

**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:	45
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Multiple Claims		
Hansard Page ECA:	102		

Senator FISHER asked:

Senator FISHER—Can you please inform the committee on notice as of more recently than February this year, as of this week, how many cases there are where more than one installer has made a claim for the same address?

Mr Bowles—Yes.

Answer:

As at 20 October 2010, the Department has identified 2,444 cases where more than one installer has made a claim for the same address under the Home Insulation Program.

Instances of fraud are being dealt with by the Department's Fraud and Compliance activity. Details about these matters can not be disclosed as disclosure could prejudice fraud investigations.

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Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	46
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Forms		
Hansard Page ECA:	103		

Senator FISHER asked:

Senator FISHER—Can you provide us with copies of the standard paperwork?

Mr Bowles—I do not think that I would be prepared to do that, at this stage, on the basis that would breach privacy issues. There is a whole range of private details on them.

Senator FISHER—In generic form.

Senator ABETZ—A blank.

Dr Parkinson—You were asking for a blank form?

Senator FISHER—Yes, indeed.

Mr Bowles—I can take that on notice to provide that.

Senator FISHER—I would like the generic form or forms that are required to be filled out.

Answer:

Please see Attachment A.

**Senate Standing Committee on Environment, Communications and the Arts
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Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	47
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Deregistered Companies		
Hansard Page ECA:	103		

Senator FISHER asked:

Mr Bowles—As I said, the easiest way to find out would be to ask Medicare.

Senator FISHER—I am asking your department. Could you provide the committee with the advice that has been provided to you by Medicare from time to time relating to which companies have been deregistered and when and why?

Mr Bowles—I can take that on notice. I am not sure that I want to go down that pathway. I can give you the numbers or I can liaise with Medicare if I need to, but I am not sure it would be an appropriate thing to give you the names or places.

Senator FISHER—Sorry, I accept that. I would like the numbers of so-called installers who have been deregistered, the times at which they have been deregistered and the states in which they have been deregistered.

Mr Bowles—I will take that on notice but, as I said, we are not the keepers of that information. I can liaise with them.

Answer:

Please refer to Question on Notice No. 48.

**Senate Standing Committee on Environment, Communications and the Arts
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Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	48
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Deregistered Companies		
Hansard Page ECA:	106-107		

Senator FISHER asked:

Senator FISHER—On notice, more comprehensively, could you provide the committee with a breakdown of the numbers of companies deregistered month by month and on a state-by-state basis and also a reason for that deregistration, which may be self-deregistration, as Senator Abetz said, or a range of other reasons to which you have referred, Mr Bowles?

Mr Thompson—I think we can provide the number of companies that were deregistered.

...

Senator FISHER—But in respect of the payments that have been made to companies that are subsequently deregistered, I would appreciate the full range of information, including those companies which have deregistered themselves.

Senator Wong—No, you see that is inconsistent with what I just clarified.

Senator FISHER—That is what I am seeking.

Senator Wong—We will take it on notice.

...

Mr Bowles—Absolutely, I would. The number you are after—maybe I am reading your mind here but—is of the ones that the department has deregistered? Is that correct?

Senator FISHER—Month by month from the commencement up until now, deregistered from the scheme.

Mr Bowles—From the scheme, obviously only up until the scheme was closed on 19 February.

Senator FISHER—Yes.

Mr Bowles—Yes, I will take that on notice. I will put that caveat back in. We will get advice, because I do see a significant difference to anyone who we may have deregistered and any company who voluntarily got out of the scheme or did whatever, because a number of companies did that for their own reasons as well, and they will all get lumped into the same thing if we are not careful, and I am very conscious of that.

Answer:

A total of 3,454 installer companies were deregistered under the Home Insulation Program. 2,826 of these companies were deregistered for either not accepting, or failing to respond to, the new Terms and Conditions in January 2010.

Deregistered installer companies by month:

Month	Deregistered Installer Companies
July 2009	8
August 2009	2
September 2009	155
October 2009	14
November 2009	155
December 2009	69
January 2010	2,926
February 2010	47
Date unknown	78
Total	3,454

Deregistered installer companies by state:

State	Deregistered Installer Companies
NSW	1,629
QLD	816
VIC	507
NT	27
WA	190
SA	152
ACT	17
TAS	116
Total	3,454

Deregistered installer companies by reason:

Reason	Deregistered Installer Companies
Declined terms and conditions	39
Failure to provide desktop audit information	8
Failure to provide insurance information	127
No insurance	1
No response to terms and conditions	2,826
Non-compliant with terms and conditions	25
Self voluntary	417
Suspended	11
Total	3,454

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Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	49
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Deregistered Companies		
Hansard Page ECA:	106-107		

Senator FISHER asked:

Senator FISHER—Can I confirm that you have taken on notice how many payments were made to companies that were subsequently deregistered and in how many instances that occurred? Can you take that on notice, please; and how many instances?

Mr Bowles—I am not sure we can do that or whether it is even appropriate, but I will take on notice and consider how we can deal with that particular issue.

Senator FISHER—All right.

Senator Wong—In that request are you anticipating inclusion of what Senator Abetz described as ‘the self deregistration’?

Senator ABETZ—Withdrawal.

Senator Wong—Withdrawal.

Mr Bowles—Yes, withdrawal.

Answer:

Of the 3,454 installers companies who were deregistered, 1,040 installer companies had previously received payment for one or more claims.

It is important to note that this figure includes installer companies who voluntarily deregistered as the terms and conditions of the Home Insulation Program changed, not just installer companies deregistered for failing to comply with the terms and conditions.

These companies submitted 63,898 claims for installations completed prior to deregistration. \$88.9 million has been paid to these installers.

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Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	50
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Outstanding Payments		
Hansard Page ECA:	109		

Senator FISHER asked:

Senator FISHER—Can you inform the committee, on notice, how many companies that involves with amounts of money outstanding?

Mr Bowles—I will endeavour to do that. I will have to work with Medicare to do that, but I will endeavour to do that.

Answer:

As at 20 October 2010, the Department has identified 798 installer businesses registered under the Home Insulation Program who have lodged claims that are yet to be paid. This includes businesses that have incorrectly lodged claims, that are missing required information or businesses with claims that are pended during compliance investigations.

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Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	51
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Foil Insulation		
Hansard Page ECA:	114		

Senator FISHER asked:

Senator FISHER—Can you provide the committee with a copy of the letter that you are sending to homeowners with foil insulation? I presume it is a standard letter.

Mr Bowles—It will be, but until we are ready for it to go out I would not want to do that.

Senator FISHER—Once it is ready can you do that?

Mr Bowles—Once things are ready we will do that.

Answer:

The letter to householders including the fact sheet, which accompanies the letter, is at [Attachment A](#).



Department of Climate Change and Energy Efficiency

XX May 2010

Work Order Number: [WORK ORDER NUMBER]
Important safety information for the householder
"[Address/PO Box]"
"[CITY STATE POSTCODE]"

Dear Householder

According to our records, your home was insulated using foil ceiling insulation under the Home Insulation Program.

