

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	19
Program:	Corporate		
Division/Agency:	ASCD		
Topic:	HIP Advertising		
Hansard Page EC:	Written		

Senator Birmingham asked:

I refer to the answer to Question on Notice 87, regarding Home Insulation Program advertising, through the May 2010 Budget Estimates.

1. How much of the \$4.137 million budgeted has now been spent?
2. How and when was this spent?
3. What was the purpose of the individual advertising contracts?
4. Are future campaigns planned?
5. If so, about what, and how much will be spent?

Answer:

1. As outlined in Question on Notice (QoN) No. 87 – from a total budget of \$4.137 million allocated to Home Insulation Program (HIP) communications in 2009-10, \$1.205 million was spent at the end of the 2009-10 financial year.
2. As outlined in QoN No. 87 – the \$1.205 million was spent on HIP communications such as publication production and print (fact sheets, rebate guidelines and flyers), the provision of communication services, and media and promotional items such as public notices and web advertisements.
3. The purpose of these communications activities was to promote the HIP to households and to provide information on the program requirements to households and installers.
4. The Department assesses the need for communication activities to promote awareness of the Government's safety inspection programs on an ongoing basis. Funding for any future activities will be sourced from the existing budget for the closure of the HIP.
5. Please refer to response to part 4.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	20
Program:	1.1		
Division/Agency:	REED		
Topic:	REFF funds		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. With regard to the programs listed in the answer to Question on Notice 64 in the Climate Change and Energy Efficiency portfolio through the May 2010 Budget Estimates, did the Department do any assessment of any of these programs or similar programs prior to the 2010 election?
2. If so, what assessments were undertaken into each program and what was the outcome of such assessments?

Answer:

1. Yes.
2. Verbal and email advice was provided to Minister Wong's Office prior to the Caretaker period in relation to possible approaches to providing assistance to support building upgrades.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	21
Program:	1.2		
Division/Agency:	CSMD		
Topic:	Cutting Emissions – HIP		
Hansard Page EC:	Written		

Senator Birmingham asked:

I refer to the announcement of the Energy Efficiency Homes Package – of which the Home Insulation Program was the key component – and statements that these measures would cut emissions by almost 50 million tonnes by 2050, and the Treasurer’s statement of 3 February 2009 that it would be the same as taking a million cars off the road.

1. What has happened to this target?
2. What is the target now?
3. How many cars will you effectively be taking off the road now?

Answer:

The emissions reductions announced with the Energy Efficient Homes Package were not targets, they were estimates based on the initial design of the package. It was estimated that cumulative emissions would be reduced by around 50 million tonnes by 2020 (not 2050 as cited by Senator Birmingham), and that emissions in 2020 would be around 4.7 million tonnes lower. It was assumed that 2.7 million homes would be insulated.

The most recent estimate was published in the *Intergenerational Report 2010*. Cumulative reductions by 2020 were estimated to be around 35 million tonnes. Annual emissions in 2020 were estimated to be reduced by 3 million tonnes, equivalent to taking about 800,000 cars off the road.

The Department is currently revising Australia’s national emissions projections and will update the estimate for the Energy Efficient Homes Package in this process.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	22
Program:	1.2		
Division/Agency:	CSMD		
Topic:	Cost of Emissions – HIP		
Hansard Page EC:	Written		

Senator Birmingham asked:

Has the Department worked out the cost of emissions per tonne for the Home Insulation Program as it stands now?

Answer:

No. In order to estimate the cost of abatement for this program it would be necessary to take into account the upfront cost of the program, the benefits that flow over time to households that have had insulation installed and the resulting emissions reductions.

The Department is currently developing a methodology which will enable the cost of emissions abatement to be estimated consistently across all government policies and measures.

The Department is also currently revising the estimate of abatement for the Energy Efficient Homes package, which includes the Home Insulation Program.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	23
Program:	1.2		
Division/Agency:	DDPD		
Topic:	Green Loans correspondence		
Hansard Page EC:	Written		

Senator Birmingham asked:

I refer to my as yet unacknowledged correspondence to Ministers in relation to the Green Loans program, including letters of:

- a. 15 February 2010 to Minister Garrett, seeking clarification and explanation regarding accredited assessor numbers;
- b. 19 February 2010 to Minister Garrett, seeking advice sought or received regarding possible liabilities and any other adverse consequences;
- c. 3 March 2010 to Minister Wong, enclosing the above letters and a compilation of stakeholder complaints to which responses were sought;
- d. 4 March 2010 to Minister Wong regarding misleading advertising following the discontinuation of the program's loans component;
- e. 8 April 2010 to Minister Wong regarding assessors owed money by the company Green Loans Assessors Co-operative Pty Ltd (GLACO) and any similar cases of non-payment;
- f. 9 April 2010 to Minister Wong regarding ongoing late or overdue payments to assessors;
- g. 9 April 2010 to Minister Wong regarding recourse to financial relief for those who found themselves 'out of pocket' as a result of acting in good faith in the expectation of securing a Loan under the Government's program;
- h. 13 April 2010 to Minister Wong urging the public release of review and audit findings;
- i. 19 April 2010 to Minister Wong regarding how and when any additional home sustainability assessors would be contracted;
- j. 5 May 2010 to Minister Wong regarding as yet unreturned home sustainability assessment reports;
- k. 21 May 2010 to Minister Wong regarding a particular unreturned home sustainability assessment report outstanding since October last year; and
- l. 1 July 2010 to Minister Wong regarding a further particular unreturned home sustainability assessment report outstanding since October last year

1. Has any or all of this correspondence been referred to the Department?
2. If so, on what dates in each case?
3. Have any responses been drafted by the Department, whether for a former or current Minister? If so, please detail.

