

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

Answers to Questions on Notice

**Inquiry into the Energy Efficient Homes Package**

Thursday 25 February 2010

**Question No 1:**

**Topic:** Technical aspect concerns

**Hansard Page ECA: 6**

**Senator FISHER asked:**

**Question:**

Did Medicare raise any concerns about the technical aspects of that bit of the system with the project control group at any time?

**Chair**—... Ms McNally, can you take that question on notice, given that some officers are not present who have also attended the project control group meetings?

**Answer:**

Medicare Australia's role in the Home Insulation Program was to provide the technical solution for registered businesses to lodge their claims for an insulation rebate and for the electronic payment to business where the Department of the Environment, Water Heritage and the Arts had approved the payment.

The claim system design, including 'up-front' controls, was developed on the requirements advised by the Department of the Environment, Water, Heritage and the Arts.

Medicare Australia did not raise any specific concerns in relation to the technical aspects of the online claim system with the Project Control Group.

**Contact:** Carolyn McNally

**date** April 2010

**Clearance:** Malisa Golightly

**date** April 2010

**Senate Standing Committee on Environment, Communications and the Arts**  
Answers to Questions on Notice

**Inquiry into the Energy Efficient Homes Package**

Thursday 25 February 2010

**Question No 2:**

**Topic:** Technical aspect concerns

**Hansard Page ECA: 89**

**Senator FISHER asked:**

**Question:**

Can you provide the committee with a copy of the MOU between Medicare and the environment department?

**Answer:**

A copy of the Service Agreement is attached.

**Contact:** Carolyn McNally

**date** April 2010

**Clearance:** Malisa Golightly

**date** April 2010

**SERVICE ARRANGEMENT**

**between**

**the Secretary,  
DEPARTMENT OF THE ENVIRONMENT, WATER, HERITAGE AND THE  
ARTS**

**and**

**the Chief Executive Officer,  
MEDICARE AUSTRALIA**

**relating to the Homeowner Insulation Program and the Low Emission Assistance  
Plan for Renters**

**(an arrangement made under subsection 7(2) of the *Medicare Australia Act 1973*)**

THIS SERVICE ARRANGEMENT is made on the                      day of June 2009.

THE CHIEF EXECUTIVE OFFICER OF MEDICARE AUSTRALIA

and

THE SECRETARY OF THE DEPARTMENT OF THE ENVIRONMENT, WATER,  
HERITAGE AND THE ARTS

agree to enter into this service arrangement under subsection 7(2) of the *Medicare Australia Act 1973* ("the Service Arrangement").

### RECITALS

- A. Pursuant to paragraph 5(1)(b) and subsection 7(1) of the *Medicare Australia Act 1973* (Cth) ("the Act") the functions of Medicare Australia include the provision of Commonwealth services set out in service arrangements entered into under subsection 7(2) of the Act.
- B. By instrument dated June 2009 ("the Instrument"), the Minister for Human Services gave approval for the Chief Executive Officer of Medicare Australia ("the CEO") to enter into a service arrangement with the Secretary of the Department of the Environment, Water, Heritage and the Arts ("the Secretary") under subsection 7(2) of the Act for the administration of the Homeowner Insulation Program and the Low Emission Assistance Plan for Renters.
- C. This Service Arrangement enables Medicare Australia to provide Commonwealth services relating to:
- the administration of the Homeowner Insulation Program and Low Emission Assistance Plan for Renters in accordance with the policy and procedures agreed between the Department of Environment, Water, Heritage and the Arts and Medicare Australia.
- D. The CEO and the Secretary agree that Medicare Australia will provide the Commonwealth services set out in this Service Arrangement.

### 1. INTERPRETATION

- 1.1 Clause headings in this Service Arrangement are for convenient reference only and have no effect on limiting or extending the language or the provisions to which they refer.
- 1.2 In this Service Arrangement:
- "Act" means the *Medicare Australia Act 1973*;
- "ABN" means the Australian Business Number;

“**Agency**” means either Medicare Australia or the Department of Environment, Water, Heritage and the Arts as the context requires;

“**Business Rules**” means the document (agreed by all parties) detailing the rules by which the Homeowner Insulation Program and Low Emission Assistance Plan for Renters is governed;

“**CEO**” or “**Chief Executive Officer**” means the Chief Executive Officer of Medicare Australia, appointed under section 8AG of the Act;

“**Commonwealth**” means Commonwealth of Australia;

“**Contact Officer**” means a person specified in clause 7 as the Contact Officer for either Agency responsible for the day-to-day administration of the Service Arrangement;

“**DEWHA**” means the Department of the Environment, Heritage, Water and the Arts;

“**Information Pack**” means the information detailed in clause 2.3 (f) that is sent by Medicare to Registered Installers following successful registration;

“**Installer**” means an individual or company which may become a ‘Registered Provider’;

“**Instalment Amount**” means each of the amounts specified in the table at clause 3.1 of this Service Arrangement.

“**Instalment Date**” means each of the dates specified in the table at clause 3.1 of this Service Arrangement.

“**Medicare Australia**” means the Chief Executive Officer, or the agency established by section 4 of the Act, as the case requires;

“**Minister**” means the Minister for Human Services;

“**Parties**” means the Secretary and the CEO;

“**Registered Provider**” means the installer of roofing insulation registered on the Installer Provider Register available at [www.environment.gov.au/energyefficiency](http://www.environment.gov.au/energyefficiency) to participate in this Program;

“**Secretary**” means the Secretary of the Department of the Environment, Water, Heritage and the Arts;

“**Services**” means the services described in clause 2 of this Service Arrangement;

“**Service Arrangement**” means an arrangement under subsection 7(2) of the Act; and

“Term” means the period for which this Service Arrangement is in effect.