The Australian Government is committed to addressing safety issues associated with the installation of foil ceiling insulation under the discontinued Home Insulation Program. Every homeowner that had foil ceiling insulation installed under the Home Insulation Program is entitled to have a free inspection by a licensed electrical contractor. In addition to the safety inspection the government will also cover the costs of either having the foil insulation removed, or - on the advice of an electrician- having safety switches installed.

The Australian Government has engaged PricewaterhouseCoopers (PwC) to manage the roll out of the Foil Insulation Safety Program. PwC has contracted UGL Services to manage the bookings, safety inspections and necessary remedial works.

The safety program is expected to take approximately six months to complete.

You do not need to call or reply to this letter. Over the coming months, UGL Services will be contacting you by telephone to arrange a suitable time for the inspection. If your contact details have changed since you had insulation installed, please call 131 792 to update your details.

Under no circumstances should you enter the ceiling space prior to having the foil insulation removed or safety switches installed under this safety program.

The Foil Insulation Safety Program replaces the interim arrangements where you could arrange a safety inspection by a licensed electrical contractor of your choice, who then directly invoiced the Government for the work. If you have already had an electrical safety inspection completed under the interim arrangements, you are still eligible to have the foil insulation removed, or safety switches installed.

Please ensure that you read the Fact Sheet enclosed with this letter. At the conclusion of the inspection and remedial work you will receive an electrical safety certificate. Please retain this, and provide this certificate to any electrician who may perform subsequent inspections.

If you are not the owner of the dwelling, please pass this important safety information to the owner or the owner's agent.

For more information visit the electrical safety page at www.climatechange.gov.au or call 131 792 if you have an urgent electrical safety concern regarding the installation of foil insulation.

Yours sincerely

A handwritten signature in black ink that reads "Steve Costello". The signature is written in a cursive style with a large, stylized 'S' at the beginning.

Steve Costello
Assistant Secretary
Foil Insulation Safety Program



Fact Sheet

Foil Insulation Safety Program

If your house had foil ceiling insulation installed under the discontinued Home Insulation Program, you are entitled to a free electrical safety inspection.

In addition to a free electrical safety inspection, the Australian Government will pay for the cost of any necessary electrical remedial works to reduce the safety risks associated with foil insulation. Remedial works are:

- either the removal of foil ceiling insulation or the installation of safety switches; and
- the repair of electrical faults caused by the installation or the removal of the foil ceiling insulation.

Please note that the Australian Government will not pay for both the removal of foil ceiling insulation and the installation of safety switches, or for remedial work for pre-existing faults.

Preparing for an Electrical Safety Inspection

The electrical safety inspection and follow-up work could take a number of hours to complete. During this time the power in your home will need to be switched off to reduce potential safety risks to the inspectors. It is recommended that you:

- unplug all appliances that can be unplugged at the wall;
- make arrangements in advance for any perishable food or any items that require continuous power; and
- make arrangements if anyone in your home requires power for any medical equipment.

During the inspection

The owner of the home or an authorised representative will need to be present to authorise the inspection and any follow-up work. The licensed electrical contractor will ask the owner of the home or the owner's authorised representative to approve each of the following actions:

- the inspection to commence; and
- for agreed remedial work (if any) to proceed.

The inspection will be undertaken by a team of two inspectors.

During the inspection we suggest you minimise the number of times that fridges or freezers are opened.

Inspectors will be required to take photos inside your ceiling space before and after any follow-up work, to provide proof that work was undertaken.

The inspectors will test if foil ceiling insulation is in contact with live parts of the electrical wires and equipment in the ceiling of your home. The inspection will also identify if the foil ceiling insulation is covering downlights or other heat-generating equipment, or blocking air-flow from exhaust fans.

The decision between the removal of foil insulation or the installation of safety switches can be made after the electrical safety inspection has occurred and the licensed electrical contractor has provided advice on the individual circumstances in the dwelling. Ultimately, the owner or authorised representative has the final say on whether to remove the foil insulation or to install a safety switch.

Removal of Foil Ceiling Insulation

If the foil ceiling insulation is in contact with live parts of the electrical wires or equipment, it is recommended that it be removed to reduce the risk of electrocution. Removal of foil ceiling insulation also removes the risk that it could become live at some time in the future.

If the owner decides to have the foil ceiling insulation removed, this can be done by the licensed electrical contractor on the day of the inspection or at an agreed time. The licensed electrical contractor will also repair any electrical faults caused by the installation or removal of the foil insulation, and will dispose of this insulation at no cost to the owner or the tenant, if the house is rented.

Installation of Safety Switches

Following the inspection, and taking into account the advice of the licensed electrical contractor, the owner can choose to have safety switches installed on all electrical circuits and sub-circuits located in the ceiling space, at no cost to either the owner of the dwelling or the tenant of a rented dwelling.

A safety switch is designed to protect a person from serious electrical shock by automatically shutting off the electricity supply when it detects that the current is leaking from faulty switches, wiring or electrical appliances.

Safety switches can also be tripped by old or degraded wiring, moisture, faulty power switches, or faulty appliances. These issues are not related to the installation of foil ceiling insulation. If the owner or their authorised representative decides to have safety switches installed, they will be responsible for the identification and repair of any electrical faults that are causing the safety switch to trip.

If the switchboard, distribution board or associated housing cannot accommodate safety switches, the licensed electrical contractor will not be able to install safety switches unless the owner agrees to meet the cost of an appropriate housing.

Pre-existing Electrical Faults

The electrical safety inspection may identify electrical faults that existed prior to the installation of foil ceiling insulation under the Home Insulation Program, or are not related to foil insulation.

The licensed electrical contractor will notify the owner or their authorised representative of any pre-existing electrical faults that are identified during the inspection. If the owner of the dwelling, or their authorised representative, decides to have the electrical faults repaired, the owner will be required to meet the cost. The electrical contractor will be able to repair pre-existing electrical faults during the visit at the owner's cost up to a maximum value of \$150. If the estimated cost of the electrical repair work exceeds \$150, the owner will need to arrange for another electrician to undertake the repair work.

It is important to note that in the event that there are pre-existing electrical faults that are deemed to be a safety hazard, the inspector under law may not be able to re-instate power to those circuits until the faults are rectified. Any unresolved electrical safety issues may need to be reported to the appropriate regulatory

authority. Where possible, the licensed electrical contractor will attempt to identify any such issues before turning off the power. If such issues are identified, the electrical contractor would be required to terminate the inspection.

After the Inspection Process

Once the electrical safety inspection is complete the licensed electrical contractor will speak to you about the inspection, and complete and sign the Foil Insulation Record of Inspection and Testing Report. You will also need to sign the Report to confirm that the electrical safety inspection has taken place.

At the conclusion of the electrical safety inspection and electrical remedial work, the licensed electrical contractor will provide you with an electrical safety certificate where this is required by law. Please retain this, and provide this certificate to any licensed electricians performing subsequent inspections.

If you have any questions, please call the safety line on 13 17 92 or visit www.climatechange.gov.au.

Contact us

If you would like to send a compliment or lodge a complaint about the Foil Insulation Safety Program please ring the hotline on 1800 808 571 or go to our website www.climatechange.gov.au and use the compliments and complaints form.

