

Senate Standing Committee on Environment, Communications and the Arts

Answers to questions on notice

Inquiry into the Energy Efficient Homes Package

February 2010

Question No: 14

Topic: Communications with the bereaved

Hansard Page ECA:

Senator BARNETT asked:

a) Has the Department or the Minister offered an apology or expressed remorse to those families affected and have you had direct communications with those families and also with the families affected by the house fires?

b) Has the Department either sought or received legal advice with respect to the legal liability that may or may not flow to either the department or the Minister in relation to both matters?

Answer:

a) In her opening statement to the Senate Inquiry on 22 February 2010, the Secretary publicly acknowledged the families of the young men who have died in the installation business in the last six to 12 months and expressed her sympathy and regret to those families. Minister Combet has had direct communication with members of the families of the four installers who died.

b) The Department received legal advice with respect to various issues relating to its potential legal liability during the course of the Program's design and rollout.

This advice is subject to legal professional privilege.

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Question No: 15
Topic: Legal Advice
Hansard Page ECA:

Senator BARNETT asked:

When did you seek it (legal advice) and when did you obtain it? Did it relate to the deaths or did it relate to the house fires, or both? And may we have a copy?

Answer:

The Department received legal advice with respect to various issues relating to its potential legal liability during the course of the Program's design and rollout. This advice is subject to legal professional privilege.

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Question No: 16
Topic: Legal Advice
Hansard Page ECA:

Senator BARNETT asked:

But have you sought or received legal advice with respect to the four deaths or the house fires, the liability of the Department or the Minister?

Answer:

The Department received legal advice with respect to various issues relating to its potential legal liability during the course of the Program's design and rollout.

This advice is subject to legal professional privilege.

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February 2010

Question No: 34

Topic: Briefing to Minister Garrett

Hansard Page ECA:

Senator BIRMINGHAM asked:

Did the department provide a briefing to Minister Garrett or was the department requested by Minister Garrett to provide a briefing subsequent to the death of the first installer in late October last year? **Ms Kruk**—We may have answered that previously. There was a briefing provided, or certainly a notification provided. Mr Forbes, do you recall? If not, I will check, Senator Birmingham. **Mr Forbes**—I am sure we did brief, but we will check that on notice

Answer/s:

Yes

Contact
Clearance

Ex:
Ex:

AS CMS Sig:
FAS PCD Sig:
SEC/DEP SEC Sig:

Date
Date
Date

Senate Standing Committee on Environment, Communications and the Arts

Answers to questions on notice

Inquiry into the Energy Efficient Homes Package

February 2010

Question No: 75

Topic: Number of grants

Hansard Page ECA:

Senator BIRMINGHAM asked:

How many grants were made under the Home Insulation program while the maximum payment was \$1,600? For what dates was this maximum payment available? What was the average size of grant paid during this time? On what basis was the maximum payment set at \$1,600? What evidence was the department provided with to support setting the maximum payment at \$1,600? What was the average cost of home insulation prior to the existence of this rebate program?

ANSWER/S

Under the Home Insulation Program the following payments were made:

Program	Max Payment	No of Claims	Ave \$Value of Claim	Period	Comments
HIP (Phase 1)	\$1,600	67,641	\$1446	3/2/09 – 30/6/09	This program ceased on 30 June 2009. It was based on rebate claims from householders. Claims were accepted until 31/12/2009. N.B. These figures represent funds paid out as at 01/02/2010. This includes the net figure of overpayments made and consequent funds repaid.
HIP Owner/Tenant (Phase 2)	\$1,600	462,423	\$1,487.67	1/7/09 – 1/11/09	
HIP Transitional	\$1,200 (with \$400 top up)	81,606	\$1,526.86	2/11/09 – 16/11/09	From 2/11/2009 the maximum payment was reduced to \$1,200 but transitional arrangements were in place for eligible households and installers to claim up to \$1600.

Industry estimates of the cost of insulation range from \$660-\$1600 per installation. However there were no comparable data available on the actual costs borne by householders before the program was introduced.

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February 2010

Question No: 77

Topic: Number of grants

Hansard Page ECA:

Senator BIRMINGHAM asked:

How many grants were made under the Home Insulation program while the maximum rebate was \$1,000? For what dates was this maximum payment available? What was the average size of grant paid during this time? On what basis was the maximum payment set at \$1,000? What evidence was the department provided with to support setting the maximum payment at \$1,000?

ANSWER/S

The maximum assistance available under the Home Insulation Program was \$1600 from commencement of the Program until 1 November 2009. From 2 November 2009 the maximum assistance available under the Program was \$1200. The Home Insulation Program did not have a maximum rebate of \$1000.

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February 2010

Question No: 87
Topic: Supply of Insulation Product
Hansard Page ECA:

Senator BIRMINGHAM asked:

At any time did the Government quantify the production capability of AUSTRALIAN manufacturers of insulation, to ensure that the rate of installation matched the ability of AUSTRALIAN manufacturers to produce the required insulation?

Answer/s:

The Department monitored industry capacity in relation to household demand generated by the program. This included regular consultation with manufacturers and installers of the range of insulation products and reviewing industry research. Monthly industry roundtable meetings with the major associations were held between February and June and again between August and November 2009.

Senate Standing Committee on Environment, Communications and the Arts

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Inquiry into the Energy Efficient Homes Package

February 2010

Question No: 90

Topic: Legal Advice

Hansard Page ECA:

Senator Birmingham asked:

What legal liability does the Government believe it now faces from:

- a. Households;
- b. Installers;
- c. Manufacturers and importers?

Answer:

The Department received legal advice with respect to various issues relating to its potential legal liability during the course of the Program's design and rollout.

This advice is subject to legal professional privilege.