## 2. THE SERVICES

- 2.1 The CEO and the Secretary agree that Medicare Australia will provide the services relating to the administration of the Homeowner Insulation Program and Low Emission Assistance Plan for Renters set out in this section 2 and the Business Rules (Attachment A) in accordance with the Business Rules and related documents, as amended from time to time by the Parties.
- 2.2 Medicare Australia will provide the following services:
- a. establishing an online registration for Installers, and a claims and payments system for Registered Providers;
  - b. establishing a dedicated phone line for enquiries from Installers and Registered Providers relating to use of the online system including but not limited to online registration, claims processing payments and statements;
  - c. making payments in accordance with the Business Rules and advice and direction provided by DEWHA; and
  - d. Reporting to DEWHA.
- 2.3 In the day-to-day service delivery component of the Homeowner Insulation Program and Low Emission Assistance Plan for Renters, Medicare Australia will provide the following services:
- a. developing and maintaining an online registration, claiming and payment system for Installers and Registered Providers;
  - b. registering eligible Installers as Registered Providers;
  - c. validate Installer ABN details prior to registering the Installer as a Registered Provider;
  - d. establish a database of Registered Providers and provide access to an online claims processing system following installation of roofing insulation;
  - e. providing the Registered Provider with a User Id and Password (password is covered in g below);
  - f. providing the Registered Provider with an Information Pack containing:
    - (i) welcome letter including User Id;
    - (ii) 2 x Program Guidelines;
    - (iii) Work order pads;
    - (iv) 3 page reminder of Mandatory Terms and Conditions; and
    - (v) Reorder form for additional supplies of stationery.
  - g. providing a password letter following the dispatch of the Information Pack;
  - h. receive claims data and assess claims information against criteria established by DEWHA;
  - i. processing payments to Registered Providers within 7 days, as agreed with DEWHA;

- j. providing Registered Providers with online access to claim payment statements;
  - k. reporting to DEWHA on Program information and financial matters as agreed between Medicare and DEWHA; and
  - l. providing DEWHA with registration and claims data.
- 2.4 Medicare Australia will also conduct any activities which are incidental, conducive or related to the provision of the services set out in this section 2 and the Business Rules, including notification of system outages.
- 2.5 Medicare Australia will work with DEWHA and its Records Management unit to ensure that all records management requirements are met and that both agencies have appropriate records as required under legislation and policy.
- 2.6 In providing the services, Medicare Australia will not be responsible for:
- a. debt recovery (except in the circumstances where a processing error by Medicare Australia results in an incorrect payment or overpayment being made); or recovery of monies, except in the circumstances where the error is caused by a failure of Medicare Australia to make payments in accordance with this Service Arrangement resulting in an incorrect payment or an overpayment being made;
  - b. compliance activity related to the correctness of registration or payment where Medicare Australia has acted in good faith based on the information received in respect of the registration or claim;
  - c. making payments in any form other than through electronic funds transfer to the bank account nominated by the Registered Provider at the time of registration (or as subsequently updated from time to time);
  - d. providing information to the public (other than Installers or Registered Providers) about the Program;
  - e. answering enquiries from the public on program eligibility (other than companies/installers of roofing insulation);
  - f. design of the Information Packs (or any other program related material);
  - g. any aspects of the existing program (early installation);
  - h. collecting and/or storing work order forms; and
  - i. responses to any complaints relating to the policy or administration of the program
- 2.7 In providing the Services, Medicare Australia acknowledges that the DEWHA is responsible for the promotion of the Energy Efficient Homes Package and agrees not to make any public statements regarding its role in the delivery of that package or any component of the package without the prior written agreement of DEWHA.
- 2.8 DEWHA will be responsible for:
- a. providing to Medicare Australia policy information in a timely manner;
  - b. communication and marketing activities;

- c. the design of the Information Packs and all program related material;
- d. advising Medicare Australia in writing when a Registered Provider is to be deregistered;
- e. providing to Medicare Australia funding as agreed to establish and administer the Program; and
- f. debt recovery.

2.7 In providing the services, Medicare Australia will:

- a. work collaboratively with the Department of Human Services;
- b. provide regular management and performance reports to the Minister for Human Services on the provision of the services;
- c. involve the Minister for Human Services in the development of any variations to this Service Arrangement.

DEWHA may assume that the CEO has fulfilled these obligations.

### 3. FEES AND PAYMENT

3.1 DEWHA agrees to provide Medicare Australia with \$24,974,000 (including GST) for May 2009 through to 30 June 2012., payable in the following instalments:

Instalment Date	Instalment Amount (incl. GST)
The date of execution of this Service Arrangement	\$ 1,486,000
09/10 – first quarter invoice in arrears to be billed on 30 Sept 2009	\$ 2,420,000
09/10 - second quarter invoice in arrears to be billed on 31 Dec 2009	\$ 2,420,000
09/10 - third quarter invoice in arrears to be billed on 31 March 2010	\$ 2,420,000
09/10 – fourth quarter invoice in arrears to be billed on 30 June 2010	\$ 2,420,000
10/11 first quarter invoice in arrears to be billed on 30 Sept 2010	\$ 1,795,000
10/11- second quarter invoice in arrears to be billed on 31 Dec 2010	\$ 1,795,000
10/11 third quarter invoice in arrears to be billed on 31 March 2011	\$ 1,795,000
10/11 fourth quarter invoice in arrears to be billed on 30 June 2011	\$ 1,795,000
11/12 first quarter invoice in arrears to be billed on 30 Sept 2011	\$ 1,658,000
11/12 second quarter invoice in arrears to be billed on 31 Dec 2011	\$ 1,658,000
11/12 third quarter invoice in arrears	\$ 1,658,000



<b>to be billed on 31 March 2012</b>	
<b>11/12 fourth quarter invoice in arrears to be billed on 30 June 2012</b>	<b>\$ 1,654,000</b>
<b>TOTAL</b>	<b>\$ 24,974,000</b>

\*\* Figures rounded to the nearest '000. Invoices billed on dates as provided or next business day following.

- 3.2 On or after each Instalment Date, Medicare Australia will issue an invoice to DEWHA for the relevant Instalment Amount. Subject to paragraphs 3.3, each Instalment Amount will be payable within 30 days of DEWHA receiving the invoice.
- 3.3 The Parties acknowledge that where DEWHA's requirements in relation to Medicare Australia's provision of the services change, (or where forecasts about program take-up are not realised or are exceeded), this will impact on the funding required by Medicare Australia to continue to provide the services. The Parties will negotiate in good faith regarding any future funding requirements of Medicare Australia to deliver the services.

#### 4. TERM

- 4.1 This Service Arrangement commences on the date that it is executed by both Parties and will continue until such time as it is terminated in accordance with the procedures set out below in clause 6 "Termination".