Answer:

1. Yes.
2. The received dates are as follows:
 - a) 5 March 2010;
 - b) 5 March 2010;
 - c) 5 March 2010;
 - d) 10 March 2010;
 - e) 13 April 2010;
 - f) 13 April 2010;
 - g) 13 April 2010;
 - h) 15 April 2010;
 - i) 21 April 2010;
 - j) 7 May 2010;
 - k) 2 June 2010*; and
 - l) 5 July 2010.

* The Department received a letter from Senator Birmingham dated 31 May 2010 and not 21 May 2010 on the issue outlined in the question.

3. All the above correspondence has been responded to by the Parliamentary Secretary for Climate Change and Energy Efficiency, the Hon Mark Dreyfus QC MP.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	24
Program:	1.2		
Division/Agency:	DDPD		
Topic:	Outstanding claims for payment – Green Loans		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. For the Green Loans Program, how many outstanding claims for payment, and to what value, remain unresolved?
2. What actions have been taken to resolve these claims?
3. Do any of these unresolved claims involve Certified Roofing Pty Ltd? If so, please detail the value of the unresolved claims and actions taken to resolve these claims.

Answer:

1. As of 1 November 2010, there were 74 outstanding claims for payment that remain unresolved with the Green Loans Program. The value of these claims is \$391,770.
2. For any disputed invoices, the assessors are contacted via email and/or telephone in the first instance. The problem with the invoice is clearly stated during this contact. The Department then proactively works with each assessor to resolve the issues and finalise the payment.
3. Privacy reasons do not allow the Department to discuss individual companies' activities.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	25
Program:	1.2		
Division/Agency:	GPSD		
Topic:	Claims for compensation – HIP		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. For the Home Insulation Program, how many claims for compensation has the Department received?
2. How many of these claims have been resolved?
3. What was the total value of compensation both claimed and paid?

Answer:

Legal proceedings seeking damages for personal injury have been initiated against the Commonwealth in connection with the Home Insulation Program by one householder and one ceiling inspector. In addition, as at 12 November 2010, the Commonwealth has received approximately 24 other claims for compensation which have yet to be resolved and are being managed in accordance with the Commonwealth's usual processes.

It is not appropriate to comment on matters before the courts nor on the value of other claims for compensation while those claims are being clarified with claimants and considered.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	26
Program:	1.2		
Division/Agency:	GPSD		
Topic:	Claims for compensation – Green Loans		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. For the Green Loans Program, how many claims for compensation has the Department received?
2. How many of these claims have been resolved?
3. What was the total value of compensation both claimed and paid?

Answer:

No legal proceedings have been initiated against the Commonwealth in relation to the Green Loans Program. As at 12 November 2010, approximately 200 claims for compensation have been received. These have yet to be resolved and are being managed in accordance with the Commonwealth's usual processes.

It is not appropriate to comment on the value of compensation claimed while the claims are being clarified with claimants and considered.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	27
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	HIP – Installer Fraud		
Hansard Page EC:	Written		

Senator Birmingham asked:

I refer to Appendix 10 of the Auditor-General's report regarding actions taken to address installer fraud. How many of the identified measures have been fully implemented and why?

Answer:

The Department has fully implemented the identified actions in Appendix 10 of the Australian National Audit Office (ANAO) Audit Report.

Additionally, the below actions to address installer fraud have been implemented:

- comparison of installation addresses against areas of concern, for example, new suburbs;
- householders were encouraged to obtain more than one quote;
- installers linked to more than one bank account identified;
- continued verification of installers' Australian Business Numbers intermittently following registration;
- fraud detection activities continued during registration, claim, payments processing and post-payment;
- risk-based sampling used to test claims and ensure high coverage of interim period; and
- Certificates of Currency for Insurance provided by installers.

The Department is currently investigating instances of non-compliance with the Terms and Conditions of the Home Insulation Program and will continue to implement actions that assist in identifying and investigating installer fraud.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	28
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Foil Safety Inspection Program		
Hansard Page EC:	EC 59		

Senator Birmingham asked:

Senator BIRMINGHAM—Can you take on notice, please, to provide us with copies of the templates that PwC presumably expect the electricians to return to PwC and with information around the types of data sets that PwC reports to the department?

Mr Bowles—Are you talking about a proforma, blank inspection sheet?

Senator BIRMINGHAM—I am assuming that there is one, and correct me if you do not think there is, but I am assuming that PwC expects electricians to report certain information back to them and that they must, for ease, have developed a type of template for the reporting of that information.

Mr Bowles—Yes, I will take that on notice.

Answer:

Please refer to the response to Senate Estimates Question on Notice No. 52 from the Budget Estimates 2010 hearing.

The response is available at:

http://www.aph.gov.au/Senate/committee/eca_ctte/estimates/bud_1011/ccee/program_1.2_45-69.pdf.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	29
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Hotlines		
Hansard Page EC:	EC 86		

Senator Birmingham asked:

Mr Bowles—From memory, it was immediately after the closure of the program on 19 February. The hotlines would have all been in existence before that, but specifically around the closure. Closure was the 19th and the capacity to ring hotlines was there.

Senator BIRMINGHAM—And what is the average waiting time for somebody who rings?

