

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

Supplementary Budget Estimates, 15 October 2012

Answers to Questions on Notice

Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	110
Program:	1.2		
Division:	EED		
Topic:	Local Government Energy Efficiency Program/Home Energy Saver Scheme		
Hansard Page EC:	Written		

Senator Birmingham asked:

What funding has so far been spent under each of the Local Government Energy Efficiency Program and the Home Energy Saver Scheme? In each case, how many solar or heat-pump hot water systems, energy-efficient whitegoods and heating and cooling systems has this money assisted in purchasing?

Answer:

The Local Government Energy Efficiency Program (LGEEP) opened for applications on 21 November 2012. To date no solar hot water or heat-pump systems have been purchased. As such, no funding has been spent under LGEEP.

The Home Energy Saver Scheme (HESS) is administered by the Department of Families, Housing, Community Services and Indigenous Affairs.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	111
Program:	1.2		
Division:	EED		
Topic:	Renewable Energy Bonus Scheme – Solar Hot Water Rebate		
Hansard Page EC:	Written		

Senator Birmingham asked:

What portion of the \$24.5 million budgeted to be spent in 2012-13 under the Renewable Energy Bonus Scheme – Solar Hot Water Rebate (Solar Hot Water Initiative as per the Portfolio Additional Estimates Statements 2011-12) has been spent? On what was it spent? If there is any underspend, what has happened or is happening to the remaining unspent funds?

Answer:

In the Portfolio Budget Statements 2012-13 released on 8 May 2012, the 2012-13 budget allocation for Renewable Energy Bonus Scheme – Solar Hot Water Rebate (REBS) was adjusted to \$500,000. As at 15 November 2012, \$196,227 had been spent in 2012-13 on final approved REBS rebates. Any unspent funds from the 2012-13 REBS allocation will be returned to the budget.

On 6 June 2012, the Parliamentary Secretary for Climate Change and Energy Efficiency, the Hon Mark Dreyfus MP QC, announced that the \$44.7 million remaining from REBS (\$20.7 million from 2011-12 and \$24 million from 2012-13) will be used to support two national programs assisting local communities and low income families become more energy efficient. \$24 million was allocated to the new Local Government Energy Efficiency Program and \$20.7 million to the existing Home Energy Saver Scheme.

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Outcome:	1	Question No:	112
Program:	1.2		
Division:	EED		
Topic:	Charities, maritime and Aviation Support Program		
Hansard Page EC:	EC45		

Mr Divall: Time to pay from eligibility is around a week, so they had probably been on the books for a week, but I could just check with my colleagues.

Senator BIRMINGHAM: If somebody is able to provide that, then we can get a sense of how long it is taking to assess each of these.

Answer:

Once AusIndustry receives a complete application under the Charities Maritime and Aviation Support Program, it takes approximately one week to assess eligibility and determine funding assistance.

Once details of an eligible application for funding assistance are provided to the Department, it takes approximately one week further to process and make the payment.

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Outcome:	1	Question No:	113
Program:	1.2		
Division:	EED		
Topic:	Charities, Maritime and Aviation Support Program		
Hansard Page EC:	EC45		

Senator BIRMINGHAM: For the 13 under consideration, how long has there been toing and froing over some of those?

Dr Richards: A couple of them have been, I think, a couple of months. I would have to go back and check details. I will take that on notice.

Answer:

Delays of up to 12 weeks have been experienced when applications for funding assistance under the Charities Maritime and Aviation Support Program received by AusIndustry are incomplete. In these instances, AusIndustry contacts the applicant in question and requests the necessary information to complete the assessment. However, complete applications are typically assessed in around one week.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	114
Program:	1.2		
Division:	CSD		
Topic:	Debt recovery		
Hansard Page EC:	EC48		

Senator BIRMINGHAM: What are they paid if they do not get anything back?

Dr Banerjee: I would have to take that on notice. There is a sliding scale of costs for each debt referred depending on the amount of each individual debt. I would have to take on notice the details of those schedule arrangements.

Answer:

The total cost for mercantile agent activity on all Home Insulation Program and Insulation Industry Assistance Package debt is estimated to be a maximum of \$114,800 (GST excl).

The mercantile agent is paid a fee for each debt, regardless of whether they recover the debt or not.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	115
Program:	Corporate		
Division:	CSD		
Topic:	Debt recovery		
Hansard Page EC:	EC49		

Senator BIRMINGHAM: Are you able to tell me what the largest of the 2,500 debts, the full population, is?

Dr Banerjee: I would have to take that on notice.

Answer:

At 13 November 2012, the largest outstanding debt for collection is \$550,000.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	116
Program:	1.2		
Division:	CSD		
Topic:	Debt recovery		
Hansard Page EC:	EC49		

Senator BIRMINGHAM: Is there a value placed on that tender?