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Inquiry into the Energy Efficient Homes Package

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Question No: 93
Topic: Support for installers
Hansard Page ECA: 105

Senator TROETH asked:

As further details have emerged about the cancellation of the insulation program, it is clear there will be widespread job losses, potentially numbered in the thousands. If this was the car industry, or a sector in the manufacturing industry or a mining company such as the recent case in Western Australia, it is probable that the Government would give due consideration to the provision of some form of compensation. Particularly this instance, where the government had the most significant influence on expanding and then contracting this market, has there been any consideration of providing compensation, or transitional assistance to installer companies, or installers, who will be made redundant because of the cancellation of the program?

Answer/s:

On 24 February 2010, the Prime Minister announced an assistance package for insulation workers. The Government's commitment is that each displaced worker will receive either:

- support to retain their current job; or
- assistance to find alternative jobs; or
- a relevant training place where appropriate employment opportunities are not available.

The \$41.2 million Insulation Workers' Adjustment Package includes:

- A \$10 million Insulation Workers' Adjustment Fund to help workers and firms through the transition period. It will be allocated on the recommendation of a team of existing local employment coordinators and new dedicated Insulation Employment Coordinators. The Fund will support firms to retain their workforces in work or training activities or to support workers directly.
- \$1.5 million for up to 25 dedicated Insulation Employment Coordinators, funded from the Jobs Fund. These new positions will assist displaced insulation workers to find alternative jobs with other employers and other industries. This assistance will complement and draw on existing support provided through local employment coordinators and the resources of the Job Services Australia network. The insulation employment coordinators will have access to the \$10m Insulation Workers' Adjustment Fund to assist workers transitioning

to alternative jobs or training.

- \$5 million for 1,000 Structural Adjustment Places to help retrain insulation workers in alternative industries.
- \$24.7 million for 6,000 training places already announced to assist insulation workers - 2,000 each from the Apprenticeship Access places; the Language Literacy and Numeracy Program; and the Structural Adjustment Places.

A range of hotlines have also been established for displaced workers, the provision of advice for employers who think they will have to lay off staff, and companies who wish to speak to an Insulation Employment Coordinator to discuss the Insulation Workers' Adjustment Fund.

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Question No: 104
Topic: Product Standard
Hansard Page ECA:

Senator TROETH asked:

Minter Ellison notes in recommendation 19 (page 20) that; *product quality may not be of adequate standard* – did the Department take any steps to implement minimum standards in relation to quality of products?

Answer/s:

To be eligible to obtain assistance under the Home Insulation Program, the Program guidelines stated that insulation installed must be new insulation material and must meet the relevant insulation product standard - AS/NZ4859.1:2002 (Amendment 1 December 2006) "Materials for the Thermal Insulation of Buildings". The Program guidelines also stated that the insulation installed must comply, as a minimum, with the specified thermal resistance, known as R value, for the climate zone where the dwelling was located. For every home insulated, installers were required to certify that the Program guidelines and installer terms and conditions of registration had been complied with.

On 24 December 2009, the Department took the additional step of implementing the Approved List of Products. Only products on that list could be used under the Program. To be included in this list, the manufacturer or distributor of the product had to provide the Department with a certificate from an accredited or recognised laboratory or testing facility certifying that the product had been tested and had been found to meet the Australian Standard AS/NZ4859.1:2002.

On introduction of the Approved List of Products, installers were also required to affix the product label to a visible and accessible part of the roof cavity, as well as to the householder's copy of the work order form. This was then checked during the Department's roof inspections. In addition, product may be audited in field audits. Installers who had not complied with the Program requirements could be suspended or de-registered.

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Question No: 105

Topic: Information pack for Labor MPs

Hansard Page ECA:

Senator BIRMINGHAM asked:

...could we have a copy of the information pack I mentioned before, which I understand is being provided to the caucus of Labor MPS heading out to insulators and installers? I will put that on notice for your department and for the environment department, because we do not know from whom it is coming.

Answer/s:

The information packs were not prepared by the Department of Climate Change and Energy Efficiency, nor the Department of the Environment, Water, Heritage and the Arts.

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Question No: 108

Topic: Retraining places

Hansard Page ECA:

Senator BARNETT asked:

On what basis did the Government choose 2000 places to receive retraining as announced by Minister Arbib. What will this cost the taxpayer and over what period will the training take?

Answer/s:

Questions on the Insulation Workers' Adjustment Package should be referred to the Department of Education, Employment and Workplace Relations.

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Question No: 109

Topic: Renewable Energy Bonus Scheme

Hansard Page ECA:

Senator FISHER asked:

Will a risk assessment be undertaken for the Renewable Energy Bonus Scheme?

Answer/s:

Yes.

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Question No: 110

Topic: Renewable Energy Bonus Scheme

Hansard Page ECA:

Senator FISHER asked:

Which departments and offices will be involved in the development of the Renewable Energy Bonus Scheme?

Answer/s:

The Department of Climate Change and Energy Efficiency will have prime carriage of the Renewable Energy Bonus Scheme. The Scheme will be developed in conjunction with relevant government departments, and drawing on advice from an independent expert panel.

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February 2010

Question No: 111

Topic: Renewable Energy Bonus Scheme

Hansard Page ECA:

Senator FISHER asked:

Who will undertake the external assessment of the proposed implementation arrangements for the household Renewable Energy Bonus Scheme?

Answer/s:

A panel of experts will advise on the proposed implementation arrangements for the Scheme:

- Dr Ron Silberberg, ex Managing Director of the Housing Industry Association;
- Mr Peter Tighe, National Secretary of the Electrical Trades Union; and
- Mr Tony Arnel, Victoria's Building and Plumbing Commissioner and Chair of the Green Building Council of Australia.