Mr Bowles—I would have to take that on notice, but I do not think it is that long these days. The numbers have dropped off quite a bit in recent times. But I could take that on notice.

Answer:

The average waiting time for the Safety Hotline from the time that the householder selects the type of insulation by pressing 1 for non-foil or 2 for foil, is 26 seconds. This average is based upon call centre statistics from 27 September 2010 to 28 October 2010.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	30
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Insulation in Public Housing		
Hansard Page EC:	EC 86		

Senator Birmingham asked:

Senator BIRMINGHAM—...Lastly on insulation: have you had discussions with any state governments about the installation of insulation in public housing.

Mr Bowles—Yes, we have.

Senator BIRMINGHAM—Has that occurred in all states?

Mr Bowles—I do not believe it occurred in all states. I think there were two states, from memory.

Senator BIRMINGHAM—Do you have an idea which states they were?

Mr Bowles—I know that one was South Australia and I think the other one was New South Wales, but I would have to take that on notice.

Answer:

The then Department of the Environment, Water, Heritage and the Arts wrote to all the state and territory government housing authorities in October 2009 asking that they inform public housing tenants of their ineligibility to access insulation under the Home Insulation Program (HIP).

In addition, the Department of Climate Change and Energy Efficiency has held discussions with Queensland, New South Wales and South Australia about the installation of insulation in public housing under the HIP.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	31
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Outstanding claims for payment		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. For the Home Insulation Program, how many outstanding claims for payment, and to what value, remain unresolved?
2. What actions have been taken to resolve these claims?
3. Do any of these unresolved claims involve Certified Roofing Pty Ltd? If so, please detail the value of the unresolved claims and actions taken to resolve these claims.

Answer:

1. As at 3 November 2010, approximately 21,000 claims are being reviewed prior to payment. These claims are valued at around \$25 million.
2. A number of claims are being held due to possible non-compliance with the Terms and Conditions of the Home Insulation Program. This could include:
 - a. address verification; and
 - b. householder verification.

There are a small number of claims that have recently been received by the Department, that are undergoing householder verification checks.

3. Privacy provisions prevent the Department from disclosing information about the circumstances of individual installer businesses.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	32
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Reimbursement – HIP		
Hansard Page ECA:	Written		

Senator Birmingham asked:

1. How many installations under the Home Insulation program have been identified as warranting reimbursement or recovery of funds paid to the installer?
2. How many installation businesses have been identified in this process?
3. What is the total value of funds identified for reimbursement or recovery?
4. How many businesses have repaid funds to date?
5. To what value, related to how many installations?
6. Is the Department or Commonwealth pursuing legal action against any installers?
7. If so, against how many, for what sums of money and involving how many installations?

Answer:

1. As at 3 November 2010, 1,639 cases involving recovery of funds had been logged in the Home Insulation Program (the Program) Compliance Database. As compliance activity is still continuing, it is not possible to identify the final number of installations that will be subject to reimbursement or recovery of funds under the Program.
2. As at 3 November 2010, 586 installer companies had been identified with one or more recoveries. The total number of installation businesses subject to reimbursement or recovery of funds is not available at this time.
3. The Department is still undertaking compliance activity and analysis of the Program. As such, the total value of funds for reimbursement or recovery is not available at this time.
4. As at 3 November 2010, 270 installer companies had voluntarily returned funding under the Program.
5. As at 3 November 2010, 270 installer companies reimbursed funds for 563 claims, totalling around \$470,000.
6. The Commonwealth does not speculate on any action it may take in the Program.
7. Please see response to part 6.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	33
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Safety Inspections		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. What are the results, so far, of safety inspections under the Home Insulation Safety Program and Foil Insulation Safety Program?
2. How many houses were found to have dangerous installations, expressed both as a number and a percentage?
3. How many examples of sub-standard or shoddy work were found, expressed both as a number and a percentage?
4. On what grounds has this information been withheld from the public? Who has the department provided this information to?
5. Why have there been concerns about releasing safety inspection figures current to October, given that similar details from March this year were released?
6. How many homes potentially still have dodgy or dangerous insulation installations? Please provide estimates for each of dodgy, dangerous and electrified, and the rationale for arriving at these estimates.

Answer:

Information detailing the results of inspections throughout this year is available at:

- <http://www.climatechange.gov.au/minister/previous/combet/2010/speeches/March/sp20100311.aspx>;
- <http://www.climatechange.gov.au/~media/publications/energy-efficiency/Home-Insulation-Hawke-Report.ashx>; and
- http://www.anao.gov.au/uploads/documents/2010-11_Audit_Report_No_12.pdf.

The public release of any further data from the ongoing inspections could be misrepresented and undermine the program's aim to assure householders that their insulation is safe. For this reason, Home Insulation Safety Program inspection data will be released once an independent analysis of the inspection data has been conducted by a leading independent, internationally recognised, consultancy firm. Following receipt of the independent assessment, the Government will prepare a response and release the report and response to the public.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	34
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Safety Inspections		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. What is the total cost of safety inspections under the Home Insulation Safety Program and Foil Insulation Safety Program? Please provide a breakdown of this expenditure.
2. How many inspections have now been undertaken and where have they been undertaken?
3. If the bulk of safety inspections are not already completed, when is it estimated this will be the case?

Answer:

1. The total estimated expenditure on inspections and rectifications will not be known until the inspection process is complete. The expected cost for the delivery of the Home Insulation Safety Program (HISP) was published in the 2010-11 Department of Climate Change and Energy Efficiency Portfolio Budget Statement. These figures will be refined as the program progresses.
2. As at 31 October 2010, over 100,000 homes have had safety inspections of insulation installed under the Home Insulation Program.

