

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

Budget Estimates 2010-2011, May 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	19
Program:	1.2		
Division/Agency:	DDPD		
Topic:	Solar Homes & Communities Plan (SHCP)		
Hansard Page ECA:	Written		

Senators BIRMINGHAM / FISHER asked:

This program includes \$122 million for 2010-2011. It included \$241 million in 2009-2010.

1. Why is there still \$122 million for the program, a year after it was axed?
2. What are the funds being used for?
3. Why the delay?
4. How many approved orders for solar panels still to be installed?
5. How many people are waiting to receive payments from the government?

Answer:

1. Funding in 2010-11 is to meet the cost of paying rebates for outstanding pre-approved solar power system installations, once installation reports are provided to the Department.
2. The funds are used to pay rebates for pre-approved solar systems installed in accordance with SHCP program rules.
3. The initial pre-approval process was longer than usual due to the large influx of applications in the final weeks of the program. Approximately 70,000 applications were received from early May 2009 through to the closure of the program to new applications on 9 June 2009. These applications had to be checked, matched and processed before applicants were notified of the result. The majority of pre-approvals were granted on 6 October 2009.

Applicants have nine months to install their systems. Once installation is complete, applicants have eight weeks to provide a correctly completed installation report to the Department.

4. At 31 August 2010, it is estimated that there are less than 4,500 pre-approved solar systems still to be installed.

5. As of 31 August 2010, there were 2,378 installation reports to be processed. SHCP is currently processing correctly completed installation reports in less than five weeks from the date of receipt. Once installation reports are approved, it takes up to two weeks for rebate payments to be made. Current processing and payment times are within the target processing timeframe of six weeks indicated in the SHCP program guidelines.

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Outcome:	1	Question No:	20
Program:	1.2		
Division/Agency:	DDPD		
Topic:	Green Loans Assessors		
Hansard Page ECA:	Written		

Senator XENOPHON asked:

1. Given that many small businesses and individuals outlaid large amounts of their own money or went into debt to undertake training to become assessors, how does the Government intend to compensate them now that their businesses may not be viable under the changes made to the scheme?
2. What changes has the Government implemented to ensure that assessors are paid within suitable timeframes?
3. Are there any alternative employment options in the field available to people who have trained as assessors under the scheme?
4. What types of assistance in terms of finding other work and dealing with financial difficulty is the Government offering to assessors now that the program may not offer them the opportunities originally promoted?
5. Why did the Department not notify ABSA (the assessor accreditation body) of the proposed changes to the scheme?
6. What information did the Department have on how the changes would affect assessors and their investments, and was this information taken into account when changes to the scheme were made?

Answer:

1. The decision to seek to become an accredited assessor has always been an individual, commercial decision. Assessor contracts make it clear that there is no guarantee of work under the Program.
2. The Government has increased staffing and improved internal business processes to improve invoice processing times. As a result, as at 31 August 2010, all correctly rendered invoices are being paid within 30 days, as per Government policy. Correctly rendered invoices have been paid within the 30-day timeframe since May 2010. Information on payment timeframes is available and regularly updated on the Green Loans Program website.

3. On 8 July 2010, the Minister for Climate Change, Energy Efficiency and Water announced that the Green Loans Program would transition to a grants-style Green Start Program later in 2010. Round one of this Program will provide employment options for assessors with grants to be awarded through a competitive process to accredited assessors and organisations who can deliver high quality energy assessments.
4. As a part of the targeted stakeholder consultation being undertaken to inform the design of Round one of Green Start, the Government will consider transitional arrangements.
5. The Government notified the Association of Building Sustainability Assessors (ABSA) about the changes to the Green Loans Program on 19 February 2010. ABSA was notified of the changes prior to the public announcement.
6. The Government took into account the number of available assessments when setting the caps on contracted assessor numbers, and daily and weekly assessment bookings, as announced on 19 February 2010.