Terms and Conditions

The Foil Insulation Safety Program is funded by the Australian Government. The Australian Government has contracted PricewaterhouseCoopers (PwC) to manage the roll-out of the Program. PwC has contracted UGL Services to manage the bookings, safety inspections and necessary remedial works.

PwC, UGL Services and their subcontractors are not agents or employees of the Australian Government.

In consideration for payment of the cost of the inspection and remedial works, the owner agrees to release the Commonwealth of Australia from all liability for any loss, damage, injury or cost caused by negligent or unlawful acts or omissions or wilful misconduct by contractors in connection with the safety inspections and related works.

The release does not affect households' rights in relation to the contractors.

Foil Insulation Safety Program

If you need an interpreter, please call the Translating and Interpreting Service (TIS National) on **131 450** and ask them to telephone the Foil Insulation Safety Program on 131 792. Our business hours are 8 am to 6 pm seven days a week.

Arabic

إذا كنتم بحاجة إلى مترجم، الرجاء الاتصال بخدمة الترجمة الخطية والشفهية (TIS National) على الرقم **131 450**، والطلب منهم الاتصال بوكالتكم Foil Insulation Safety Program على الرقم 131792. أوقات عملنا هي

8am -6pm seven days a week

Korean

통역사가 필요하시면 번역통역서비스 (TIS National)에 131 450으로 연락하여 이들에게 131792번으로 Foil Insulation Safety Program에 전화하도록 요청하십시오. 저희의 근무시간은 8am – 6pm seven days a week입니다.

Cantonese

若你需要口譯員，請致電**131 450**聯絡翻譯和口譯服務署 (TIS National)，要求他們致電131792聯絡Foil Insulation Safety Program。我們的工作時間是8am-6pm seven days a week。

Vietnamese

Nếu cần thông ngôn viên, xin quý vị gọi cho Dịch Vụ Thông Phiên Dịch (TIS Toàn Quốc) qua số **131 450** và nhờ họ gọi cho Foil Insulation Safety Program qua số 131792. Giờ làm việc của chúng tôi là 9am-6pm seven days a week.

Mandarin

如果你需要口译员，请致电**131 450**联系翻译和口译服务署 (TIS National)，要求他们致电131792联系Foil Insulation Safety Program。我们的工作时间是8am-6pm seven days a week。

Greek

Αν χρειάζεστε διερμηνέα, παρακαλείστε να τηλεφωνήσετε στην Υπηρεσία Μετάφρασης και Διερμηνείας (Εθνική Υπηρεσία TIS) στο **131 450** και ζητήστε να τηλεφωνήσουν Foil Insulation Safety Program στο 131792. Οι ώρες λειτουργίας μας είναι 8am-6pm seven days a week.

Persian

اگر به مترجم شفاهی نیاز دارید لطفاً به "خدمات ترجمه کتبی و شفاهی" (TIS National) - شماره 131 450 - تلفن کنید و از آنها بخواهید به Foil Insulation Safety Program - شماره 131 450 - تلفن کنند. ساعات کار ما 8am to 6pm seven days a week است.

Russian

Если вам нужен переводчик, то позвоните в Службу письменного и устного перевода (TIS National) по номеру **131 450** и скажите переводчику, что вам нужно позвонить в Foil Insulation Safety Program по номеру 131792. Наш распорядок работы: 8am-6pm seven days a week.

Serbian

Ako vam je potreban тумач, молимо вас да позовете Службу преводаца и тумача (Translating and Interpreting Service - TIS National) на **131 450** и замолите их да позову Foil Insulation Safety Program на 131 792. Наше радно време је 8am-6pm seven days a week.

Spanish

Si necesita intérprete, llame al Servicio de Traducción e Interpretación - Translating and Interpreting Service (TIS National) al **131 450** y pídale que llamen a Foil Insulation Safety Program al 131792. Nuestro horario de atención es 8am-6pm seven days a week.

Turkish

Tercümana ihtiyacınız varsa, **131 450** numaralı telefondan Yazılı ve Sözlü Tercüme Servisini (TIS National) arayınız ve sizi 131792 numaralı telefondan Foil Insulation Safety Program ile görüştürmelerini isteyiniz. Çalışma saatlerimiz 8am-6pm seven days a week.

**Senate Standing Committee on Environment, Communications and the Arts
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Budget Estimates 2010-2011, May 2010

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	52
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Forms		
Hansard Page ECA:	118		

Senator FISHER asked:

Senator FISHER—...I am simply asking: what is the householder going to be required to give up in exchange for accepting this attempted acquittal of duty by the Commonwealth?

Mr Bowles—I will need to find out. As I said, I do not have the form in my hand at the moment. I will find out.

Senator FISHER—Forms are on paper. Perhaps when it is on paper, may we have a copy?

Senator Wong—Let him finish.

Senator FISHER—That will be sufficient. Once the form is developed, then perhaps we could have a copy.

Senator Wong—We have been doing reasonably well. If he might just finish his answers before you ask the next question.

Senator FISHER—Yes.

Dr Parkinson—We will get you that advice.

Mr Bowles—We will take that on notice.

Answer:

The template for the Electrical Safety Inspection – Foil Insulation Record and Testing can be found at Attachment A.

ELECTRICAL SAFETY INSPECTION - FOIL INSULATION RECORD OF INSPECTION AND TESTING

Form Version 19 Issued 6-May-10

Program Reference No.																
UGL Reference:																
DCCEE Reference																
PwC Reference:																
Householder Name																
Dwelling Address																
Householder Phone No.																
Householder Mobile No.																
Date foil installed	D	D	/	M	M	/	Y	Y	Y	Y						
Date of Booking	D	D	/	M	M	/	Y	Y	Y	Y	Booking Time	H	H	:	M	M
UGL Comments																

Licenced Electrical Contractor Details

Company / Business Name													
Licence No.											State Of Issue		
Worker 1													
<input type="checkbox"/> Safety Observer													
First Name													
Last Name													
Position	Licensed Electrician												
Licence No.											State Of Issue		
Worker 2													
<input type="checkbox"/> Safety Observer													
First Name													
Last Name													
Position	<input type="checkbox"/> Licensed Electrician <input type="checkbox"/> 3 year+ Electrical Apprentice <input type="checkbox"/> Other												
Licence No.											State Of Issue		
Worker 3													
<input type="checkbox"/> Safety Observer													
First Name													
Last Name													
Position	<input type="checkbox"/> Licensed Electrician <input type="checkbox"/> 3 year+ Electrical Apprentice <input type="checkbox"/> Other												
Licence No.											State Of Issue		
Worker 4													
<input type="checkbox"/> Safety Observer													
First Name													
Last Name													
Position	<input type="checkbox"/> Licensed Electrician <input type="checkbox"/> 3 year+ Electrical Apprentice <input type="checkbox"/> Other												
Licence No.											State Of Issue		

Attendance

Date of Inspection	D	D	/	M	M	/	Y	Y	Y	Y
Time Commenced (24hr clock)	H	H	:	M	M					

2.9 Certification By Electrical Contractor - Unsafe to continue

I was not able to proceed due to the risk conditions noted above.