Dr Banerjee: I would have to check the express value of the tender. I have given the details of the fee. We will take that on notice.

Answer:

The Department's practice is to release tenders without a specified value.

The Mercantile Agent contract was let with a maximum limit of \$400,000 (GST incl), based on the total value of debt at that time and estimated future debt.

The total estimated cost for Mercantile Agent collection of debt arising from the Home Insulation Program and the Insulation Industry Assistance Package is \$114,800 GST exclusive (\$126,280 GST inclusive).

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Outcome:	1	Question No:	117
Program:	1.2		
Division:	CSD		
Topic:	Debt recovery		
Hansard Page EC:	EC50		

Senator BIRMINGHAM: Have the oldest of these debts, which are now 19 months old, been referred to the mercantile agent?

Dr Banerjee: I would have to take that on notice, Senator.

Answer:

As at 16 November 2012, 176 of the oldest outstanding debts raised under the Home Insulation Program (debts raised on 2 March 2011), were with the mercantile agent for recovery.

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Outcome:	1	Question No:	118
Program:	1.2		
Division:	CSD		
Topic:	Debt recovery		
Hansard Page EC:	EC50		

Senator BIRMINGHAM: You make a valid point by stating in claims. So for the 2,494 bad debts that the government is chasing under the insulation program, how many claims does that relate to?

Dr Banerjee: I am not sure; I will have to take that on notice.

Senator BIRMINGHAM: But if \$23.8 million of rejected claims relates to—how many installers for the rejected claims?

Dr Banerjee: 19,600 claims—I am not sure how many installers; I would have to take that on notice.

Answer:

Of the 2,494 debts raised under the Home Insulation Program, 2,448 debts relate to 26,401 ineligible claims. The number of claims relating to the remaining 46 debts is not recorded.

The 19,600 claims relate to 788 installers.

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Outcome:	1	Question No:	119
Program:	1.2		
Division:	CSD		
Topic:	Green loans program – fraud		
Hansard Page EC:	EC51		

Senator BIRMINGHAM: Within the Green Loans Program, I understand that there are also cases of possible fraud under investigation.

Dr Banerjee: I would have to take that on notice, Senator.

Senator BIRMINGHAM: Answer to question 107 from the last estimates indicates:

... there were three Green Loans program-related cases referred to, and under assessment by, the Department's Investigations and Intelligence Branch for further investigation for possible fraud or serious non-compliance.

... ..

One of the cases has also been referred to a state law enforcement agency for further investigation.

Dr Banerjee: Yes. What I need to take on notice is, of the portfolio of cases that I mentioned to you, the 41—two plus the 39—how many of those refer to Green Loans.

Answer:

The Department currently has four matters under fraud investigation relating to the Green Loans Program. One of these cases has been referred to Victorian Police.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	120
Program:	1.2		
Division:	CSD		
Topic:	Fraud – referral to law enforcement agencies		
Hansard Page EC:	EC51		

Senator BIRMINGHAM: Can I then draw a distinction. You said there are two cases before the court and 39 are still under investigation by the department. Answer 107 relating to Green Loans says that one has also been referred to a state law enforcement agency for further investigation. That, I assume, would be one of the 39. Have any more within that group of 39 been referred to other law enforcement agencies for further action beyond the department?

Dr Banerjee: I would have to check the details of that.

Answer:

Of the current investigations caseload: one matter has been referred to the Australian Federal Police; one to the Australian Taxation Office; and one to Victoria Police.

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Outcome:	1	Question No:	121
Program:	1.2		
Division:	LSB		
Topic:	Value of claims		
Hansard Page EC:	EC52		

Senator BIRMINGHAM: To a value of?

Dr Banerjee: I would have to check, Senator, about the level of disaggregation that we can provide on individual cases.

Senator BIRMINGHAM: I was not actually looking to get the value of each of those three claims.

Dr Banerjee: I can take that on notice.

Answer:

To a value of \$36,452.63.

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Outcome:	1	Question No:	122
Program:	1.2		
Division/Agency:	EED		
Topic:	Tri-generation systems		
Hansard Page EC:	EC52-53		

CHAIR: Can you give me an update on what the tri-generation systems do, what the benefits are and why they should be in this program?

Mr Divall: I might ask Dr Richards to cover that off.

Dr Richards: If we could put that on notice.

Answer:

Tri-generation uses various fuels, including petroleum products, natural gas, biomass, biogas and coal to simultaneously produce three forms of energy: electricity, thermal energy (heating) and cooling. The majority of tri-generation facilities installed in Australia use natural gas due to its availability, cost and greenhouse intensity.