Safety inspections have been dispersed across Australia. The majority of foil insulation inspections have been in Queensland.

3. The HISP is on target to complete 150,000 inspections by June 2011. It is expected that the majority of Foil Insulation Safety Program inspections will be completed by 17 December 2010. The date for closure of the HISP will be informed by the outcome of reports to be completed in early 2011.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	35
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	CSIRO consultancy		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. With reference to the CSIRO consultancy announced on 18 October, what exactly has the CSIRO been asked to do and what are the terms of the consultancy?
2. When must it report by and how much is it being paid?
3. Did CSIRO tender for this contract?
4. If not, why not and how was it awarded this contract?

Answer:

1. The Commonwealth Scientific and Industrial Research Organisation (CSIRO) were asked to develop a risk profile strategy to statistically identify classes of dwelling for inclusion in the Home Insulation Safety Program.
2. An interim report is expected in late December 2010. Forecasted expenditure for the consultancy is estimated at \$250,000 (GST inclusive).
3. The Department of Climate Change and Energy Efficiency selected CSIRO as the preferred supplier after considering two proposals in line with the Commonwealth Procurement Guidelines.
4. Please see response to part 3.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	36
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Fires – HIP		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. How many house fires have now been linked to the Home Insulation Program?
2. What is the estimated total damage?
3. Why did the reporting of the number of house fires stop about a month before the election?
4. Was there any directive from the Minister's office?
5. How many claims of compensation have been placed with the government or from insurance companies to the government as a result of the fires?
6. Have there been any reports of injuries as a result of these fires? If so, please provide details.
7. What arrangements are in place to ensure that every fire associated with the insulation program is recorded?
8. What protocols are in place with fire agencies?
9. Do all fire agencies record the fire even if a fire investigator does not attend?
10. Is there a central roll or database of these fires? If so, please provide a current copy.
11. Please provide a full list of all fires, when they occurred, the damage they caused, the cost, the location and the electorate.

Answer:

1. As at 18 October 2010, 26 fires causing structural damage, and 171 incidents where smouldering and charring were found have been linked to the Home Insulation Program (the Program).
2. The Department is unable to estimate the monetary value of damage.
3. The internal reporting of fires was not suspended during the course of the election. The number of confirmed house fires dropped during this period due to reconciliation of data, and this was not reported until after the election.
4. No.
5. The Department has received a number of claims. It would be inappropriate to comment in detail while these matters are being considered.

6. The Department has had reports of some injuries. It would be inappropriate to comment in detail while these matters are being considered.
7. The Department maintains relationships with all state and territory fire authorities. Staff also monitor media reports for fires and check with fire authorities with regard to cause and relationship to the Program.
8. Protocols around communication and reporting are in place with fire brigades. This allows timely reporting of incidents.
9. As far as the Department is aware, this question relates to state fire authority procedures and is not for the Department to comment on.
10. The information mentioned can be located on the Department's website at:
<http://www.climatechange.gov.au/government/programs-and-rebates/hisp/fraud-and-compliance/incidents.aspx>.
11. Information relating to reported fires by state and method of reporting are provided on the internet.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	37
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Implementation of the HIP		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. With reference to the Auditor-General's report on the Home Insulation Program, who decided that the advice to implement the program over five years should be rejected and why?
2. Was this a Ministerial or Cabinet decision?
3. What was the department's advice then?
4. Why was this advice ignored?
5. What problems did this create in the running of the program?
6. Did the Department take any further steps seeking a longer implementation period?

Answer:

Outcomes of Cabinet decisions are not made public.

These issues happened prior to the Machinery of Government changes of 8 March 2010 and were canvassed in the Australian National Audit Office (ANAO) Audit Report.

The ANAO Audit Report can be found at: http://www.anao.gov.au/uploads/documents/2010-11_Audit_Report_No_12.pdf.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	38
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	HIP criticisms		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. How do staff in the Department feel about reports which said they were to blame for the failings of the Home Insulation Program?
2. Do they believe this criticism is fair or warranted?
3. If not, why not?

Answer:

Please refer to the Department of Climate Change and Energy Efficiency's response to the Australian National Audit Office (ANAO) Audit Report on the Home Insulation Program (page 39 of the report).

The ANAO Audit Report can be found at: http://www.anao.gov.au/uploads/documents/2010-11_Audit_Report_No_12.pdf.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	39
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Job Creation – HIP		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. With reference to conclusions 23 and 25, regarding effectiveness of the program, in the Auditor-General's report, how many jobs did the Department say this program was expected to deliver?
2. How long were these jobs supposed to last?
3. What is the view then of the effectiveness of this program in relation to the creation of jobs, particularly given the initial promises?

Answer:

1. As reported in the Australian National Audit Office report into the Home Insulation Program (the Program) the actual number of jobs created from the Program was not monitored. However, some 12,000 workers were estimated by the then Department of the Environment, Water, Heritage and the Arts to be in the insulation industry by the end of 2009, with an estimated 6,000 to 10,000 new jobs being created by the Program.
2. The Department of Climate Change and Energy Efficiency does not have portfolio responsibility for matters of employment and job creation.
3. The effectiveness of the Program in relation to job creation would suggest it:
 - directly contributed to the creation of thousands of jobs in manufacturing, distribution and installation of insulation during a time of worldwide economic downturn;
 - indirectly created employment opportunities in training, sales, call centres and transport; and
 - provided training opportunities and new skills to over 3,600 new entrants to November 2009.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	40
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Budget – HIP		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. With reference to the approximately \$3.3 billion originally budgeted for the insulation component of the Energy Efficient Homes plan, what is the final cost of this program?
2. How much has been set aside for safety checks?
3. How much has been set aside for compensation?