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Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	21
Program:	1.2		
Division/Agency:	CSD		
Topic:	Program Budgets		
Hansard Page ECA:	Written		

Senator BIRMINGHAM asked:

For each of the programs identified in Table Program Expenses 1.2 as corrected in the Corrigendum, namely

- Renewable Remote Power Generation
- Solar Cities
- National Energy Efficiency Initiative
- Energy Efficiency Programs
- Climate Change Action Fund
- Solar Homes and Communities Plans (sic)
- Solar Hot Water Initiative
- Green Loans
- Home Insulation Program
- Industry Program
- Foil Inspection Safety Program
- Home Inspection Safety Program
- Low Emission Assistance Plan for Renters
- Green Start
- National Solar Schools Plan,

please detail for each year of the forward estimates:

- a. On what basis were the amounts budgeted?
- b. What amount of the budgeted funding is expected to be provided in grants or payments to external contractors?
- c. What amount of the budgeted funding is expected to be related to departmental expenses and administrative costs?
- d. What is the Government's target for the services or grants that will be delivered under the program

Answer:

(a) and (b) – refer to the following table.

Program	Basis (a) \$'000	2010-11		2011-12		2012-13		2013-14	
		Grants (b) \$'000	Contractors * (b) \$'000	Grants (b) \$'000	Contractors * (b) \$'000	Grants (b) \$'000	Contractors * (b) \$'000	Grants (b) \$'000	Contractors* (b) \$'000
Renewable Remote Power Generation	a.1	7,300	-	-	-	-	-	-	-
Solar Cities	a.1	10,019	-	15,419	-	3,730	-	-	-
National Energy Efficiency Initiative	a.1	56,459	-	28,230	-	9,410	-	-	-
Energy Efficiency Programs	a.1	4,670	600	4,510	600	4,470	-	-	-
Climate Change Action Fund	a.1	-	-	-	-	-	-	-	-
Solar Homes and Communities Plans	a.1	122,166	-	-	-	-	-	-	-
Solar Hot Water Initiative	a.1	236,700	700	240,500	800	-	-	-	-
Green Loans	a.1	120,680	-	-	-	10	-	-	-

Home Insulation Program (including Industry, Foil Inspection Safety and Home Inspection Safety Programs)	a.2	672,470	51,421	-	17,603	-	-	-	-
Low Emission Assistance for Renters	a.1	-	-	-	-	-	-	-	-
Green Start	a.1	79,450	-	50,000	-	2,000	-	-	-
National Solar Schools Plan	a.1	12,025	-	11,720	-	4,030	-	19,950	-

* External contractors include call centre services, outsourced government and non-government providers, and compliance and audit services.

a.1. The amounts have been budgeted based on the decisions previously agreed by the government and transferred from the Department of the Environment, Water, Heritage and the Arts (DEWHA) through the section 32 determination issued following the Administrative Arrangement Order of 8 March 2010.

a.2. These funds were retained in the Portfolio Budget Statements (PBS) pending finalisation of costs for safety inspection programs and Industry programs after the Home Insulation Program was terminated in February 2010. These were best estimates at the time the budget was prepared, and will be subject to refinement.

(c) The full amount of the funding reported in Table 1.2 on page 24 of the Department's 2010-11 PBS for the Program is related to Administered items only. The Department does not allocate its departmental and capital budget by program. The allocation of program support funding as reported in the Portfolio Budget Statements for all programs reflects an estimate based on information available at that time. As at Budget night, the Department had yet to finalise its internal budget allocations. Note that the total funding does not include funding to be transferred from DEWHA for the energy efficiency functions.

(d) The Government's target for the services/grants that will be delivered under the program are outlined in pages 25-27 of the Department's 2010-11 PBS in program deliverables and key performance indicators.

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Outcome:	1	Question No:	22
Program:	Home Insulation Program		
Division/Agency:	Home Insulation Program Review Office		
Topic:	Training		
Hansard Page ECA:	ECA 120		

Senator ABETZ asked:

Senator ABETZ—I am told that the CPSISC is divided into a construction side and a property services side and that home insulation had always been seen as part of construction as opposed to property services. The suggestion has been put to me that it was in fact the department that requested that property services deal with the unit of competency as opposed to the construction side of this particular industry skills council. I was wondering if you could confirm that to me.

Mr Thompson—I cannot confirm that. I do not have any information about that before me.

Senator ABETZ—Can you take that on notice?

Mr Thompson—I will take that on notice. I do know that at the time DEWHA was working very closely with the Department of Employment, Education and Workplace Relations, who deal with the industry skills councils on a very regular basis. DEEWR were helping us to facilitate development of those modules and services.

Answer:

No, the Australian Government contracted the Construction and Property Services Industry Skills Council (CPSISC) to develop an appropriate training program for insulation installers.