#### 5. VARIATION

- 5.1 This Service Arrangement may be varied at any time by the agreement in writing of the Secretary and the CEO or their authorised delegates.
- 5.2 Any variation will take effect from the date of execution by the Secretary and the CEO, or their delegates, or such later date as specified in the variation.

#### 6. TERMINATION

- 6.1 This Service Arrangement may be terminated at any time by the agreement in writing of the Secretary and the CEO and in accordance with this clause 6.
- 6.2 Either the Secretary or the CEO may terminate the Service Arrangement by giving 180 days written notice to the other Party.
- 6.3 A notice of termination will specify the reasons for termination and be signed by the Secretary or the CEO as the case may be.
- 6.4 Upon receipt of a notice of termination, the receiving Agency will:
  - a. stop work as specified in the notice
  - b. take all available steps to minimise loss resulting from that termination, and
  - c. continue work on any services not affected by the notice.

## 7. CONTACT OFFICERS

- 7.1 The officers responsible for the day-to-day administration of this Service Arrangement on behalf of each Agency are:

<b>DEWHA</b>	<b>Medicare Australia</b>
Aaron Hughes Director Project Resources Section	Luke Smolenaars Manager Business Delivery
Alternative Contact: Aidan Regan Manager Procurement / Medicare Liaison	

## 8. DISPUTE RESOLUTION

- 8.1 If any dispute or disagreement arises, DEWHA and Medicare Australia officers will make every effort to resolve the matter amicably and expeditiously.
- 8.2 Disagreements will, in the first instance, be addressed by the Contact Officers.
- 8.3 If they are unable to resolve the matter, either Contact Officer may notify a disagreement to their Branch Manager.
- 8.4 The Branch Manager will, in consultation with their counterpart Branch Manager, consider the matter within 30 days of first being notified.

## 9. CONFIDENTIAL INFORMATION

- 9.1 Where information provided to a Party under this Service Arrangement is identified as confidential or is otherwise by its nature confidential, that Party agrees:
- to keep the information confidential;
  - to use that information only for the purposes for which it was provided; and
  - not to disclose that information except in accordance with clause 9.2.
- 9.2 A Party may only disclose confidential information provided to it where:
- the other Party has given written consent to the disclosure;
  - disclosure is authorised or required by law;
  - it is disclosed to advisers or employees of the Party in order to comply with obligations under this Service Arrangement;

- d. it is disclosed by the Party to the responsible Minister, or in response to a request by a House or Committee of the Parliament of the Commonwealth; or
- e. it is in the public domain other than due to a breach of this clause 9.

## **10. REGULAR MEETINGS**

- 10.1 Medicare Australia and DEWHA will meet at least every 4 months, either through teleconferencing, videoconferencing or face-to-face meetings, to discuss:
- a. the Services; and
  - b. any other matters relevant to this Service Arrangement.
- 10.2 Medicare Australia and DEWHA will meet annually to:
- a. review the operation of this Service Arrangement; and
  - b. assess the funding arrangements for this Service Arrangement.
- 10.3 Each Party will use its best endeavours to ensure that relevant personnel are available to attend all meetings referred to in this Service Arrangement.

**SIGNATURES**

**Signed on behalf of the Commonwealth of Australia as represented by the Secretary of the Department of the Environment, Water, Heritage and the Arts.**

**Robyn Kruk AM**  
Secretary  
Department of the Environment, Water, Heritage and the Arts

Date: 25/6/09.

In the presence of:

Name of witness: Aaron Hughes

Signature of witness:

**Signed on behalf of the Commonwealth of Australia as represented by the Chief Executive Officer of Medicare Australia**

**Ms Philippa Godwin**  
A/g Chief Executive Officer  
Medicare Australia

Date: 1/7/09

In the presence of:

Name of witness: Cheryl Mikolic

Signature of witness:

# Attachment A

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## Energy Efficient Homes Package Homeowner Insulation Program and Low Emission Assistance Plan for Renters

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### **Business Rules**

# Business Rules relating to the Energy Efficient Homes Package Homeowner Insulation Program and Low Emission Assistance Plan for Renters

The attached business rules set out the administration obligations under the Energy Efficient Homes Package Homeowner Insulation Program and Low Emission Assistance Plan for Renters (the Program). The business rules are made pursuant to a Service Arrangement made under section 7(2) of the *Medicare Australia Act 1973*.

Signatures below indicate that the respective Managers of the *Energy Efficient Homes Package Homeowner Insulation Program* and the *Low Emission Assistance Plan for Renters Program* from the Department of the Environment, Water, Heritage and the Arts and Medicare Australia approve of the attached version.

**SIGNED** for and on behalf of  
Medicare Australia by:  
Jacqui Hughes  
Branch Manager  
Government Service Delivery Branch

**SIGNED** for and on behalf of  
the Department of the  
Environment, Water, Heritage  
and the Arts by:  
Kevin Keeffe  
Assistant Secretary  
Home Energy Branch

on.....

(date)

on.....

(date)

.....

...  
(Signature)

.....

(Signature)

### Document change control

Version number	Date of issue	Author(s)	Brief description of change
V1.0	7 May 2009	Jacqui Hughes	Draft for review
V2.0	2 June 2009	Luke Smolenaars	Edits from Finance & Corporate Services Division
V3.0	12 June 2009	Petra Dunne	Edits based on updated program requirements
V4.0	17 June 2009	Luke Smolenaars	Updated to include Business Continuity and wording change to 3.1.3
V5.0	18 June 2009	Aaron Hughes	DEWHA amendments

### Reviews and approvals

This document was reviewed by:

Name	Title	Date
Jacqui Hughes	Manager, Government Business Delivery Branch Medicare Australia	7 May 2009
Pauline Lathleiff	Manager, Accounting Operations, Medicare Australia	25 May 2009
Aaron Hughes	Department of the Environment, Water, Heritage and the Arts	18 June 2009

This document was approved by:

Name	Title	Date
Jacqui Hughes	Manager, Government Business Delivery Branch Medicare Australia	
Aaron Hughes	Department of the Environment, Water, Heritage and the Arts	



Leonie Whiting	General Manager Medicare and Associate Government Programs Division Medicare Australia	
Kevin Keefe	Department of the Environment, Water, Heritage and the Arts	