Answer:

1. The historical appropriation for the insulation component of the Energy Efficient Homes Plan was \$2.8 billion. The amount for the Home Insulation Program (HIP) was reduced to \$2.6 billion and then further reduced to \$2.45 billion after September 2009. The HIP closed on 19 February 2010 with a final cost of \$1.45 billion.
2. Funding is set out in the Portfolio Budget Statements. This will be refined as the Home Insulation Safety Plan matures.
3. The Department will consider each request for compensation on its own merits, funds are not quarantined for compensation.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	41
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Human error – HIP		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. With reference to conclusion 43, regarding risk of human error, in the Auditor-General's report, what does the Department understand is meant in the report by "the inherent risk of human error"?
2. What sort of errors were made?
3. Did the Department try to warn the Minister about errors that were being made?
4. What action was instigated in response, if any?
5. Did the Minister at any stage actively seek advice about such problems?
6. What does the term "significant changes" say about how the program was initially designed and approved by the Minister and Cabinet?

Answer:

Please refer to the Department of Climate Change and Energy Efficiency's response to the Australian National Audit Office (ANAO) Audit Report on the Home Insulation Program (page 39 of the report).

The ANAO Audit Report can be found at: http://www.anao.gov.au/uploads/documents/2010-11_Audit_Report_No_12.pdf.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	42
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	HIP – Fraud		
Hansard Page EC:	Written		

Senator Birmingham asked:

According to the Auditor-General's report, there were 4000 cases of fraud identified.

1. Can you please provide an update on that number?
2. Can you provide more detail about these 4000-plus fraud cases?
3. What were the worst problems?
4. What is the cost to Australian taxpayers of this fraud?
5. Can the Department provide an estimated final cost?

Answer:

1. Firstly, the Auditor-General's report stated '4,000 potential' cases of fraud. KPMG were engaged to undertake a forensic audit to identify possible fraud and outstanding debt. To do this, KPMG developed a Categorisation Matrix based on the Department's Compliance Model of Categorisation that allocated installers into one of three categories (one, two or three). The 4,000 cases referred to in the Auditor-General's report are the registered installers who were initially identified by KPMG as part of the work the Government commissioned. It is not appropriate for the Department to provide details on these cases and assessments as this may compromise investigations.
2. It is not appropriate for the Department to provide details on these cases and assessments as this may compromise investigations.
3. Please see response to part 2.
4. It is not appropriate for the Department to provide details of the costs of fraud until the finalisation of activities in the area as it may compromise investigations.
5. Please see response to part 4.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	43
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Cost Models – HIP		
Hansard Page EC:	Written		

Senator Birmingham asked:

I refer to the statement in 6.33, on page 126 of the Auditor-General's report:

“The ANAO found that the payments made to installers under HIP were significantly higher than the cost of installation calculated using each of the cost models provided in the program guidelines. Specifically 347,789 payments (totalling \$82 million) made to 5484 installers were higher than the cost of installation calculated using the complex cost model”.

1. What is the difference between the “complex model”, the average cost model” and the “straightforward cost model”?
2. How much more was spent on the insulation program than would otherwise have been the case, based on average costs before this program started?
3. What advice was provided before the program started on how much it would cost to install insulation in an average house?
4. How much did it end up being?
5. How much more did it cost, all up?

Answer:

1. The ‘Installation Pricing Table’ was determined from an analysis of claims submitted to the Australian Government between 1 July 2009 and 20 August 2009, for the six most commonly used types of insulation (Cellulose, Glass Wool, Natural Wool, Rock Wool, Polyester and Foil). Further claim analysis occurred periodically to account for increased costs associated with fluctuations in supply and demand.

Straightforward Pricing Table – was modelled on claims for simple/straightforward installations requiring no unnecessary works (i.e. removal of debris, easy access to ceiling cavity, small area).

Average Pricing Table – was modelled on the average cost of all claims (inclusive of straightforward claims and complex/remote claims).

Complex or Remote Pricing Table – was modelled on claims for complex or remote installations (i.e. low ceiling installations, difficult access, remote/rural areas).

2. Assessment of expenditure against initial modelling prior to the commencement of the Home Insulation Program (the Program) shows that the cost of installing 1,164,888 properties under the Program is consistent with the cost of insulating the same number of homes outside of program conditions.
3. Industry estimates at the time of the Program's development indicated the cost of installation ranged between \$660 and \$1,600 per dwelling, depending on complexity. A study commissioned by the Insulation Council of Australia and New Zealand in June 2007 estimated the cost of insulating an average home would be around \$1,200.
4. The average cost of insulation under the Program between 1 July 2009 and 16 November 2009, was around \$1,440 (home-owner) and around \$1,137 (Low Emissions Assistance Plan for Renters).

The average cost of insulation under the Program between 7 November 2009 and 19 February 2010 was \$1,171.27.

5. As at 3 November 2010, the Department has received 1,164,888 claims, totalling around \$1.5 billion.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	44
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	HIP – Compensation		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. What compensation has been paid to the families of the four young men who were killed working as part of the Government's program?
2. If none has been paid, why not?