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Outcome:	1	Question No:	23
Program:	Home Insulation Program		
Division/Agency:	Home Insulation Program Review Office		
Topic:	Training		
Hansard Page ECA:	ECA 120		

Senator ABETZ asked:

Senator ABETZ—In that case you might like to also take on notice what interdepartmental discussions took place to get a quick outcome, because I understand all the industry training advisory bodies—all the state bodies—from the construction side in fact opposed the skills set that was being suggested, but the property services side of this double body agreed to it despite the protest of the various state bodies. In those circumstances I would like to know what pressure, if any, DEWHA put on DEEWR to rush this through, because some of the notations I have seen and received indicate that there was huge pressure brought to bear.

Mr Thompson—That is the first I have ever heard of that allegation.

Senator ABETZ—I would like to tease it out a lot further, but given the time of night, I have tried to put it all on the table in a job lot rather than asking neat, discrete questions; otherwise we would be here until the appointed hour.

Senator Wong—The time we are here to, as it were. Mr Thompson said that is the first he has heard of it. Obviously you have placed a range of assertions on *Hansard*. They are not accepted, but we will take the question on notice. I did want to know: did you have a date?

Senator ABETZ—For what?

Senator Wong—The meeting.

Mr Thompson—In terms of the assertions about concerns raised within the Construction and Property Services Industry Skills Council.

Senator ABETZ—A number of dates, but as I understand it, these sorts of competency units—if that is the correct term—are usually developed over a period of 18 months, and this one was pushed and shoehorned into about six months; is that right?

Senator Wong—No. The reason this is not ringing many bells for Mr Thompson—he has given you some information—and the reason I was inquiring about dates or a little more information was so that we could perhaps be clearer in terms of the question on notice. We will take the question on notice. If you are able to provide any more information about that issue to assist us we would appreciate it, because the officers are not advising me of anything that I think accords with what you have put on *Hansard*. We will certainly make enquiries.

Senator ABETZ—When this *Hansard* comes out, I can go back to my sources and they will undoubtedly provide further information. I will leave it there. Thank you very much, Chair.

Answer:

While the timeframe to develop the Training Package was compressed, normal practices and processes for the package's establishment were followed.

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Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	24
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Interaction with other Departments		
Hansard Page ECA:	97		

Senator ABETZ asked:

Senator ABETZ—You said that needed some interaction between departments. Can you advise us which departments?

Senator Wong—I was referring to the machinery of government changes.

Senator ABETZ—Yes, but some of the information—

Senator Wong—The evidence yesterday to this committee was that files in relation to this program have come over, but obviously some of the information you ask for may or may not be in the knowledge of the gentlemen at the table. What I am asking is if we can take the question on notice.

Senator ABETZ—I understand that. My ears pricked up when I heard, or I thought I heard, that there was still some information with another department.

Senator Wong—If I gave that impression, I was not referring to documentary information; I was more reflecting the fact. Just from my personal knowledge, I know that Mr Thompson and Mr Bowles have come in at various stages in this process, so I am not sure if they would need to get any additional information from others.

Senator ABETZ—Given I am not on the other committee, that could be taken on notice for this committee as well, which would be helpful.

Senator Wong—We can do that.

Answer:

Please see Question on Notice No. 30.

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Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	25
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Fraud		
Hansard Page ECA:	99		

Senator ABETZ asked:

Senator ABETZ—That is not in question. Three matters have been referred to the Australian Federal Police. I want to know whether any have been referred to state police authorities and, if so, what is the number?

Mr Bowles—As I said, I know we have spoken to a couple of states about specific cases, probably only in about two or three cases, but that does not mean we are not looking at a range of other companies where we will continue with our information gathering.

Senator ABETZ—I am just after the current figure. I would assume that as this investigation continues chances are that there will be a lot more referrals.

Mr Bowles—I can take that on notice because I do not have the specifics.

Answer:

Consultation has occurred with state based enforcement and regulatory bodies. The Department exchanges information with these bodies around non-compliance, safety and possible fraud issues.

The information provided to the states allows them to undertake action as appropriate under their legislative powers – details of which are not required to be reported to the Commonwealth.

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Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	26
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Cost of Inspections		
Hansard Page ECA:	121		

Senator BIRMINGHAM asked:

Senator BIRMINGHAM—Whether any were department approved electricians; that would be the counterpoint. Of those 23,200, what has the total cost of inspections been?

Mr Bowles—That is a good question. I do not have that off the top of my head. I would have to take that on notice. I just cannot recall. As I said, I think it was roughly, on average, a little bit below \$400 for those inspections. They varied, but the average at one stage was just less than \$400.