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## 1. Program Overview

- 1.1. The Program forms part of the Nation Building and Jobs Plan (NBJP) announced on the 3<sup>rd</sup> February 2009 in response to the severe global recession. The NBJP aims to support local jobs through this recessionary period and invest in long term economic growth by building for the future.
- 1.2. As part of the NBJP, the Program flows from the Government's commitment (as outlined in the White Paper, December 2008), to provide assistance to help households meet any overall increase in the cost of living flowing from the introduction of the Carbon Pollution Reduction Scheme (CPRS) that will underpin Australia's efforts to transition to a low carbon future. In the White Paper the Government commitment to:

*"... provide additional support through the introduction of energy efficiency measures and consumer information to help households reduce energy use and save on energy bills, so all households can make a contribution."*

- 1.3. Insulation is typically the most cost effective way to improve a home's energy efficiency and the Government estimates that up to 40% of Australian homes are uninsulated. The assistance offered under the Homeowner Insulation program (HIP) and the Low Emission Assistance Plan for Renters (LEAPR) is specifically targeted at the installation of ceiling insulation in these homes.

## 2. Program Objectives

- 2.1. The main objectives of the Program are:

- to provide ceiling insulation to around 2.9 million owner-occupied and rental households which, alongside other elements of the Energy Efficient Homes Package, will result in almost all Australian homes operating at a minimum of 2 stars over 2 and a half years;
- to support households to reduce energy use to help the transition to a low carbon future and alleviate energy cost increases arising from the introduction of the CPRS; and
- to support and stimulate jobs in the insulation industry through the installation of ceiling insulation in the 2.9 million homes.

## 3. Medicare Australia's Obligations

- 3.1. Medicare Australia's Obligations - Registration

- 3.1.1. In accordance with these Business Rules, Medicare Australia will build and manage web pages for the following functions:
  - a.) registration of insulation installation Installers;
  - b.) acceptance of claims by Registered Installers; and
  - c.) the viewing of payment statements.

3.1.2. In accordance with these Business Rules, Medicare Australia is responsible for the development and day-to-day maintenance of a registration system for Installers, indicating that the Registered Installer is a participant in the Program. An Installer will be ineligible to register if they do not provide the required details, and agree to the program conditions.

3.1.3. Medicare Australia will:

- a.) validate the installer supplied Australian Business Number (ABN) with the Australian Business Register (ABR) including recording of ABN start date prior to issuing the User Id and password to an Installer;
- b.) where there is no direct or close match to the installer supplied ABN with the ABR, Medicare Australia will advise the installer of the problem with their ABN details and provide contact details for the ABR to the installer or as per process agreed between Medicare Australia and DEWHA.
- c.) provide the Registered Installer with a User Id and password. The User Id will be included in the welcome letter, forming part of the Information Pack, and will be posted to the Registered Installer at the nominated address following successful registration and validation of ABN;
- d.) provide the password in a separate letter following the dispatch of the Information Kits;
- e.) reissue a new User Id or password to a Registered Installer by email where the Registered Installer has forgotten or lost those details;
- f.) provide an update and amend facility for registration records (as per the ECR); and
- g.) Medicare Australia, on advice from DEWHA, will deregister a Registered Installer not allowing them to make future claims.

### 3.2. Medicare Australia's Obligations - Claiming

3.2.1. In accordance with these Business Rules, Medicare Australia is responsible for the development and day-to-day maintenance of a claim payment system for the program. A Registered Installer will be ineligible for payment if they do not provide the required details, including a declaration of compliance with the residence eligibility requirements.

3.2.2. Registered Installers will have access to lodge claims online.

3.2.3. Details required for claims lodgement are as follows:

- a.) Work order number (as per work order pad)
- b.) Installation date (equal to or greater than 1 July 2009)
- c.) Installer name
- d.) Address of installation
- e.) Property type i.e. owner occupier/tenanted
- f.) Name of homeowner and/or landlord/managing agent
- g.) Product type
- h.) Product rating
- i.) Area Insulated
- j.) Total purchase price of supply and installation
- k.) Declaration by the Registered Installer the claim is true and correct.

- 3.2.4. Medicare Australia will ensure that only one claim for installation of insulation will be paid per individual address.
- 3.2.5. Medicare Australia will only allow one claim per work order number.
- 3.2.6. All payments will be made to Registered Installers via electronic funds transfer (EFT) into the account displayed at the time of processing the claim. No cash/cheque payments will be available.
- 3.2.7. Medicare Australia will make daily payments capped at \$1,600 for an owner occupier and \$1,000 for a tenanted property.
- 3.2.8. Where a claim for an owner occupier residence is less than \$1,600, the payment amount will not exceed the installation cost. E.g.: where the installation cost is \$1,200 the payment amount will be \$1,200, where the installation cost is \$2,200 the payment amount will be \$1,600.
- 3.2.9. Where a claim for a landlord/managing agent is less than \$1,000, the payment amount will not exceed the installation cost. E.g.: where the installation cost is \$800 the payment amount will be \$800, where the installation cost is \$1,100 the payment amount will be \$1,000.
- 3.2.10. Statements will be emailed to the email address provided at the time of registration. Initially available in PDF, however CSV will be developed in consultation with supplier requirements.
- 3.2.11. Medicare Australia is not required to undertake recovery of money, except in the circumstance where a processing error is made by Medicare Australia staff, resulting in an incorrect or overpayment.
- 3.2.12. Payments will commence from mid July 2009 and continue to be made for 6 months (30 June 2012) following the cessation of the program on 31 December 2011.
- 3.2.13. In release one, unlimited claims can be lodged in one session i.e. logon is not required between claims.
- 3.2.14. In release two a multiple claim / batch process will be provided.

### **3.3. Medicare Australia's Obligations - Reporting**

- 3.3.1. Medicare Australia will provide monthly and year to date statistical and performance management reports as follows:
- a.) Number and percentage of Registered Installers presented at National and State level;
  - b.) Number of installations by owner occupier/landlord, product type and energy efficiency rating presented at National, State, Postcode level;
  - c.) Dollar amount of reimbursement and total purchase cost presented at National, State and Postcode level;
  - d.) Claims lodged and claims processed incorporating ABN, company name, name of installer, address of installation, presented at National, State and Postcode level.