Signature of

Registered Electrician

Name

										D	D	/	M	M	/	Y	Y	Y	Y

If you have completed this certification it is not necessary to complete the remainder of the inspection form.

Visual Check by Electrical Contractor

2.10 Were all isolators, circuit breakers and fuses ON?

Yes No

2.11 What is the general condition of the switchboard?

Acceptable Unacceptable

2.12 Were Residual Current Devices already installed at the switchboard?

Yes No

2.13 Are Pre-existing Residual Current Devices operational?

Yes No

2.14 Is consumer mains line (service) present in roof space?

Yes No

2.15 Count all downlights, exhaust fans, heat lamp/fans

Exhaust / Combinations

Downlights

2.16 I have checked for all other heat generating sources installed in the ceiling space.

Confirmed

STEP 3: Test Procedure

All electrical testing must be carried out strictly in accordance with prevailing state regulations, AS/NZS 3000 (Australian/New Zealand Wiring Rules), AS/NZS 3017 (Electrical Installations Verification Guidelines) and OHS (Occupational Health and Safety) requirements.

Voltage Test prior to entering roof-space

3.1 Voltage Detected

Yes No

Voltage Measured V

3.2 If voltage detected use alternative procedures outlined in Pre Task Risk Assessment/JSA

Not Applicable Confirmed

3.3 All supplies were switched off / isolated for ceiling access. Select one or more options for method below.

Main Switch Service Fuse Alternate Supply(s)

3.4 I have checked that all appliances have been unplugged from GPOs.

Confirmed

Insulation Resistance Test

NOTE: All foil sheets must be tested separately.

3.5 Minimum IR Measurement Active / Foil

M Ω

3.6 Min. IR Measurement Neutral / Foil

M Ω

3.7 If the IR measurements are low (acceptable values are >1.0M Ω) use alternative procedures outlined in Pre Task Risk Assessment/JSA

Not Applicable Confirmed

Complete Inspection of Electrical Installation and any rectification works permitted by the householder before restoring power.

STEP 4: DOCUMENTATION

4.1 Were any electrical defects identified during testing? If NO go to 4.4.

Yes No

4.2 Were any wiring defects related to the installation of foil insulation in the ceiling?

Yes No

4.3 Other, pre-existing electrical defects identified affect the following part of the electrical installation. (Select one or more options)

Wiring Earthing GPO(s) Switch(s) Switchboard RCD(s) Supply

Observations on Foil Insulation (photographs to be taken of any breaches of proper practice)

4.4 Were covers installed in a compliant manner around every recessed electrical accessory?

Yes No

4.5 Was foil insulation installed at compliant distances from halogen or incandescent downlights?

Yes No

4.6 Was foil insulation installed to ensure adequate airflow for exhaust fans / combinations?

Yes No

4.7 Was the foil fixed to avoid disturbance by any means?

Yes No

- 4.8 Was the foil fixed with metal staples or fasteners? Yes No
- 4.9 Were measures taken to avoid contact with electrical wiring and equipment? Yes No
- 4.10 Had the installer provided adequate coverage of foil in the ceiling space? Yes No

STEP 5: RECTIFICATION WORKS

5.1 I discussed the findings of my inspection in general with the Householder. Confirmed

5.2 The following rectification works were agreed by the householder. Choose ONE of Option A or Option B or Option C.

5.2.1 Option A - Removal of Foil & repair wiring				5.2.2 Option B - Retain Foil & repair wiring				5.2.3 Option C - No Work					
Tick as applicable	Nil	< 2 hr	2 hr +	Tick as applicable	Nil	< 2 hr	2 hr +	If Option C applies go to 5.3					
5.2.1.1 Repairs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5.2.2.1 Repairs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			If Option C applies go to 5.3			
5.2.1.2 Remove foil		<200m2	200m2+	5.2.2.2 Install safety switches		1 or 2	3 +					If Option C applies go to 5.3	
5.2.1.3 Waste removal		<input type="checkbox"/>	<input type="checkbox"/>	5.2.2.3 Cut outs in retained foil		1 to 10	11+						
								If Option C applies go to 5.3					

- 5.3 The reason for there being no rectification works is: (Select one or more options)
- LEC deemed Not required. Householder accepts risk Householder avoided risk of power reconnection Householder has insufficient time
- Householder does not have authority to permit works Not safe to complete No reason offered by householder

5.4 I, the householder, have read and understood the information provided and have discussed the options for rectification with the Licensed Electrical Contractor and agree to the scope of works selected in 5.2.

Householder Signature

D D / M M / Y Y Y Y

Householder name

5.5 Were any pre-existing electrical faults under \$150 completed for the householder at their cost? Yes No

STEP 6: COMPLETION

6.1 The testing and rectification works have been completed. If YES, go to 6.3. Yes No

- 6.2 The testing or rectification could not be completed. (Select one or more options)
- Householder permission revoked Safety Issue Identified during works Illness / Injury to Inspector Quoted works required
- Complete Certification at 1.10

6.3 Following completion of the test / rectification power was restored in full Yes No

- 6.4 If NO to 6.3, Reasons that supply has not been restored in full (Select one or more options)
- Individual circuits contained pre-existing faults that have been isolated Issue with Main Switch or mains supply Issue with alternate supply

6.5 Please ensure the appropriate electrical notification / certification is provided to the householder. Confirmed

6.6 Has any damage to the residence or injury to any person occurred during the performance of the inspection or the rectification works? If YES please detail in the Special Comments below. Yes No

6.7 Certification by Electrical Contractor

I certify that I have completed the above form correctly and where permitted by the householder have undertaken an electrical inspection and testing procedure, restricted to an assessment of the potential adverse effects of reflective foil insulation on the electrical installation, in accordance with Australian Standards and the nominated procedures. I have also taken photographic evidence of the installation and undertaken remedial works as required and authorised by the householder.

Signature of Registered Electrician

Time Completed (24hr clock) H H : M M

D D / M M / Y Y Y Y

Name

**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:	53
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Foil Insulation Safety Program		
Hansard Page ECA:	119		

Senator FISHER asked:

Senator FISHER—I have one more question on the FISP. You indicated your target number of inspectors is 760. How many do you have contracted at the moment?

Mr Bowles—Contracted at the moment it is much smaller than that. I think it is in the order of 140, but I would need to confirm that figure. UGL, the body that is managing that side, had a previous contract that we have this thing running on. As I said, we closed the tender last Friday for the electrical contractors and we should be in a position in early June.

Answer:

The number of inspectors contracted at any one time is based on the number of requested and booked household inspections. For example, for the week ending 18 October 2010, there were around 318 inspectors undertaking inspections and rectifications under the Foil Insulation Safety Program.

**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:	54
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Consultants		
Hansard Page ECA:	96-97		

Senator FISHER asked:

Senator FISHER—As to the use of consultants with the Home Insulation Program, can you run us through which consultants were used prior to the program starting and since it got underway, and tell us what the consultants did, how much they were paid, whether they have finished their work or whether they are midway through?