Answer:

As of 10 September 2010, 24,034 claims from licensed electrical contractors have been paid at a cost of \$9.9 million, an average of \$410 per claim.

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Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	27
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	HIP		
Hansard Page ECA:	Written		

Senator BIRMINGHAM asked:

With reference to Jacqui and Alex Qureitem of Berwick, Victoria, about whose predicament Mr Jason Wood MP has made representations to the Government:

1. Has their roof been fixed?
2. If not, why not?
3. How long does it usually take to fix the roofs of homes assessed as a fire risk?
4. In how many instances has the Department arranged for same people who initially installed the insulation to return in order to fix it?
5. Is this usual practice?
6. Is the Department aware of situations where it is the same people returning to the homes but under a different company name?
7. Do homes get a second inspection by an independent third party after completion of the work?
8. If not, why not?
9. How much would it cost to ensure that each house got a second independent inspection on the work done?
10. How many homes are currently waiting to have their roofs fixed, and what was the number as at the end of May?

Answer:

1. A government roof inspection of the Qureitem's roof on 24 May 2010 identified both safety and compliance issues with the installation. Rectification of the safety issues was undertaken by a licensed electrician under the Department's Home Insulation Safety Program (HISP) on 10 June 2010. The inspectors have assessed that the Qureitem's ceiling space was safe in relation to the insulation installation following rectification work.
2. Please see response to part 1.

3. Where safety issues are identified during an inspection, the Department is notified within 24 hours. The Department requests the rectification through a government-contracted licensed electrician within two business days. Electricians are asked to contact the householder within one business day to arrange a time and date for the rectification work. The actual date of rectification work is at the householder's discretion.
4. When a safety issue related to the installation of insulation is identified, the Department arranges and pays for rectification under the HISP. Checks are in place to ensure that HISP inspectors and rectifiers are not associated with the original installation.
5. Please see response to part 4.
6. No.
7. No. However a small percentage of homes are reinspected for quality assurance purposes. In these cases, the Department will arrange the inspection through its inspection service provider.
8. Not applicable.
9. Please see response to part 7.
10. Under the HISP, the Department has commissioned safety rectification work on behalf of approximately 4,694 home owners at 12 September 2010 (850 at the end of May 2010). The Department requests safety rectifications within two days.

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Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	28
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	HIP		
Hansard Page ECA:	Written		

Senator BIRMINGHAM asked:

1. Is the Government expecting to have to pay compensation to any businesses, individuals or households affected by the program?
2. If so, what amount has been budgeted?
3. Would funds come from the remaining \$1 billion or from another source?
4. What risk assessment of such exposures, or any other preparatory work in advance of legal action, has been completed?

Answer:

There have been claims lodged for compensation. It is not possible to provide any further details about specific matters without prejudicing the Commonwealth's legal position. Any legal or other costs to the Commonwealth would be expected to be met by the budget.

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Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	29
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	HIP		
Hansard Page ECA:	Written		

Senator BIRMINGHAM asked:

What is the Department's estimate of the numbers of insulation installers and insulation manufacturers operating in Australia:

- a. Immediately before the implementation of the Home Insulation Program?
- b. At these numbers' peak, during the life of the Home Implementation Program?
- c. As at the end of May 2010?

Answer:

The industry is unregulated and neither insulation installation nor manufacturing have an exclusive class under the Australian and New Zealand Standard Industrial Classification. As such, it is not possible to estimate the numbers of insulation installers and manufacturers operating in Australia at any one time.

13,849 installer businesses registered under the Home Insulation Program (HIP) although many of these did not complete the registration process or submit a claim. As at 14 September 2010, 7,715 installer businesses had submitted claims for payment.

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Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	30
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	HIP Consultancies		
Hansard Page ECA:	Written		

Senator BIRMINGHAM asked:

What consultants have been engaged in relation to the Home Insulation Program:

- a. Prior to the program starting?
- b. Since the program began?
- c. Please detail the organisations by name, work undertaken, costs and dates of engagement.

Answer:

The list of consultants that were engaged under the Home Insulation Program since the Program has commenced is available on AusTender.

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Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	31
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	HIP Consultancies		
Hansard Page ECA:	Written		

Senator BIRMINGHAM asked:

1. How much will PricewaterhouseCoopers be paid to act as program broker for the Foil Insulation Safety Program?
2. What will this role entail?
3. To whom will PricewaterhouseCoopers report?