- e.) DEWHA will need to have access to all of the raw data for compliance purposes e.g. number of installations by an individual installer (from the work pad). Medicare will provide raw data to DEWHA in a format that can be manipulated. This could be provided in Excel/CSV format. Medicare and DEWHA to confirm final reporting formats.
- f.) Exception reporting to be provided to DEWHA (e.g. payment disruption, system failure).
- g.) Number of and nature of complaints.
- h.) Performance against agreed Key Performance Indicators (see table at Section 12).

3.3.2. Additional reports may be required. Should this be significant work effort, there may be a requirement to re-cost.

### 3.4. Medicare Australia's Obligations – Communications

3.4.1. Medicare Australia will print:

- Welcome letter, including User Id;
- Password letter;
- Work order pads;
- Mandatory terms and conditions;
- Fact Sheet;
- Program Guidelines (Homeowner Insulation Program and Low Emission Assistance Plan for Renters);
- Information Pack Satchels; and
- Stationery re-order form.

3.4.2. Medicare Australia will be responsible for collating and sending the Information Packs to Registered Installers. Information Packs (satchel) to include:

- Welcome letter, including User Id;
- Work order pad;
- Mandatory terms and conditions;
- Program Guidelines (Homeowner Insulation Program and Low Emission Assistance Plan for Renters);
- Stationery re-order form.

3.4.3. Medicare Australia will be responsible for storage and distribution of all Information pack publications.

3.4.4. Printing to be done on environmental paper where possible.

3.4.5. All materials printed by Medicare Australia, including web pages built to support the registration and claims processes, will not be branded with the Medicare Australia logo.

3.4.6. Medicare Australia will manage a stationery ordering process with Registered Installers.

3.4.7. Medicare Australia will record details of work order pad numbers provided as part of the Information Packs. Medicare Australia will keep records of Work Order pads numbers distributed through the re-order process.

### **3.5. Medicare Australia's Obligations – Telephony**

- 3.5.1. Medicare Australia will establish a 1800 phone line for enquiries relating to installer registration, payments and claims processing. Hours of operation to be 8am to 10pm Eastern Standard Time.

## **4. DEWHA's Obligations**

### **4.1. DEWHA Obligations – Compliance**

- 4.1.1. Medicare Australia will not be required to undertake any compliance activity. DEWHA will conduct post purchase audits.
- 4.1.2. Both Medicare Australia and the DEWHA will ensure that their activities comply with the Privacy Act 1988 at all times, and other associated legislation.
- 4.1.3. Medicare Australia will be provided with policy information in a timely manner to enable effective administration of the program.

### **4.2. DEWHA Obligations - Communications**

- 4.2.1. DEWHA is responsible for the format and design of the items as noted in section 3.4 for the Information Packs.
- 4.2.2. All communication activity in relation to the program that is not listed under section 3.4 will be the responsibility of DEWHA.

### **4.3. DEWHA Obligations - Telephony**

- 4.3.1. DEWHA will continue to provide the 1800 hotline number. This number will provide information only about the Program. Hours of operation to be 8am to 10pm Eastern Standard Time.

## **5. Agency Obligations**

### **5.1. Privacy Impact Assessment**

- 5.1.1. Both agencies will undertake a privacy impact assessment in relation to their program responsibilities.

### **5.2. Risk Management Plan**

- 5.2.1. Both agencies will undertake a risk management workshop and produce a risk management plan.

### 5.3. Business Continuity

5.3.1 Both agencies will work together to develop a formalised process, including out of hours contacts for urgent escalation of issues, including but not limited to out of business hours system issues.

## 6. Complaints Handling

- 6.1. Both agencies will handle complaints consistent with their respective agencies complaint handling protocols. Medicare Australia will only respond to complaints from Registered Installers regarding registration, claims and payments. All other complaints will be the responsibility of DEWHA to respond.
- 6.2. Medicare Australia will provide DEWHA with a monthly report on volumes and nature of complaints.

## 7. System Requirements

- 7.1. Whilst system development for the Program is being undertaken, the relevant staff at Medicare Australia and DEWHA will liaise periodically to ensure system design occurs according to agreed design specifications and release schedules.
- 7.2. Project Change Requests will be considered in accordance with the agreed Change Request Process (refer Appendix A to this Attachment).
- 7.3. Medicare Australia will not record reasons why a Registered Installer has been deregistered.

## 8. Administered Payments

- 8.1. Program payments will be made by Medicare Australia through Electronic Funds Transfer (EFT) to the Registered Installers nominated bank account.
- 8.2. Program payments will be funded through a sweeping arrangement between Medicare Australia's and DEWHA'S official bank accounts held at the Reserve Bank of Australia (RBA).
- 8.3. Issuance of Drawing Rights from DEWHA'S Secretary to Medicare Australia's Chief Executive Officer (CEO) will need to be in place before the program commences on 1 July 2009.
- 8.4. Medicare Australia will give DEWHA two business days notice in writing of its intention to sweep funds from the DEWHA bank account for Program payments, as well as to remit failed or held payments.. This notice will include the value of the Program payments to be made and the payment date.
- 8.5. Medicare Australia may process a lesser amount for payment after advising DEWHA, however, Medicare Australia will not exceed the value on this notice in making a payment.



- 8.6. Medicare Australia will notify DEWHA in writing of failed or held payments that result in DEWHA bank account being credited with funds.
- 8.7. At DEWHA's request, payments will not be made on the last working day of the month.

## **9. Agency Arrangements for Administered Payments**

- 9.1. DEWHA may use an existing "target" account or create a new Official Administered bank account with its transactional banker, the Reserve Bank of Australia (RBA) and Medicare Australia will sweep funds from this account. Details of the account will be provided to Medicare Australia.
- 9.2. Medicare Australia will create an Official Administered bank account with its transactional banker, the RBA, with sweeping arrangements in place with DEWHA's "target" bank account. Medicare Australia will provide details of the DEWHA "target" account to the Reserve Bank of Australia. Medicare Australia will provide details of the Official Administered bank account to DEWHA.
- 9.3. The Secretary of DEWHA will delegate the power to issue Drawing Rights to the CEO of Medicare Australia
- 9.4. The Drawing Rights from the Secretary of DEWHA to the CEO of Medicare Australia will be updated and reissued when necessary in a timely manner.

## **10. Administered Payment timing**

- 10.1. Program payments will commence in July 2009.
- 10.2. Program payments will be made to Registered Installers within 7 working days of their claim lodgement.