Answer:

1. At this stage no compensation has been paid by the Department to the families. However, in July 2010, Minister Combet agreed to the Department offering legal support to the parents or approved guardians of the deceased installers during the coronial inquiry process. All of the families have accepted this offer.
2. There have not been any claims lodged with the Commonwealth for compensation from the families.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	45
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	HIP – Compensation		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. How much has now been paid to compensate business owners?
2. How much more does the Department expect will be paid?

Answer:

Please refer to response to Question on Notice No. 48.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	46
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	HIP – Compensation		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. Is the Government examining options for compensation to other groups, for example businesses that were indirectly hurt by the mismanagement of the program?
2. If so, please provide details. (Or if not, why not?)
3. Has the Government been engaged in talks regarding a class action by members of the insulation industry?
4. Has a settlement been reached?
5. How many plaintiffs are there?
6. What amount has been or is being sought?

Answer:

1. No. The Government has provided in excess of \$51 million in assistance packages to industry.
2. Please see response to part 1.
3. Claims for compensation have been made on behalf of installers who participated in the Home Insulation Program. The Department of Climate Change and Energy Efficiency is unable to comment on these claims while they are being considered.
4. Please see response to part 3.
5. Please see response to part 3.
6. Please see response to part 3.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	47
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	HIP Consultancies		
Hansard Page EC:	Written		

Senator Birmingham asked:

Please provide a full list of consultancies engaged as part of the Home Insulation Program, detailing names, the purpose of the consultancy, the cost and when it was done, as well as the expected completion date and actual completion date.

Answer:

The list of consultants that were engaged under the Home Insulation Program (the Program) since the Program has commenced is available on the AusTender website:
<https://www.tenders.gov.au/>.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	48
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Insulation Industry Assistance Package		
Hansard Page EC:	Written		

Senator Birmingham asked:

I refer to answers to Questions on Notice BI-112 and BI-113 from AusIndustry through the May 2010 Budget Estimates in the Senate Economics Committee indicating that the \$15 million compensation fund under the Insulation Industry Assistance Package has already been exhausted with only about 60 per cent of the claims having been paid.

1. How much has this scheme now cost taxpayers? What proportion of claims has been paid?
2. What is the estimated final total cost of compensation payments?
3. Can you provide a table, similar to the one in the answer to question on notice BI-113, detailing payments made, to whom and when, and what proportion of total available funds has been used?

Answer:

1. As at 3 November 2010, over \$21 million has been paid in industry assistance to companies. This represents 98 per cent of assessed applicants.
2. The Government will announce the final figure when all remaining applications have been assessed and finalised.
3. The Insulation Industry Assistance Package is administered by AusIndustry and given previous details regarding payments to installers that were provided by AusIndustry, this question is more appropriately directed to the Department of Innovation, Industry, Science and Research.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	49
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	HIP – Assistance		
Hansard Page EC:	Written		

Senator Birmingham asked:

Is the Department examining any other forms of assistance for businesses hurt by the failure of the Home Insulation Program?

Answer:

No, the Department is not examining any other forms of assistance at this time.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome: 1 **Question No:** 50
Program: 1.2
Division/Agency: HIPRO
Topic: Excess Insulation
Hansard Page EC: Written

Senator Birmingham asked:

1. Is the Department involved in any measures to deal with the large amounts of insulation that belonged to companies that ceased trading or were forced to sell?
2. Where is all this insulation going?

Answer:

1. No.
2. Not applicable.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	51
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Insulation Industry Assistance Package		
Hansard Page EC:	Written		

Senator Birmingham asked:

With reference to the Auditor-General's report into the Home Insulation Program, the Auditor-General indicates he did not investigate the Insulation Industry Assistance Package.

1. Why was that?
2. Given the significant costs involved, is there merit in reviewing this expenditure?
3. What reviews of expenditure are in place to ensure proper checks and balances not evident in the original insulation program?

Answer:

1. The Department is unable to comment on the objectives and scope of third party reports. The scope and objectives of the Australian National Audit Office (ANAO) Audit Report into the Home Insulation Program were determined by the Auditor-General and can be found in Chapter 1 of the report.
2. Please see response to part 1.
3. Please refer to the Department's response to the ANAO Audit Report on the Home Insulation Program.

The ANAO Audit Report can be found at:

http://www.anao.gov.au/uploads/documents/2010-11_Audit_Report_No_12.pdf.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	52
Program:	1.3		
Division/Agency:	HIPRO		
Topic:	Installers		
Hansard Page EC:	EC 80		

Senator Fisher asked:

Senator FISHER—There are two questions essentially. Firstly, how many homes were insulated under the Home Insulation Program. Secondly, how many of those homes insulated under the Home Insulation Program had insulation installed by installers who were not licensed under the South Australian regime—the Building Work Contractors Act 1995?

Mr Bowles—We should be able to get the answer to the first question. I am not quite sure. It might be an issue that we have to deal with South Australia on. I will take it on notice.

Answer:

As at 3 November 2010, the Department has received 1,164,888 claims totalling \$1,526,820,000.48.

As at 3 November 2010, the Department has received 38,802 claims totalling \$48,829,201.10 for installations in South Australia.

As at 3 November 2010, the Department has received 12,168 claims totalling \$15,125,366.48 for homes in South Australia insulated by installers not licensed under the South Australian *Building Work Contractors Act 1995*.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	53
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Installers		
Hansard Page EC:	EC 82		

Senator Fisher asked:

Senator FISHER—Regarding the figure provided by the South Australian government relating to audits since July 2009, how many of those relate to installers insulating under the Home Insulation Program?