Answer:

1. Under the capability building phase of the contract (Phase 1), PricewaterhouseCoopers was paid \$9 million, including \$5.6 million for payments to its subcontractors. Delivery of the general safety inspection and rectification service delivery phase of the PricewaterhouseCoopers contract (Phase 2), which includes payments to subcontractors, will be finalised shortly.
2. PricewaterhouseCoopers is responsible for the delivery of services in regards to the Foil Insulation Safety Program, including the management of contractors, the engagement of licensed electrical contractors, safety training and induction, operation of a booking system, inspection and rectification services, data management, reporting and billing, and quality assurance.
3. PricewaterhouseCoopers report to the the Department of Climate Change and Energy Efficiency.

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Climate Change and Energy Efficiency portfolio

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

Senator BIRMINGHAM asked:

With reference to the answer to Question on Notice 101 through February's Additional Estimates, which indicated that "The budget for Home Insulation Program communications was \$4.137 million. No additional resources have been provided to undertake these objectives.":

- a. Are there any plans for further advertising expenditure in relation to any insulation program?

Answer:

The Department may run a series of local print media advertisements to promote awareness of the Government's safety inspection programs.

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Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	33
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	REBS		
Hansard Page ECA:	Written		

Senator BIRMINGHAM asked:

Please detail all consultants engaged in activities related to the development of the Renewable Energy Bonus Scheme:

- a. When was each consultant engaged
- b. When did they conclude their work
- c. What fees were paid; and
- d. What work was provided to the Government by them?

Answer:

- a) The consultants were engaged between March and June 2010.
- b) Please see answer to part (a).
- c) The total fee to date for all services for these consultants is \$250,073. It is not possible to identify the cost for services solely for the Renewable Energy Bonus Scheme (REBS) component.
- d) Dr Ron Silberberg (former Managing director of the Housing Industry Association), Dr 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) were engaged by the Department to provide independent advice and assessment on the arrangements for the insulation component of the REBS, the Home Insulation Program Closure, and other proposed programs for the energy efficiency taskforce.

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Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	34
Program:	1.2		
Division/Agency:	DDPD		
Topic:	Green Start		
Hansard Page ECA:	Written		

Senator BIRMINGHAM asked:

1. How many tenders were lodged under the Green Start tender process initiated in 2009?
2. What costs were incurred through the tender process?
3. Why was this process terminated?

Answer:

1. 31 tenders were lodged.
2. The salary and administered costs incurred through the tender process were \$160,106.28.
3. The decision to terminate the tender was made as a result of changes to the Green Start program. These changes included:
 - a delay in the Program start date to 1 January 2011, as announced by the Government on 19 February 2010; and
 - Machinery of Government changes announced on 26 February 2010, which affected both the Ministerial and Departmental responsibility for the program.

In light of these possibly significant changes to the program it was considered appropriate to terminate the tender. The termination also allowed the Department time to improve the program, and incorporate valuable lessons learnt from other energy efficiency programs and external reviews.

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Outcome:	1	Question No:	35
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	HIP		
Hansard Page ECA:	Written		

Senator BIRMINGHAM / FISHER asked:

1. Has the department or government been the subject of, or received any advice of, any legal action by installers or any other parties in relation to the Home Insulation Program?
2. If yes, please detail from whom, when, the claimants, the nature of the action including whether it is a class action.

Answer:

1. A number of claims against the Commonwealth in relation to the Home Insulation Program have been received.
2. At this time it is not possible for the Department to provide details regarding the specific claims that have been made against the Commonwealth, as doing so could potentially prejudice the Commonwealth's legal position.

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

Senator BIRMINGHAM / FISHER asked:

1. If installers accept the offer of 15 per cent of the value of their stock, is it the Government's view that this would prevent them from pursuing legal action against the Government?
2. Has the Government made, or planned to make, any condition of acceptance of this offer related to the pursuit of legal action?

Answer:

1. The assistance payment was intended as assistance for the cost of holding stock when the Home Insulation Program closed on 19 February 2010. This would not prevent any legal action being taken against the Government.
2. No.

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Outcome:	1	Question No:	37
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	HIP		
Hansard Page ECA:	Written		

Senator BIRMINGHAM / FISHER asked:

1. How much insulation has the Government bought back?
2. What does the Government intend to do with this insulation it buys?
3. Will it sell it back to the major insulation suppliers?
4. If so, to whom and at what price, and is the Government expected to make a profit on these transactions?