Senator Wong—I think there is a question on notice on this matter—

Senator FISHER—It touches on it, I think.

Mr Thompson—My understanding is that it covers most of—

Senator Wong—what you just asked.

Mr Thompson—It is a very similar question.

Senator Wong—It is to the Senate inquiry, so I would ask if it would be possible for us to either take it on notice again, if you want, or if you can wait for that answer to be provided—

Senator FISHER—Is it imminent, do you know?

Senator Wong—If I could finish, Senator? Because it does traverse pre the machinery of government changes and post, that does obviously require some interaction between departments. We are not going to be able to provide that to you in these estimates, so I am happy to take that on notice.

Answer:

Please see Question on Notice No. 30.

**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:	55
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Consultants		
Hansard Page ECA:	98		

Senator FISHER asked:

Senator FISHER—So did that renegotiation of time necessitate renegotiation of cost?

Mr Bowles—I will have to take that on notice. I am not specifically sure because I did not do that myself. We normally make an allocation of funding of what we believe it to be, but we do not always spend to that allocation. It obviously depends on the number of people that are in there.

Answer:

Yes, the original cost estimate ranged from \$425,512.50 to \$673,717.50 plus out of pocket expenses. The actual cost will be up to \$1,118,091, which includes out of pocket expenses.

**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:	56
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Foil Insulation Safety Program		
Hansard Page ECA:	Written		

Senator FISHER asked:

1. How many contractors, engaged under the Foil Insulation Safety Program, are awaiting payment for inspections they have undertaken?
2. How many payments to contractors were made later than 30 days after an inspection?
3. How many payments to contractors were made later than 60 days after an inspection?

Answer:

1. As at 10 September 2010, the Department had received 24,646 claims for interim safety inspections from a total of 1,023 licensed electrical contractors (LECs). Of the total number of claims submitted, 24,034 have been paid at a cost of about \$9.9 million.

LECs were advised that payment within 42 calendar days (or 30 business days) was dependent on provision of a correctly rendered invoice and completed electrical safety inspection report.

2. 14,135 claims were paid later than 30 calendar days after receipt of a correctly rendered invoice and completed electrical safety inspection report.
3. Of the 14,135 paid later than 30 calendar days, 7,265 were paid later than 60 calendar days after receipt of a correctly rendered invoice and completed electrical safety inspection report.

**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:	57
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	HIP		
Hansard Page ECA:	Written		

Senator FISHER asked:

1. Why is there \$347 million in 2010-2011 for the program?
2. What about the \$17 million for the program in 2011-2012 – why is there still being money allocated then?
3. It is understood that there was about a billion dollars left in the program.
 - a. Have all these funds been allocated and identified in the Budget?
 - b. If not, how much is left to be allocated?
 - c. What is it for?
4. Can you please provide an update on how many houses received insulation under this program?
5. Do we know how many pink batts were purchased with taxpayer funds?

Answer:

1. The funding allocated against the Home Insulation Program (HIP), including the \$347 million in 2010-2011, reflects the balance of money not allocated to the various insulation safety and industry programs. Some of this funding will be required to allow closure of HIP, but the majority is available to supplement the Home Insulation Safety Plan if required or be returned to the Budget.
2. The \$17 million allocated for HIP in 2011-2012 is available to meet any final costs associated with HIP closure, such as addressing any remaining fraud or debt recovery issues, with any balance available for return to the Budget.
3.
 - a. The funding in the Portfolio Budget Statements reflects the total approved funds for the Program, with the allocation against HIP being the residual.
 - b. None. Refer to the preceding answer.
 - c. Not applicable. Refer to the preceding answers.
4. Over 1.2 million homes received insulation under the HIP.

5. Batts were one of a number of different types of insulation product eligible for the rebate under the HIP. Furthermore, the number of batts used per installation varied according to roof space. It is therefore not possible to provide an accurate figure for the number of batts used. It should also be noted that pink batts are only one brand of batts used in the HIP.

**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:	58
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Home Insulation Program Correspondence		
Hansard Page ECA:	Written		

Senator FISHER asked:

I refer to the letters from Peter Garrett to the Prime Minister on 14 August 2009 regarding the Home Insulation Program.

1. Please provide a copy of this letter
2. If not, why not especially given other similar letters were released from the same period?
 - a. Who else received this letter?
 - b. Which Ministers received it?
 - c. When?
3. I refer to the Risk Registers of 31 July, 27 September and 1 October:
 - a. How widely circulated were they in the Department?
 - b. Were Minister's briefed on these documents?
 - c. Was the Prime Minister's Office briefed?
 - d. Will you please release those letters to this committee?
 - e. If not, why not?

Answer:

Minister Garrett wrote to the former Prime Minister, the Hon Kevin Rudd MP, on several occasions in relation to changes associated with the Home Insulation Program. These communications were of a Cabinet-in-Confidence nature.

Correspondence between Minister Garrett and the former Prime Minister was tabled in the Senate by Senator the Hon Joe Ludwig on 26 May 2010. Senator Ludwig's letter outlined the reasons for withholding the letter of 14 August 2009 and for disclosing the letters of 27 August, 28 October and 30 October 2009.

Copies of Senator Ludwig's letter and the relevant correspondence are at Attachment A.

The risk register was regularly reviewed and circulated to the Home Insulation Program Project Control Group. The Project Control Group membership consisted of a Deputy Secretary (Chair) and other departmental representatives from the Department of the Environment, Water, Heritage and the Arts (DEWHA), as well as representatives from the Department of the Prime Minister and Cabinet (PM&C), the Department of Education, Employment and Workplace Relations, Medicare Australia, the Department of Human Services and the Australian Taxation Office.

The risk register was not circulated to any Ministers by DEWHA; however, we cannot comment on the internal briefing arrangements of other departments.

PM&C received the risk register through their membership of the Project Control Group; however, we are not aware of whether the former Prime Minister's Office was briefed by his Department or not.



SENATOR THE HON JOE LUDWIG

Cabinet Secretary
Special Minister of State
Manager of Government Business in the Senate
Senator for Queensland

Senator the Hon John Hogg
President of the Senate
Parliament House
CANBERRA ACT 2600

Dear Mr President

Pursuant to the orders of the Senate No. 775 and 776 of 12 May 2010 relating to the production of various letters from the Minister for Environment Protection, Heritage and the Arts to the Prime Minister regarding the Home Insulation Program. The orders were directed to the Minister representing the Minister for Environment Protection, Heritage and the Arts, Senator the Hon. Penny Wong, and Senator the Hon. Chris Evans as Minister representing the Prime Minister. This letter responds to both orders.

Copies of the letters dated 27 August, 28 October and 30 October 2009 are attached. While these letters would have originally disclosed Cabinet deliberations, as their content is now largely in the public domain, no public interest immunity is claimed in respect of them. Accordingly they have been declassified for release.

The letter dated 14 August 2009 formed an under-the-line submission to Cabinet and would therefore reveal the deliberations of Cabinet. It is a precept of the operation of Cabinet government that Cabinet deliberations be secret so Cabinet's discussion and debate is free, recognising that all ministers will be publicly bound by Cabinet's final decision. As our system of government depends on the conventions of Cabinet, it is obviously in the public interest that these conventions be maintained. In this instance, therefore, disclosure would be contrary to the public interest.