Mr Bowles—I do not know. I would have to take that notice and we would need to understand the specific details. I am not across what happened in the South Australian estimates process.

Answer:

The South Australian Office of Consumer and Business Affairs has advised the Department as follows:

The 61 installers under investigation by the Office of Consumer and Business Affairs, and the 15 installers being scrutinised for possible enforcement action, all installed insulation under the Home Insulation Program.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	54
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Installers		
Hansard Page EC:	EC 82		

Senator Fisher asked:

Senator FISHER—Did the 61 installers being investigated by OCBA in South Australia and the 15 being scrutinised for possible enforcement action, according to South Australian Minister Gago, perform insulation work under the Home Insulation Program?

Mr Bowles—Again, I do not know the specifics of the 61 or the 15 referred to by the South Australian minister. It is likely that some may have been, but it is also likely that they could be from other insulation measures.

Senator FISHER—Will you pursue that with the South Australian government?

Mr Bowles—I will take that on notice.

Answer:

Yes.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	55
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Installers		
Hansard Page EC:	EC 82		

Senator Fisher asked:

Senator FISHER—Earlier answers to questions on notice indicated that 155 installers doing work under the Home Insulation Program in South Australia were deregistered. So, of the original numbers registered under the Home Insulation Program to do work in South Australia, 155 were deregistered. How many of those were not licensed under the South Australian legislation?

Dr Parkinson—You are asking us a series of very detailed—

Senator FISHER—Can you take that on notice?

Dr Parkinson—We can take it on notice, but I am just saying that you are asking a series of very detailed questions which we will have to consult the South Australians on.

Answer:

At the closure of the Home Insulation Program, there were 358 installer businesses registered in South Australia and 155 installer businesses that had been deregistered.

Of those that were deregistered, the Department had received evidence from the Office of Consumer and Business Affairs that suggests that 112 installer businesses were not licensed under the South Australian *Building Work Contractors Act 1995*.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	56
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Ministerial Correspondence		
Hansard Page EC:	EC 83		

Senator Fisher asked:

Senator FISHER—Can you, after the dinner break, indicate whether or not the government has sent my letters to the department for advice?

Mr Bowles—I doubt very much that we will be able to do that after the dinner break. If we take it on notice, we can endeavour to find out for you.

Answer:

The Department has received ministerial correspondence from Senator Fisher. This correspondence is being responded to accordingly.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	57
Program:	1.1		
Division/Agency:	REED		
Topic:	REFF – guidelines		
Hansard Page EC:	Written		

Senator Birmingham asked:

Has the Department developed guidelines for the expenditure of the Renewable Energy Future Fund? If so, please provide copies of such guidelines.

Answer:

On 11 May 2010, the Government announced it would commit a further \$652.5 million over four years to establish a Renewable Energy Future Fund (REFF) to support Australia's response to climate change. The REFF would provide additional support:

- for the development and deployment of large and small scale renewable energy projects, for example further investments in geothermal, solar and wave energy; and
- to enhance take-up of industrial, commercial and residential energy efficiency, helping Australian businesses and households reduce their energy consumption.

The Department is currently developing guidelines for the measures under the REFF for which it has responsibility noting that the REFF will be delivered through a number of departments and agencies.

Detailed program guidelines and eligibility criteria for assistance under each program stream will be determined following consultation with key stakeholders.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	58
Program:	1.1		
Division/Agency:	REED		
Topic:	REFF – targets		
Hansard Page EC:	Written		

Senator Birmingham asked:

Does the Department have any targets for outcomes from the Renewable Energy Future Fund? If so, please detail those targets?

Answer:

Program level guidelines for programs which may be funded by the Renewable Energy Future Fund are under development.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	59
Program:	1.2		
Division/Agency:	REED		
Topic:	Energy efficiency costs and benefits		
Hansard Page EC:	EC 78		

Senator Cameron asked:

Mr McGlynn—Under the Building Code of Australia there are regular updates. In 2010 there were a number of updates to increase the energy efficiency standards for commercial buildings, including in a number of the areas that you have mentioned. Before any changes of a regulatory nature are made to the building code they are subject to a regulatory impact statement process which is undertaken by the Australian Building Codes Board on behalf of the Building Ministers Forum, who make the final decisions on these matters. The costs and benefits of those changes will be in the regulatory impact statement that was prepared for that change.

CHAIR—And you cannot tell me what the regulatory impact statement said?

Mr McGlynn—I do not have that information with me right now. We can take that on notice.

Answer:

The regulation impact statement for changes to the energy efficiency provisions for commercial buildings in the 2010 Building Code of Australia (*Final Regulation Impact Statement for Decision (RIS 2009-07) Proposal to Revise the Energy Efficiency Requirements in the BCA for Commercial Buildings – Classes 3 & 5 to 9*) is available online at www.abcb.gov.au.

The benefit cost ratio of the energy efficiency provisions for commercial buildings in the 2010 Building Code of Australia was determined to be 1.61 in the final regulation impact statement. In dollar terms, this represents total benefits of \$2.9 billion, total costs of \$1.8 billion and total net benefits of \$1.1 billion. Sensitivity analysis performed in the final regulation impact statement indicated “*additional scope for upward movement in the estimated benefit cost ratio*”.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	60
Program:	1.2		
Division/Agency:	REED		
Topic:	Glazing		
Hansard Page EC:	EC 78		

Senator Cameron asked:

CHAIR—What about glazing? Do we have a capacity to manufacture any of the glazing or is this an import in terms of new standards on glazing?

