 1,158 lived in free-standing or duplex/townhouse/terrace homes – in other words, homes that could participate in the roof insulation scheme.¹ The respondents were sourced through an independent research-panel provider and quotas were used to ensure that the respondents were representative of the population in terms of age and gender.

Results

Number of people who were approached by insulation providers

Table 1 provides data on the percentage of respondents who were approached by installers of insulation. The survey results suggest that more than four in ten households were contacted at least once by installers, or their representatives, seeking to encourage respondents to utilise the government's subsidy scheme. Anecdotal evidence suggests that some of those selling insulation were not heeding the obligations imposed on telemarketers under the Do Not Call Register.

Table 1: Percentage of respondents approached by insulation installers

<i>Were you approached by someone in the past 12 months trying to sell you insulation?</i>	
Yes—by phone	18.1%
Yes—at my front door	19.8%
Yes—by mail	19.3%
Yes—other	5.8%
Yes—total	42.3%
No	55.4%
Can't remember	2.3%
Total	100.0%

Base = 1,158

Note that the total is less than the sum of those contacted by phone, front door and mail as some people were approached by more than one means.

¹ The respondents were sourced through an independent online research panel provider. Quotas were used to ensure that the respondents were representative of the population in terms of age and gender.

Number of people misinformed by insulation providers

Table 2 provides data on the percentage of respondents who were informed by insulation installers, or their representatives, that insulation needed to be replaced regularly. These data suggest that the media's anecdotal claims of some installers attempting to persuade householders who already had insulation in their roofs to participate in the subsidy scheme represents a widespread problem. Indeed, if 16.1 per cent of the 42.3 per cent of households contacted were misled in this way, it suggests that the false claim that insulation needs to be regularly replaced was repeated around 400,000 times.

Table 2: Number of people who were misled by insulation installers

<i>Did you the person/company which approached you suggest that insulation needs to be replaced regularly?</i>	
Yes	16.1%
No	69.0%
Not sure	14.9%
Total	100.0%

Base = 490. Includes respondents who had received an approach from an insulation installer in the past 12 months.

Number of people who participated in the scheme

Table 3 provides data on the percentage of respondents who participated in the Australian Government's roof insulation subsidy scheme. The table shows that 15.6 per cent of respondents, or more than 926,000 households, were participants. This result is broadly consistent with the government's estimate of the number of households that participated.

It is of interest that 4.6 per cent of respondents (representing an estimated 270,000 homes) say that they incurred out-of-pocket expenses associated with the installation of subsidised insulation. This finding has significant implications for those interested in designing equitable policies to assist households that received dangerous or sub-standard insulation. That is, if the government simply pays for the removal of dangerous or sub-standard insulation, more than one quarter of a million households may be out-of-pocket while their homes remain no more (or possibly even less) energy efficient than they previously were.

Furthermore, 4.4 per cent of respondents (representing around 260,000 households) had subsidised insulation installed where insulation was already installed. While this was permitted under the scheme *providing only a low level of insulation was already installed*, the result suggests that the benefits of the subsidised scheme are likely to be significantly less than the benefits based on the likely energy-efficiency improvements associated with a shift from having no insulation to having good insulation. Given the relatively modest proportion of homes with pre-existing but ineffective insulation, it also raises the possibility that many homes had insulation installed under the scheme even though they may not have qualified for the subsidy.

Table 3: Number of people who paid out-of-pocket costs for insulation or who already had insulation in place

	Number	%
Number of installations	926,099	15.6%
Number that paid out-of-pocket costs	270,110	4.6%
Number that had insulation installed where insulation was already installed	260,945	4.4%

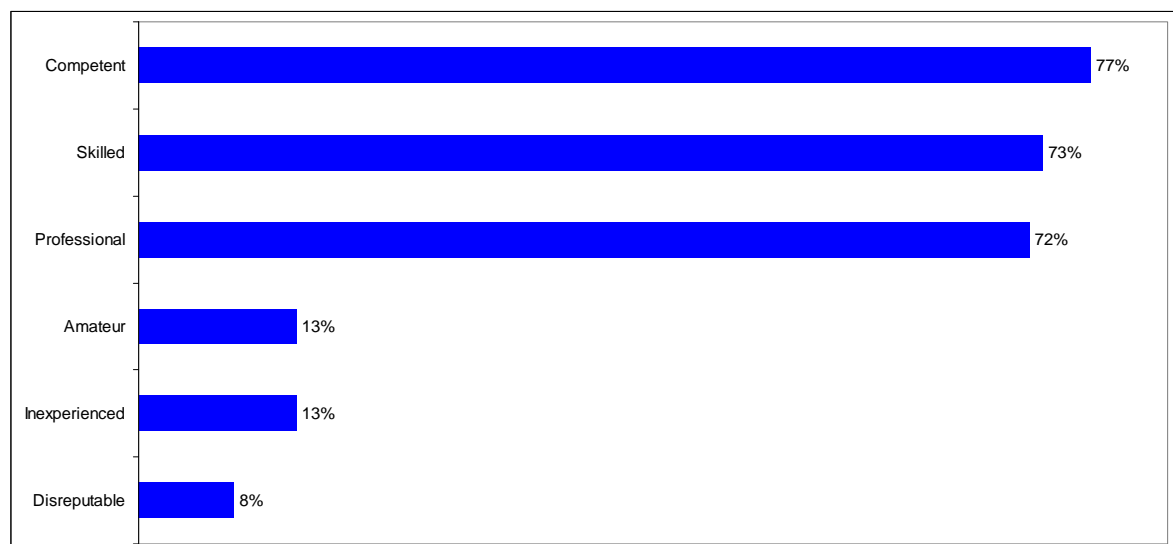
Base = 181. Includes respondents who had roof insulation installed in the past 12 months.

Perceptions of the competence of the insulation installers

Figure 1 provides data on the perceived competence of those responsible for installing subsidised insulation. While a significant majority of respondents were clearly happy with the quality of workmanship that they observed, a significant minority clearly did not believe this to be the case. As the survey respondents were encouraged to select multiple words to describe their perceptions of the installation work, the percentages given in Figure 1 add up to more than 100 per cent. However, a closer examination of the data reveals that 19.3 per cent of all respondents used at least one of the negative adjectives (amateur, inexperienced or disreputable) to describe the work they witnessed.

Given that the government is now concerned to identify the houses in which low-quality insulation installation has occurred, the results presented in Figure 1 suggest that it may be useful for the government to conduct a survey of all participants in the subsidy scheme to elicit their views on the quality of work performed. Such a survey might help the government to identify the homes that are most at risk from fires or electrocution.

Figure 1: Perceptions of the competence of insulation installers



Base = 181. Includes respondents who had roof insulation installed in the past 12 months.