## **11. Statements**

- 11.1. Statements to Registered Installers will be emailed.
- 11.2. Medicare Australia will provide statements to Registered Installers within 7 working days of releasing the Program payments.
- 11.3. Departmental and Capital payments, made by DEWHA to Medicare Australia, are provided to develop systems, processes and maintain physical administration.
- 11.4. These services will be invoiced quarterly according to the schedule in the Service Arrangement – Section 3, Fees and Payments, unless the arrangement is varied as agreed in writing by both agencies.

## **12. Key Performance Indicators**

- 12.1. Key Performance Indicators will be based on qualitative and quantitative measures and provided via a scorecard to DEWHA on a quarterly basis.

12.2. Medicare Australia and DEWHA will agree on the format of this scorecard.

12.3. Performance of Medicare Australia

No.	Performance indicator	Measurement
1	Medicare Australia will acknowledge Program registrations and provide mailing details to the mail house within 9 working days of registration.	90%
2	Program payments are completed within 7 days from date of lodgement	90%
3	Program payments are made within Program eligibility rules and correctly calculated	90%
4	Enquiries from Installers/ Register Installers are resolved within 3 working days	90%
5	Medicare Australia will post the password letter within 3 working days of sending the information pack	95%
6	All manual claims will be keyed within 20 working days of receipt.	100%
7	Manual statements will be provided within 1 working day of receipt by Tasmania processing cell	100%
8	70% of calls answered within 150 seconds	70%/ 150 secs
9	Medicare Australia will acknowledge feedback within two working days and endeavour to respond to all feedback within 10 working days	Acknowledge feedback 100% Feedback response 90%

12.4. Performance of DEWHA

No.	Area of activity	Performance indicator	Source of Performance Measurement Information
1	Policy advice	Clearly defined policy requirements and specifications for the <i>Energy Efficient Homes Package – Home Insulation Program</i>	Feedback from Medicare Australia
2	Payments	Invoices from Medicare Australia to be paid within 30 days of receipt.	Receipt of funding by Medicare Australia

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Appendix A

# **Change Control Plan**

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## **Change Management**

### **1 Purpose**

1.1 The purpose of this document is to establish a process for managing change to any aspect of the Energy Efficient Homes Package – Homeowner Insulation Program and Low Emission Assistance Plan for Renters. The Service Arrangement provides for the implementation of a project to build and administer an operational system.

1.1.1 The Project change management procedures utilise agreed review process, under which changes to the project schedule, operational service, deliverables, scope and costs may be negotiated.

1.2 The change process in this Document is to be used for:

1.2.1 changes to project scope;

1.2.2 changes affecting project schedule;

1.2.3 changes affecting volume assumptions;

1.2.4 changes affecting costs; and

1.2.5 Service Arrangement variations, including changes to the terms and conditions of the Service Arrangement and/or to business requirements.

### **2 Change Request**

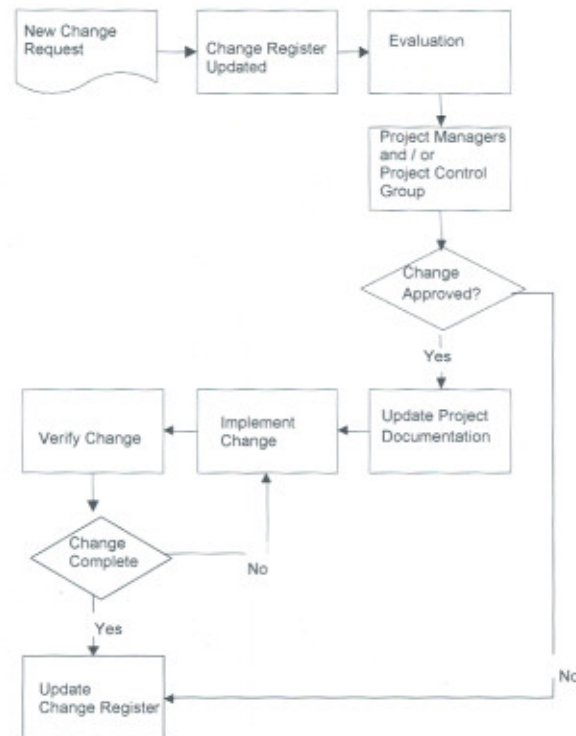
2.1 Any Party to the Service Arrangement wishing to request a change must raise a change request using the proforma at Attachment A. All proposed changes must describe all details of the proposed change (and its implications for the Project) and forwarded to Medicare Australia for evaluation.

### 3 Processes

3.1 Once the External Costing Request, Service Arrangement, Business Rules and Deliverables have been agreed and signed by the relevant parties, they become part of the project baseline and, as such, are subject to change control for any changes.

3.2 The Change Management lifecycle will be completed as detailed in Figure 1.

Figure 1: Change Management Lifecycle



### 4 Change Evaluation

4.1 The Project Managers will assess the impact of the change on all aspects of the Service Arrangement and implementation and document the results of the evaluation. The evaluator will give specific attention to determining:

- 4.1.1 possible changes to the project scope and the project schedule;
- 4.1.2 the specific requirements (including wording) for change to the terms of the Service Arrangement, the Schedules or Deliverables;
- 4.1.3 changes to the project hardware and software environments;
- 4.1.4 the impact of not implementing the change;
- 4.1.5 any possible alternatives to the proposed change;

- 4.1.6 the risks of the change (including requirements to update the Risk Management Plan);
- 4.1.7 all costs associated with the change and whether they are included in the approved costs; and
- 4.1.8 changes to project documentation.

## **5 Approval Requirements**

- 5.1 All requests for changes, variations or additional services must be submitted using the process in this document.
  - 5.1.1 Changes, as listed in section 1.2, must be considered and a decision made by the respective Project Managers for the Department of The Environment, Water, Heritage and the Arts and Medicare Australia.
  - 5.1.2 If deemed necessary by the Project Managers, the change request and associated evaluation will be submitted to the Project Control Group for consideration and decision.