For the sake of completeness, I have also enclosed copies of the Prime Minister's correspondence to Minister Garrett, dated 4 September, 29 October and 2 November 2009.

Yours sincerely

Joe Ludwig
JOE LUDWIG

26 May 2010

Received by me pursuant to standing order 166 authorising the presentation of documents to the President when the Senate is not sitting. Publication of the document is authorised.

John J. Hogg
President

9.29

27 May 2010

... dated 4 September, 29 October and 2 November 2009.

AL



OFFICE OF THE PRIME MINISTER
RECEIVED IN CANBERRA

28 AUG 2009

Referred to: PMC

AJ DFMS JLP

The Hon Peter Garrett AM MP

Minister for the Environment, Heritage and the Arts

B09/2249

The Hon Kevin Rudd MP
Prime Minister
Parliament House
CANBERRA ACT 2600

Dear Prime Minister

MCU

I am writing to you following my proposal dated 14 August 2009 and the subsequent Cabinet decision regarding changes to the Energy Efficient Homes Package.

The Homeowner Insulation Program (HIP) and Low Emission Assistance Plan for Renters (LEAPR) are key components of the Energy Efficient Homes Package within the Nation Building – Economic Stimulus Plan. While the overall package is proving successful in terms of jobs created and homes insulated (80,000 in July), there are implementation issues which the decision seeks to address, including:

- Low uptake of LEAPR due to the difficulties in tenants gaining landlord consent and the differential price signal (\$1,000 for rental homes versus \$1,600 for owner-occupiers);
- Concern about new entrants to the market not adequately meeting required standards on work undertaken and engaging in price manipulation; and
- The need to transfer funds across the stimulus package and outside the portfolio.

In line with the Cabinet decision, I propose that LEAPR will be discontinued from Monday 31 August 2009. From 1 September 2009, tenants and landlords will be able to claim the full \$1,600 under a reshaped Home Insulation Program.

The program guidelines for the Home Insulation Program will be modified to reflect this change and will also:

- Require physical site inspection in order to provide an installation quote (not via phone, remote or Google Earth);
- Require installers to provide evidence of qualifications and/or competencies pre-registration;
- Provide a price guide advisory for different types of insulation products and any variables to educate householders and installers;
- Target installers who charge consistently above the advisory figures for audit; and
- Restore the requirement for two quotes to ensure competitive pricing, increased quality and value for money.

Parliament House, Canberra ACT 2600

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Fax (02) 6273 6101

~~CABINET-IN-CONFIDENCE~~ *Declassified*

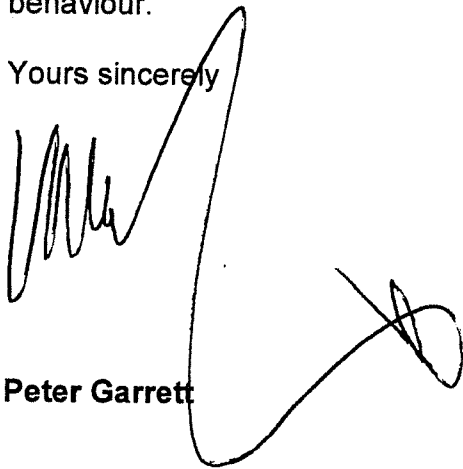
Furthermore, my Department will immediately increase installer compliance communication, with a focus on proactively managing the public compliance dialogue and reinforcing the serious consequences for businesses of non-compliance.

In addition, a new program called *Green Start* will aim to target up to 300,000 households with a combination of intensive energy audits and assistance with low-cost energy efficiency improvements. In order to maximise the benefits for low-income households and avoid duplication with existing programs, *Green Start* will be implemented in partnership with State and Territory agencies, NGOs, social enterprises and energy providers, integrating with existing programs, including:

- Energy hardship programs managed by state and/or privately owned energy utility companies;
- State and territory based retrofit programs (e.g. NSW Low Income Household Retrofit Program);
- State and territory based household energy efficiency schemes (e.g. REES in South Australia, VEET in Victoria); and
- Localised energy audit and/or retrofit projects being undertaken by non-government organisations (e.g. Energy and Water Taskforce in Victoria, operated by the Brotherhood of St. Laurence).

I will continue to closely monitor both programs and provide an update in three months on the effectiveness of these proposed additional controls as well as changes in market behaviour.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Peter Garrett', written over a large, stylized, looping flourish that extends from the signature area down and to the right.

Peter Garrett



PRIME MINISTER
CANBERRA

Reference: C09/45667

The Hon Peter Garrett AM MP
Minister for the Environment, Heritage and the Arts
Parliament House
CANBERRA ACT 2600

Dear Minister

Thank you for your letter of 20 August 2009 regarding the Solar Hot Water Rebate and your letter of 28 August 2009 regarding the eligibility of households who are rebuilding after the Victorian bushfires for the Solar Hot Water Rebate.

I agree to your proposal to extend the Solar Hot Water Rebate to new homes that are replacing homes lost in the Victorian bushfires, subject to the restrictions you outlined in your letter.

I note your comments regarding the current take-up of the rebate, and the shift in the market-place to lower cost heat pump systems. I agree to your proposal to lower the rebate for heat pump systems, however, I propose the rebate return to its original level of \$1000.

In order to maintain tight fiscal controls, I ask also ask that you announce a hard cap of \$672 million in funding for the rebate program. This cap in funding should be managed in a similar way to the cap announced for the insulation program in the Energy Efficient Homes Package.

I have copied this letter to the Treasurer and the Minister for Finance and Deregulation, for their information.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin Rudd'.

Kevin Rudd

4 SEP 2009



The Hon Peter Garrett AM MP

Minister for the Environment, Heritage and the Arts

The Hon Kevin Rudd MP
Prime Minister
Parliament House
CANBERRA ACT 2600

28 OCT 2009

2 OCT 2009

Dear Prime Minister *Kevin*

I am writing to you to seek your agreement on changes to the Home Insulation Program (HIP), as discussed by Cabinet SPBC on 22 October 2009.

The Program has been the centrepiece of the Energy Efficient Homes Package component of the Nation Building – Economic Stimulus Plan. The Program has seen unprecedented demand from householders, with nearly half a million homes being insulated to date, and has contributed significantly job creation, with over 8,000 businesses registered under the Program. Consistent with the SPBC decision of 22 October 2009 and the Treasurer's letter of 23 October 2009, my Department is working with central agencies to ensure that funds are brought forward from 2011-12 to the current financial year to meet current high levels of demand and provide \$250 million in savings from 2011-12. I am writing separately to the Minister for Finance and Deregulation on the latter issue.

The major changes agreed by SPBC include reducing the assistance under the Program to \$1,200; the introduction of a requirement for multiple quotes; and introducing the ability for Government to publish the names of those installers who have been deregistered as a result of compliance action undertaken by my Department. While there has been substantial effort in relation to compliance undertaken thus far, I am also working urgently with industry and regulators to toughen the compliance regime further, particularly by using the program to drive improvements to industry work practices and technologies and reduce unacceptably high occupational health and safety risks.