Ms Walsh—I do not have the figures to hand as to what proportion of the market is manufactured in Australia but I could get those on notice.

Answer:

Australian window manufacturers supply approximately 55 to 60 per cent of the domestic glass market. High performance products, such as tinted or coated glass, are manufactured in Australia at higher proportions, ranging from 75 to 90 per cent annually.

The energy efficiency provisions in the 2010 Building Code of Australia for commercial buildings can be achieved through a number of glazing solutions such as glass tinting and coating, window frame treatments, as well as double glazing. The Australian Window Association has advised that based on research from 2009, 86 per cent of its members are producing high performance products and that industry confidence to meet increasing demand for these products (driven by 2010 Building Code of Australia changes) is high.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	181
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Home Insulation Safety Program		
Hansard Page EC:	Written		

Senator Birmingham asked:

Are concerned householders able to request an inspection under the Home Insulation Safety Program (HISP)? How many have done so? How many inspections have occurred? How are these requested inspections factored into the statistical modelling that is guiding the selection of other homes to be inspected?

Answer:

Any household that has safety concerns with their insulation installed under the former Home Insulation Program can call the Safety Hotline on 13 17 92 and request an inspection at their convenience.

As of 8 November 2010, a total of 15,650 households have requested an inspection. A total of 14,737 households have received an inspection, with 575 households booked for an inspection which is to occur shortly. Scheduling for the remainder is still to occur.

All inspection data is fed into the PricewaterhouseCoopers risk profile for the broader Home Insulation Safety Program.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	182
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	HIP – risks		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. With reference to conclusion 51, regarding pressure on staff, in the Auditor-General's report, did the Department try to warn the Minister before the program started that it could potentially face risks such as these?
2. Do staff feel aggrieved that, having tried to warn the Government that rushing the program's implementation could lead to problems, the Department has now been blamed for the problems that predictably occurred?
3. How many staff left the division, or Department altogether, in order to escape these difficulties?

Answer:

The Department is unable to comment on decisions made in relation to the Home Insulation Program (HIP) prior to the Machinery of Government (MoG) changes of 8 March 2010.

Minter Ellison was engaged to prepare a preliminary risk assessment of the HIP prior to implementation. The risk assessment identified internal capacity to deliver the program as a risk.

The risk assessment is available on the Department of Sustainability, Environment, Water, Population and Communities website – <http://www.environment.gov.au/about/reporting.html>.

The Department is not able to comment on staff turnover rates prior to the MoG changes of 8 March 2010.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	183
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	HIP – recommendations		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. When did the department first recommend that the program be scrapped?
2. How long was this before the program was scrapped?
3. Who made the call, to whom, and when was the Minister first advised.
4. Did the Minister make a recommendation to Cabinet or his colleagues?

Answer:

The Department is unable to comment on decisions made in relation to the Home Insulation Program prior to the Machinery of Government changes of 8 March 2010.

The Australian National Audit Office (ANAO) Audit Report outlines the changes to the Home Insulation Program, introduced over time, in response to safety and quality concerns.

The ANAO Audit Report can be found at: http://www.anao.gov.au/uploads/documents/2010-11_Audit_Report_No_12.pdf.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	184
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	HIP – risks		
Hansard Page EC:	Written		

Senator Birmingham asked:

Did the Department feel that they were being forced to place stimulus over safety? What were the “inherent risks”? Did the Department try to warn the Minister of these inherent risks? How? When? How many times?

Answer:

The Department is unable to comment on decisions made in relation to the Home Insulation Program (HIP) prior to the Machinery of Government changes of 8 March 2010.

The Australian National Audit Office (ANAO) report outlines the changes to the HIP, introduced over time, in response to safety and quality concerns. Please also refer to the Department’s response to the ANAO Audit Report on the HIP (page 39 of the report).

Minter Ellison was engaged to complete a risk assessment for the HIP. The preliminary risk assessment is available on the Department of Sustainability, Environment, Water, Population and Communities website – <http://www.environment.gov.au/about/reporting.html>.

Identification and treatment of risks is outlined in the ANAO Audit Report, pages 72 to 78.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2010-2011, October 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	185
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	HIP – fraud		
Hansard Page EC:	Written		

Senator Birmingham asked:

I refer to Conclusion 24 in the Auditor-General's report – "By November 2009, the volume of claims and increasing number of installations identified with quality, safety and potential fraud issues, overwhelmed the department and it was unable to recover the situation."

1. Was the department surprised at the volume of fraud and other problems that "overwhelmed the department", particularly given the original warnings to the Minister and Cabinet?
2. What did the department try to warn the Minister?
3. What did he do?
4. What action was taken to deal with the safety and fraud issues? When?
5. How long did it take the Minister to act?
6. Were the Minister's actions entirely effective in stemming the fraud and safety problems?

Answer:

The Department is unable to comment on decisions made in relation to the Home Insulation Program prior to the Machinery of Government changes of 8 March 2010.

The Australian National Audit Office (ANAO) Audit Report acknowledges the challenges of rolling out a complex program in a short timeframe. A comprehensive list of audit findings and conclusions is outlined in the ANAO Audit Report.

The Department has welcomed the findings of the Audit Report and has introduced a number of measures to address fraud and compliance risks. The implementation of remediation programs to address safety and quality concerns is addressed in Section 8 of the ANAO Audit Report.