## **6 Change Request Outcomes**

- 6.1 Each change will be evaluated on its merits and its potential impact, and then be either:
  - 6.1.1 approved for implementation, in whole or in part;
  - 6.1.2 held, subject to clarification; or
  - 6.1.3 rejected;

## **7 Change Closure**

- 7.1 Before a change request can be closed, it needs to be confirmed that:
  - 7.1.1 implementation was completed; or
  - 7.1.2 implementation was included in a future Release Schedule;
  - 7.1.3 any additional corrective actions have been taken;
  - 7.1.4 new or updated project documentation was accurately generated as needed; and
  - 7.1.5 the project Change Register was updated.

Energy Efficient Homes Package  
Homeowner Insulation Program and Low Emission Assistance Plan for Renters

**Attachment A**

**Energy Efficient Homes Package Homeowner  
Insulation Program and Low Emission  
Assistance Plan for Renters**

**Change Request Form**

18 June 2009

Document Version Number 0.02



Energy Efficient Homes Package  
 Homeowner Insulation Program and Low Emission Assistance Plan for Renters

Change Request Form

PROJECT INFORMATION				
Project code:				
Description of project:				
Project Manager's name:		Contact details:		
Project Manager's branch:		Date of request:		
Project Sponsor's name:		Contact details:		
Project Sponsor's branch and division:		Business Owner's title:		
CHANGE TYPE				
Scope	Schedule	Assumptions	Financial	Service Arrangement
Reason for project change request:				
PRIORITY OF APPROVAL (based upon risk management process)				
Date Decision required:		Priority of request:	High	
			Medium	
			Low	
SCOPE CHANGES (if applicable)				
What is the increased scope requirement?				
Impact on project if scope is not approved:				
What is the decreased scope requirement?				
Effects of scope change on other aspects of the Contract if approved:				
What is the financial (Fees) and/or schedule tolerance impact?				

Energy Efficient Homes Package  
 Homeowner Insulation Program and Low Emission Assistance Plan for Renters

SCHEDULE CHANGES (if applicable)	
What is the Milestone that requires change?	
What is the impact on this project if change is not approved?	
Impact on cost:	
How does this Milestone change affect aspects of the Service Arrangement?	
Why does the Milestone require more time within the project schedule?	
ASSUMPTION CHANGES (if applicable)	
Description of the assumption change required:	
Impact on project if assumption change is NOT accepted:	
What analysis supports the assumption change?	
Does this assumption change require changes to the Service Arrangement ?	
FINANCIAL CHANGES (if applicable)	
Description of budget change required:	
Impact on project if financial change is NOT implemented:	
Is there another alternative?	
Does this financial change require changes to the Service Arrangement?	
SERVICE ARRANGEMENT CHANGES (if applicable)	
Description of change required:	
Specific change required to wording of Service Arrangement:	
What are the risks and implications?	

Energy Efficient Homes Package  
 Homeowner Insulation Program and Low Emission Assistance Plan for Renters

MANDATORY DETAILS			
On what date do you want this change to occur (no backdating allowed)?			
Does this change continue to the end of the project?			
Does this change continue to the end of this financial year?			
MEDICARE AUSTRALIA TO COMPLETE			
Business project code:		ITOP project code (if IT component applicable):	
CATS code for adjustment:			
RISKS AND ISSUES IN IMPLEMENTING CHANGE REQUEST			
Description of risk/issue:			
Is this the result of a risk management process?			
Is this the result of an issue resolution process?			
Is the Risk/Issues Log updated?			
Does the Risk Management Plan need to be updated?			
What are the risks and issues with implementing the changes?			
DEPENDENCIES AND INTERDEPENDENCIES (if applicable)			
Dependency description, e.g. resources, costs, schedule, skills, equipment, hardware, software, data, users:			

Energy Efficient Homes Package  
Homeowner Insulation Program and Low Emission Assistance Plan for Renters

**AUTHORISATION OF PROJECT CHANGE REQUEST**

Energy Efficient Homes Package  
Homeowner Insulation Program and Low  
Emission Assistance Plan for Renters

.....

Name

.....

Department of The Environment, Water,  
Heritage and Arts Project Manager

Signature

/ /

Energy Efficient Homes Package  
Homeowner Insulation Program and Low  
Emission Assistance Plan for Renters

.....

Name

.....

Medicare Australia Project Manager

Signature

/ /

**Senate Standing Committee on Environment, Communications and the Arts**  
Answers to Questions on Notice

**Inquiry into the Energy Efficient Homes Package**

Thursday 25 February 2010

**Question No 3:**

**Topic:** Technical aspect concerns

**Hansard Page ECA: 90**

**Senator FISHER asked:**

**Question:**

Why was Medicare chosen for this role?

**Answer:**

Medicare Australia administers Government programs and has strong experience and system capability in the delivery of payments. It was able to leverage its systems capability for this Program.

**Contact:** Carolyn McNally

**date** April 2010

**Clearance:** Malisa Golightly

**date** April 2010

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

Answers to Questions on Notice

**Inquiry into the Energy Efficient Homes Package**

Thursday 25 February 2010

**Question No 4:**

**Topic:** Technical aspect concerns

**Hansard Page ECA: 90**

**Senator FISHER asked:**

**Question:**

Were the agreed costings and resources in the MOU updated over the life of the program?

**Answer:**

Costings and resources were provided to the Department of Environment, Water, Heritage and the Arts in July 2009 and again for the September and December 2009 changes. Discussions have been ongoing about costings and resources as the Program has changed.

**Contact:** Carolyn McNally

**date** April 2010

**Clearance:** Malisa Golightly

**date** April 2010

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

Answers to Questions on Notice

**Inquiry into the Energy Efficient Homes Package**

Thursday 25 February 2010

**Question No 5:**

**Topic:** Technical aspect concerns

**Hansard Page ECA: 91-92**

**Senator FISHER asked:**

**Question:**

Can you provide a copy of the environment department's guidelines used to assess companies and installers applying to register before registration on the database?

**Answer:**

The Home Insulation Program Guidelines are policy documents developed and managed by the Department of the Environment, Water, Heritage and the Arts and should be sought from that Department.

**Contact:** Carolyn McNally

**date** April 2010

**Clearance:** Malisa Golightly

**date** April 2010

**Senate Standing Committee on Environment, Communications and the Arts**  
Answers to Questions on Notice

**Inquiry into the Energy Efficient Homes Package**

Thursday 25 February 2010

**Question No 6:**

**Topic:** Technical aspect concerns

**Hansard Page ECA: 92**

**Senator FISHER asked:**

**Question:**

What details were included in the database?