The key change to the Program is the reduction of the maximum level of assistance from \$1,600 to \$1,200, to be implemented in line with the Mid-Year Economic and Fiscal Outlook announcement (which I understand requires these arrangements to be ready to be implemented from the week beginning 2 November 2009). My Department is planning on the basis of enabling the reduction in the rebate to come into effect for all installations of ceiling insulation taking place after midnight on 2 November 2009.

To receive payment for an installation, all installers are required to be registered in the system hosted by Medicare, and log in to make claims on completed work, receiving payment within seven days. Medicare has confirmed that it is possible to amend their data processing systems to allow a reduction to the claimable rebate amount from midnight

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2 November if required. I will be considering further mechanisms to allow deeming provisions for claims to be processed where installations have been quoted and booked but not yet carried out or where installations have been carried out prior to 2 November but not claimed. This may require manual processing outside the Medicare system.

In my view, it is important that the reduction in the rebate take effect from the time of its announcement. Any substantive delay between announcement and introduction of the reduced rebate would likely lead to a rush for installation by industry and householders, with negative consequences for quality of installation (including increased risk of fire), increased compliance risks (including collusion between householders and installers for claims when no insulation has been installed at that time), and a spike in program expenditure. On the latter, my view is that the number of installers in the market provides scope for increased activity; and my experience with other program changes where there is aggressive marketing by providers is that installers can drive up demand at short notice.

The Government would obviously wear the criticism associated with any of these consequences in relation to quality, compliance and demand.

The insulation industry (installers and manufacturers) will naturally be critical of the Government for introducing the reduced rebate around the same time as the announcement. In my view, the real impact on the industry will not be significant. Recent increases in installation rates may in fact point to some speculation in the sector that the Government is considering a reduced rebate. There is a prospect that some small players who are recent entrants into the market, and who generally represent a higher operating risk, may decide not to continue. On balance, this may reduce some compliance issues and benefit consumers.

Of particular focus for my plans on implementation are the 4,000 most active installers making claims on a weekly basis, and their need to maintain effort in the immediate future. They have the capacity to continue marketing efforts and lock in further installations, even with a rebate price drop to \$1,200. It will take Medicare until early December to amend work order forms for the new arrangements. In the interim, active installers have the capacity to adjust their business plans to meet the two quotes requirement.

It is proposed that the shift to multiple quotes and the introduction of a list of deregistered installers will also be announced on 2 November, for a commencement date of 1 December 2009. The announcement of product and work practice changes will depend on the outcomes of my current industry consultations, but I expect these changes will come into effect on 1 December. Such a staged process will allow for the more complex process and system changes to occur, and ensure a smooth transition and implementation.

In regards to the introduction of multiple quotes, I strongly support the introduction of two quotes in metropolitan areas rather than three, while retaining one quote in rural and regional areas. Two quotes will provide householders with confidence that they have chosen the right product for their individual circumstances and allow the householder to ensure that they are getting value for money, without unduly inconveniencing working households who must be at home to receive a quotation now that physical inspections are required. The encouragement to seek two quotes is already supported by consumer information in the Program Pricing Table introduced on 1 September 2009, which gives householders a guide to suggested prices for insulation products.

After considering the alternatives, I take the view that adopting a three quote process would cause inconvenience for householders and add to business costs, impacting on the job creation success that we have seen so far. My Department has advised me, based on installer feedback, that the cost of providing a quote is in the order of \$80 to \$100. These additional costs would be passed on to householders. The revised work order forms will require householders to verify that they have received two quotes.

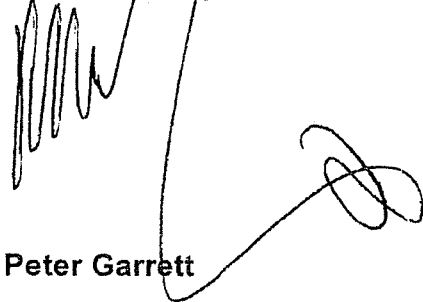
It is also not advisable to require householders to confirm that they have taken the lowest quote. This could lead to a drop in quality, increase risks in safety, unfairly advantage the lower cost but poorer quality technologies while creating a large compliance burden on households. It is more appropriate, especially when the householder is paying the gap between the installation price and the rebate, to enable them to select the best product for their needs, not simply the cheapest product. However, my Department will continue to monitor household quoting practices, including their choice of quotation and documentation on quotes as part of the audit program.

An additional measure that will be progressed on 1 December is the ability to publish the names of installers who had been deregistered as part of my Department's compliance activities. This will be done by contacting all installers currently on the register and advising them that if they do not agree to the new terms and conditions of registration, operational from 1 December 2009, they will be removed from being able to participate in the Program. Further, any installer removed from the Register for any reason apart from voluntary deregistration will be named in a "Register of De-listed Installers", including the reasons for their deregistration. In the recent round of deregistration, the most common reason was the failure to provide insurance details on request by the Department.

I expect that this new measure will be a real deterrent against potential breaches of Program guidelines. In addition, I am considering adding the capacity from 1 December 2009 of enabling installers to be suspended (unable to claim from the system) while investigations of compliance take place.

I seek your agreement to the proposed implementation strategy outlined above and note that revised Guidelines will be provided by Friday 30 October. I have copied this letter to the Treasurer, the Minister for Finance and Deregulation and the Minister Assisting the Prime Minister for Government Service Delivery.

Yours sincerely,



Peter Garrett



PRIME MINISTER
CANBERRA

29 OCT 2009

Reference: B09/1679

The Hon Peter Garrett AM MP
Minister for the Environment, Heritage and the Arts
Parliament House
CANBERRA ACT 2600

Dear Minister

Thank you for your letter of 28 October 2009 regarding implementation of changes to the Home Insulation Program.

In relation to the reduction in the Home Insulation Program rebate to \$1200, which is to be announced with the Mid Year Economic and Fiscal Outlook, I have considered the concerns you have raised in your letter and agree that the reduced rebate should come into effect immediately on announcement.

I note that the introduction of these new arrangements will involve some disruption to the industry and our officials have discussed arrangements aimed at ensure a more orderly transition to the new rebate. Accordingly, I ask that the guidelines ensure that eligibility to the higher rebate under the transition arrangements be restricted to registered installers with work quotes on hand at the time of the announcement and that the installation be completed within two weeks.

I agree to your proposal to introduce the requirement for two quotes to be sought by the householder prior to any claim for a rebate, where it is practical to do so. I also agree that you implement a system of publishing the names of de-registered installers and the reasons for de-registration. Both of these arrangements should commence from 1 December.

I note that you will be providing revised Guidelines for the program by Friday, 30 October. I ask that you continue to consult my Department closely in the development of these guidelines and seek advice from relevant agencies such as the Office of the Privacy Commissioner where necessary.

I have copied this letter to the Treasurer.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin Rudd'.