Answer:

- 1-4. The package was not designed as a buy-back scheme and as such no insulation has been purchased by the Government.

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

Senator BIRMINGHAM / FISHER asked:

1. Have consultants KPMG been engaged to carry out fraud assessment work for the Home Insulation Program?
2. If so:
 - a. Who ordered the consultancy?
 - b. How long was the project supposed to take?
 - c. How long has it taken?
 - d. Is it still ongoing?
 - e. Is the length of engagement related to the volume of cases of fraud this project has uncovered?
 - f. What was the original cost of the project supposed to be?
 - g. What is it now (actual or estimate)?
 - h. Who has received the report or any advice to date?
 - i. Has the Prime Minister's office been copied in?
 - j. What action has been taken in relation to any findings?

Answer:

1. Yes, KPMG have been engaged to conduct a forensic audit of Home Insulation Program data, including a fraud assessment.
2.
 - a. The consultancy was ordered by the Department.
 - b. The initial completion date was 16 May 2010.
 - c. Data volume and availability issues have impacted the timeframe for the project which is expected to be completed in October 2010.
 - d. Yes, the project is still ongoing.
 - e. No, the extended timeframe is primarily due to data volume and availability issues.
 - f. The original cost estimate ranged from \$425,512.50 to \$673,717.50 plus out of pocket expenses.
 - g. The new cost estimate ranges from \$673,717.50 to \$839,300.00 plus out of pocket expenses.
 - h. The report is not yet completed.
 - i. No, the Prime Minister's office has not received advice regarding the progress of the project to date.

- j. Whilst the report is not yet completed, the project has contributed to the Department's approach to fraud and compliance investigations.

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Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	39
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	HIP – Unwanted Insulation		
Hansard Page ECA:	Written		

Senator BIRMINGHAM / FISHER asked:

1. What is the government doing to help insulation installers left with insulation they cannot sell and cannot afford to even take to the dump?
2. Is the Government aware of insulation being dumped at rubbish dumps?
3. If yes, where, when, what amount or volume and to what estimated value?
4. Does the Department have any concerns about any such dumping in landfill of possibly toxic insulation?
5. Is the Government providing assistance for companies to dump insulation?
6. Is the Government examining other options, such as temporary storage of unwanted insulation in a warehouse or similar?

Answer:

1. The Government has committed in excess of \$56 million to the Insulation Industry and Insulation Workers Assistance Packages.
2. The Government is not aware that insulation is being dumped at rubbish dumps.
3. Not applicable.
4. Management of landfill is a local government issue with local restrictions on the handling of material.
5. No.
6. No.

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Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	40
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Excess Insulation		
Hansard Page ECA:	Written		

Senator EGGLESTON asked:

What is the Department going to do with the excess insulation following the announcement of financial help to the value of 15 per cent of relevant items? (*Australian Financial Review* 21/5/2010)

Answer:

The assistance payment was intended as assistance for the cost of holding stock when the Home Insulation Program (HIP) closed on 19 February 2010. There was never an intention to buy back insulation, therefore there will be no stock held by the Government.

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Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	41
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	IIAP		
Hansard Page ECA:	Written		

Senator EGGLESTON asked:

Please outline what consultation occurred in the preparation of the Insulation Industry Assistance Package (IIAP):

- a) In particular, please identify which groups were consulted.
- b) When these groups were consulted.
- c) Did these groups nominate these thresholds or did they seek higher figures, amounts or longer dates?
- d) Please release copies of their submissions with suggested assistance measures.
- e) Which Ministers were consulted in this process – and when?
- f) Was advice and consultation was provided with the Prime Minister and his office – and when?

Answer:

- a) The then Minister Assisting the Minister for Climate Change and Energy Efficiency, the Hon Greg Combet AM MP, had a number of discussions with industry representatives on a range of Home Insulation Program related matters.
- b) Please refer to the answer to question a).
- c) Please refer to the answer to question a).
- d) Please refer to the answer to question a).
- e) These matters went to the deliberations of the Cabinet or sub-committees of the Cabinet and so cannot be made public.
- f) These matters went to the deliberations of the Cabinet or sub-committees of the Cabinet and so cannot be made public.