**Answer:**

There are two distinct online data collection processes:

1. Registration data – refer Attachment A
2. Claiming data - refer Attachment B

**Contact:** Carolyn McNally

**date** April 2010

**Clearance:** Malisa Golightly

**date** April 2010





## ATTACHMENT A

<b>Home Insulation Program Registration Data Elements</b>	
<b>Field Name</b>	<b>Field Type</b>
<b>Terms &amp; Conditions acceptance</b>	Mandatory
<b>ABN</b>	Mandatory
<b>Entity name</b>	Mandatory
<b>Trading name</b>	Mandatory
<b>Area(s) serviced</b>	Mandatory
<b>Business address</b>	Mandatory
<b>Website address</b>	Optional
<b>Installer's public business phone number</b>	Mandatory
<b>Postal address</b>	Conditional
<b>Contact name</b>	Mandatory
<b>Office number</b>	Mandatory
<b>Mobile number</b>	Optional
<b>Email address</b>	Mandatory
<b>Privacy note</b>	n/a

## ATTACHMENT B

<b>Home Insulation Program</b>	
<b>Claim Data Elements</b>	
<b>Field Name</b>	<b>Field Type</b>
<b>Bank Account Details</b>	Mandatory
<b>Date of lodgement</b>	Default
<b>Work order number</b>	Mandatory
<b>Installation date</b>	Mandatory
<b>Installer name</b>	
<b>Title</b>	Mandatory
<b>First name</b>	
<b>Surname</b>	
<b>Installation address</b>	Mandatory
<b>DPID code (System Generated)</b>	
<b>Property type</b>	Mandatory
<b>Area insulated</b>	Mandatory
<b>Product type</b>	Mandatory
<b>Material R-Value rating</b>	Mandatory
<b>Total cost (including GST) \$</b>	Mandatory
<b>Householder/Landlord contact details</b>	
<b>Title</b>	Mandatory
<b>First name</b>	
<b>Surname</b>	
<b>Telephone No.</b>	
<b>Email address</b>	Optional
<b>Payment due amount</b>	

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

Answers to Questions on Notice

**Inquiry into the Energy Efficient Homes Package**

Thursday 25 February 2010

**Question No 7:**

**Topic:** Technical aspect concerns

**Hansard Page ECA: 92-93**

**Senator FISHER asked:**

**Question:**

Are there convenient points of time for changes to the database that would enable you to provide the committee with information about how the registration system changed?

**Answer:**

Attached is a timeline of registration system changes

This document does not identify program changes managed separately by DEWHA

**Contact:** Carolyn McNally

**date** April 2010

**Clearance:** Malisa Golightly

**date** April 2010

## ATTACHMENT A

Date	Program
9 June 2009	Online Installer registration system opened at midnight
1 September 2009	<p>Increase in the registration process to include the collection and assessment of insurance requirements from installers prior to registering an installer.</p> <p>DEWHA increased Medicare Australia's registration process to include the requirement for businesses wanting to register under the program to provide evidence of training requirements for installation supervisors prior to registration.</p>
1 December 2009	Homeowners are now required to obtain two (2) written quotes unless they are acknowledged as being in a remote area.
5 December 2009	New Terms and Conditions introduced for participating businesses that included the ability for DEWHA to publish a listing of businesses that had been de-registered under the program.
11 January 2010	<p>Announcement that a business wanting to remain registered, or become registered, under the program must provide evidence of mandatory training requirements for all employees or sub-contractors. Mandatory training requirements comprised;</p> <ul style="list-style-type: none"> <li>▶ Trade Certificate Competency OR</li> <li>▶ Industry certification OR</li> <li>▶ Prior experience</li> </ul> <p>Installers/Companies were required to supply this documentation by 12 February 2010 or be de-registered.</p>
19 February 2010	<p>Announcement of the Program Closure and access to the online system removed.</p> <p>Information message displayed via the Medicare Australia online system advising installers of the program closure and advising that claims, meeting specific criteria, could be submitted manually by 26 February 2010 if they wished payment to be considered for payment.</p>
26 February 2010	Final date for installers to submit claims for consideration and payment.

**Senate Standing Committee on Environment, Communications and the Arts**  
Answers to Questions on Notice

**Inquiry into the Energy Efficient Homes Package**

Thursday 25 February 2010

**Question No 8:**

**Topic:** Technical aspect concerns

**Hansard Page ECA: 94-95**

**Senator FISHER asked:**

**Question:**

Were there any occasions where Medicare nonetheless expressed concerns about proceeding to pay up, despite the environment department having second-guessed, essentially, or tested the claim?

**Answer:**

No. The responsibility of Medicare Australia was to make payments following authorisation by the Department of the Environment, Water, Heritage and the Arts.

**Contact:** Carolyn McNally

**date** April 2010

**Clearance:** Malisa Golightly

**date** April 2010

**Senate Standing Committee on Environment, Communications and the Arts**  
Answers to Questions on Notice

**Inquiry into the Energy Efficient Homes Package**

Thursday 25 February 2010

**Question No 9:**

**Topic:** Technical aspect concerns

**Hansard Page ECA: 96-98**

**Senator FISHER asked:**

**Question:**

What is the process when an installer seeks payment in respect of a job—that is, an address for which you have already got a record that someone else has been paid?

Has there been any such instance? If so, could you indicate the extent of the rebates claimed—for which, arguably, an insulator is out of pocket? On how many occasions and what sort of money is allegedly involved?

**Answer:**

There are three situations under which an address already claimed may arise.

They are;

1. The residence insulated is one of many properties in a complex (eg. retirement village) and the postal address file only recognises one address. Medicare contacts the claimant to clarify information provided;
2. An installer has lodged a claim with an incorrect address (eg 14 Smith Street should be 41 Smith Street). Medicare contacts the claimant to clarify information provided; and
3. Two installers have lodged a claim for the same address. These claims are referred to the Department of the Environment, Water, Heritage and the Arts for investigation. If approval is provided by the Department of the Environment, Water, Heritage and the Arts, Medicare Australia processes the payment.

To date 961 cases have been referred to the Department of the Environment, Water, Heritage and the Arts for investigation. The total cost of installation is approximately \$1.3M.

**Contact:** Carolyn McNally

**date** April 2010

**Clearance:** Malisa Golightly

**date** April 2010