A tri-generation system can provide electricity, hot water, space heating and air-conditioning to a facility from a single system.

The advantage of tri-generation is the simultaneous generation of electrical power and thermal energy which achieves greater energy efficiency than conventional systems that produce power and heat separately.

Tri-generation is a proven technology that has substantial potential to improve energy efficiency and reduce operational costs in community use buildings and facilities. It serves as a demonstration of improved energy management practices and is consistent with the Community Energy Efficiency Program's objectives of supporting local councils and community organisations to improve energy efficiency and amenity of buildings and community facilities.

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Outcome:	1	Question No:	123
Program:	1.2		
Division:	EED		
Topic:	GEMS		
Hansard Page EC:	EC55		

CHAIR: What is the contribution you are expecting from New South Wales?

Mr Bailey: I might take that on notice.

Answer:

According to the GEMS Intergovernmental Agreement, the contribution New South Wales (NSW) is expected to make in 2013-14 is about \$660,000.

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Outcome:	1	Question No:	124
Program:	1.2		
Division:	EED		
Topic:	Energy Efficiency Information Grants Program – trade union applications		
Hansard Page EC:	EC59		

CHAIR: Were there any applications from any trade unions to provide information to their membership?

Dr Richards: No successful, and I would have to take on notice whether there were any applications made.

CHAIR: You said no successful. You are saying you will have to find out whether there were any.

Dr Richards: There were 28 successful, sorry; I have it in front of me. I will have to check the list of unsuccessful to confirm.

Answer:

There were no applications (successful or unsuccessful) from trade unions.

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Outcome:	1	Question No:	125
Program:	1.2		
Division:	EED		
Topic:	Energy Efficiency Information Grants Program - websites		
Hansard Page EC:	EC59		

CHAIR: Can you provide the committee details of any of the websites that are up and running on this and whether they are publicly accessible websites?

Dr Richards: Yes. As to the qualification they will be able to provide the website of the organisation on the presumption that they will provide this information through that main organisational website.

CHAIR: Can I put you on notice that I will be following some of these issues up for the estimate rounds.

Answer:

There is currently only one grant recipient that has developed a website under the Energy Efficiency Information Grants Program, which is The Hills Holroyd Parramatta Migrant Resource Centre. Their project, titled the '3E Project', has a website located at <http://3eproject.org.au>.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	126
Program:	1.2		
Division:	EED		
Topic:	National Solar Schools Program		
Hansard Page EC:	Written		

Senator McKenzie asked:

In relation to their audit of the National Solar Schools Program, the ANAO have found that “applicants seeking the maximum amount of funding are better able to achieve a higher score as they can achieve economies of scale (and therefore achieve a higher score against the value for money criterion) and larger environmental outcomes (and therefore achieve a higher score against the environmental benefits criterion). These two criteria make up 85% of the scoring for the program.

As a result, how has the Department treated applications for smaller rural schools unlikely to show large economies of scale or environmental benefits when compared with larger, urban schools? Please provide statistics relating to the breakdown of rural, regional and urban schools funded under the program, particularly for Victoria.

Answer:

All National Solar Schools Program (NSSP) applications were assessed using merit-based criteria, meaning schools had to demonstrate value for money, as well as environmental and educational benefits. Applications from schools located in remote or low socio-economic areas received additional weighting to allow funding to be directed to schools most in need.

Nationally, over 5,300 schools have been awarded funding, consisting of approximately 1,534 low socio-economic schools and 340 remote and very remote schools. Of this total, in Victoria 1,126 schools have been funded under the NSSP, of which 206 are low socio-economic schools and 8 are remote and very remote schools.

For the purposes of the NSSP, schools classified as low socio-economic are those located in the lower 30 per cent of the Australian Bureau of Statistics' Index of Relative Socio-economic Disadvantage, and remote schools are those located in remote or very remote areas in the Accessibility/Remoteness Index of Australia (ARIA). The table below provides a breakdown of schools funded (in Victoria and nationally) against the ARIA classifications.

The program does not classify schools by rural, regional and urban.

Broadly there is an even spread of funded schools across each ARIA classification as illustrated below. Please note that not all eligible schools have chosen to apply for funding.

	No. of eligible schools	No. of Paid Schools	% NSSP funded schools	No. of Total eligible schools	No. of Total Paid Schools	% NSSP funded schools
ARIA Classification	VICTORIA			ALL AUSTRALIA		
Major Cities of Australia	1229	571	46%	4530	2517	56%
Inner Regional Australia	706	414	59%	2329	1441	62%
Outer Regional Australia	227	133	59%	1490	1005	67%
Remote/Very remote Australia	11	8	73%	606	340	56%
Grand Total	2173	1126	52%	8955	5303	59%