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Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	42
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	IIAP		
Hansard Page ECA:	Written		

Senator EGGLESTON asked:

In relation to the IIAP assistance package:

- a) How was the 15% figure devised?
- b) Who suggested it?
- c) On what was it based?
- d) Why was the figure based on 30 April values for the insulation?
- e) On whose advice was that?
- f) Did the industry agree or support this?
- g) Why was there a maximum threshold of \$500,000?
- h) Was the industry consulted on this figure?
- i) Did they support it?
- j) If not, what threshold did they seek?
- k) Please release copies of industry and Departmental advice on the modelling.

Answer:

- a) These matters went to the deliberations of Cabinet or sub-committees of Cabinet and so cannot be made public.
- b) These matters went to the deliberations of Cabinet or sub-committees of Cabinet and so cannot be made public.
- c) These matters went to the deliberations of Cabinet or sub-committees of Cabinet and so cannot be made public.
- d) This was an administrative decision on advice from AusIndustry based on common business practice for end of the month processes. The advice suggested that this would be a simpler process for business.
- e) The Department of Innovation, Industry, Science and Research through AusIndustry.
- f) The package was based on past practice and industry was consulted on HIP remediation.

- g) These matters went to the deliberations of Cabinet or sub-committees of Cabinet and so cannot be made public.
- h) These matters went to the deliberations of Cabinet or sub-committees of Cabinet and so cannot be made public.
- i) These matters went to the deliberations of Cabinet or sub-committees of Cabinet and so cannot be made public.
- j) These matters went to the deliberations of Cabinet or sub-committees of Cabinet and so cannot be made public.
- k) These matters went to the deliberations of Cabinet or sub-committees of Cabinet and so cannot be made public.

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Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	43
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Value of Insulation		
Hansard Page ECA:	Written		

Senator Eggleston asked:

Please outline the industry advice and/or Departmental advice on the value of ceiling insulation

- a) On the date the program first came into force in February 2009
- b) On the date when the program fully started in July 2009
- c) On the day the Home Insulation Program was scrapped on 19 February 2010
- d) On 30 April 2010
- e) On 30 May 2010
- f) On the very latest figure
- g) What advice has been provided by the Department or industry in relation to when the price of insulation is expected to recover?

Answer:

- a - f) The industry is unregulated and neither insulation installation nor manufacturing have an exclusive class under the Australian and New Zealand Standard Industrial Classification. As such, it is not possible to estimate the numbers of insulation installers and manufacturers operating in Australia at any one time. It is therefore not possible to accurately estimate stock holding or stock value for the industry as a whole.
- g) There has been no advice provided on the recovery of the insulation price.

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Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	44
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Excess Insulation		
Hansard Page ECA:	Written		

Senator EGGLESTON asked:

In relation to payments made to clients of 15% of the stock value

- a) What are businesses to do with insulation?
- b) Some businesses are paying significant amounts on rent to store the insulation – what advice is the Department providing to these businesses?
- c) Are businesses allowed to take the insulation to the dump?
- d) If so, how many have advised that they will?
- e) How many have?
- f) Has this measure been banned by environmental or other authorities such as councils on grounds such as hazardous waste disposal concerns?
- g) Will the Government take insulation off the hands of the applicants under any circumstances?
- h) If not, why not?
- i) If yes, what will the Government do with the insulation?
- j) What price will they sell it for?
- k) Will they provide any financial or other assistance to help companies to transport the unwanted insulation to another place?

Answer:

- a) This is a matter for individual businesses.
- b) The Insulation Industry Assistance Package is intended to alleviate some of this cost. The decision around the management of the stock remains one for the individual business and the Department would not seek to provide commercial advice.
- c) The disposal of materials is regulated by states and territories.
- d) The Department has not been made aware of any instances where businesses have indicated they will seek to dump excess insulation stock at dumps.

- e) While the Department is not aware that insulation is being dumped at rubbish dumps, it was made aware of one case that may constitute illegal dumping on a private property in New South Wales. The Department received advice that the matter had been referred to local police and the local council by the complainant.
- f) The disposal of materials is regulated by states and territories. Anyone who illegally dumps ceiling insulation may face fines and prosecution in court under state law.
- g) The Government has not sought to undertake to buy-back or undertake to manage insulation stock.
- h) It is not feasible for the Government to purchase or store insulation products.
- i) Please see answer to (h).
- j) Please see answer to (h)
- k) The Insulation Industry Assistance Package was intended to alleviate some of this cost.