Kevin Rudd

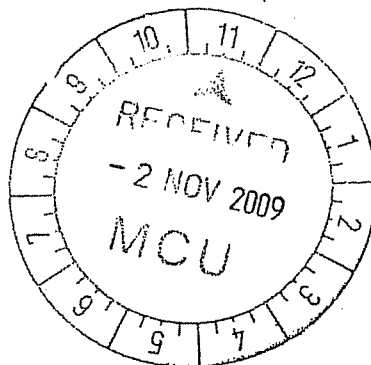


The Hon Peter Garrett AM MP

Minister for the Environment, Heritage and the Arts

30 OCT 2009

The Hon Kevin Rudd MP
Prime Minister
Parliament House
CANBERRA ACT 2600



Dear Prime Minister

Thank you for your letter of 29 October 2009 and your support for the Home Insulation Program changes as outlined in my letter to you of 28 October 2009. This letter is to further outline changes to the Program in relation to electrical and other safety issues and the matters that you have raised in your correspondence.

Regarding the transitional arrangements, the Program guidelines now reflect clear eligibility criteria for obtaining the increased level of assistance under the Program. Specifically, the guidelines state that where householders accepted a quote prior to the announcement from an installer on the Installer Provider Register, the installation must occur within two weeks and be claimed within four weeks for the householder to receive assistance up to \$1,600.

My Department has been working with Medicare on the implementation logistics around these transitional arrangements and payments will be managed partly through our online system, with a 14 day payment turnaround time, and partly through a manual process to manage the gap payment. It should be acknowledged that there may be delays with the manual payments, with an average turnaround time of between 4 to 6 weeks. My Department is however working on a strategy to have all payments processed before Christmas. The two-part payment process will ensure that business cash flow implications are minimised and ensure that this measure is rolled out in a timely manner.

My Department has held discussions with the Australian Government Solicitor who indicated that the deregistration process is achievable, with installer consent. Under this approach, the names of installer companies that have been deregistered from the Program can be published on the Internet when the installer company has given permission for my Department to publish their company name and de-registration details as part of their acceptance of the terms and conditions of the installer provider register for the Program. We are discussing the details of the approach with the Privacy Commissioner and will incorporate their suggestions in program documentation.

Safety for householders and insulation installers remains an absolute priority under the Program, and I have indicated consistently that I will not hesitate to further boost safety standards, compliance measures and training should this be required. In line with this approach, I have considered the recommendations put forward by a range of Program stakeholders, and propose to implement the following package of measures with immediate effect:

1. My Department will work with the Queensland Electrical Safety Office and relevant industry bodies such as the National Electrical and Communications Association and Master Electricians Australia to roll out a targeted electrical safety testing program of homes that have had foil insulation installed under the Program. Initially a sample of 10 per cent of houses installed with reflective foil will be targeted.
2. Disallow the use of metal fasteners in installing ceiling insulation under the Program. Taping or fastening with nylon/plastic staples or any other non metallic means will be permitted.
3. Mandatory use of an appropriate cover over down lights and other relevant ceiling appliances, as approved and installed in accordance with relevant Australian Standards. Where it's not possible to install a cover (for example, due to space limitations in flat ceilings), installers must still leave the minimum clearance distance required under the relevant Standards.

From 1 December 2009, the guidelines will also require a pre-installation risk assessment by installers for each home. Installers will fill out a risk assessment template based on the relevant requirements under state and territory OHS legislation.

My Department will further strengthen cooperation with other relevant state and territory Occupational Health and Safety (OHS) and work-safe agencies to ensure that installers are operating in a safe work environment, with a particular focus on supervisory obligations.

In addition, the relevant construction and electrical training bodies are currently reviewing the training package and further safety enhancements will be incorporated into the training materials as required.

I note that there are a broad range of regulatory agencies at the national and state and territory level that cover the building and insulation sector, and the Program does not override the regulatory jurisdiction of those agencies. My Department will continue to work closely with industry and relevant regulatory agencies to further strengthen safety aspects of the Program.

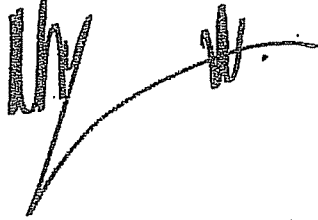
While some industry stakeholders may say that the additional requirements are beyond current standards, the Queensland regulators are supportive. Queensland Attorney General Cameron Dick intends making an announcement in the Queensland Parliament on electrical safety. My Department will continue to work with stakeholders on any concerns during implementation of the changes.

This package of additional safety measures is complementary to the measures agreed to by Cabinet SPBC, particularly the introduction of the ability for my Department to publish the names of those installers who have been deregistered as a result of compliance action undertaken by my Department. This will also drive improvements to industry work practices and technologies and reduce unacceptably high occupational health and safety risks.

~~IN-CONFIDENCE~~

A copy of the proposed Program guidelines are attached for your review. I seek your agreement to the proposed implementation strategy outlined above.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Peter Garrett', with a long, sweeping underline that extends to the right.

Peter Garrett

~~IN-CONFIDENCE~~



Australian Government

Nation Building
ECONOMIC STIMULUS PLAN

Energy Efficient Homes Package

Home Insulation Program

Program guidelines

Version 4.0

The Energy Efficient Homes Package, as part of the Australian Government's Nation Building – Economic Stimulus Plan, aims to stimulate the economy, supporting thousands of jobs in manufacturing, distribution and installation.

The Home Insulation Program is a key part of this Package. Under the Program, assistance of up to \$1,200 is available to help eligible owner-occupiers, landlords and tenants install new Ceiling Insulation in their existing privately-owned homes, rental and other properties.

The Home Insulation Program is capped at \$2.45 billion and will continue until 31 December 2011 or until funds have been fully allocated.

This booklet provides revised guidelines for installations from 2 November 2009 onwards.

Under the Home Insulation Program, the assistance is paid directly to the insulation installer, on behalf of the Householder.

Transitional Arrangements

Where Householders accepted a quote prior to 2 November 2009 for Ceiling Insulation from an Installer on the Installer Provider Register, the installation must occur on or before 16 November 2009 to receive assistance up to \$1,600. Claims for work quoted before 2 November 2009 and completed on or before 16 November 2009 must be lodged before 1 December 2009 to qualify for up to \$1,600 in assistance under the Program. All other claims may be eligible for up to \$1,200 in assistance under the Program.

All guidelines are available at: www.environment.gov.au/energyefficiency or by calling 1800 808 571.

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Program Guideline Updates

Version 4	Date of issue: 2 November 2009	Date applicable: 2 November 2009 to 31 December 2011 (or until funds have been fully allocated)
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1. Home Insulation Program Overview

Why is the Australian Government providing this assistance to Householders?

The Australian Government's Home Insulation Program is improving the energy efficiency of Australian homes – making them more comfortable, reducing their carbon footprint, cutting energy waste and helping householders save on energy bills.

The Home Insulation Program offers assistance to install Ceiling Insulation (see 'Definitions') worth up to \$1,200¹ to Australian Householders, including Owner-Occupiers, Landlords and Tenants of currently uninsulated homes or homes with Ceiling Insulation of Negligible Effectiveness (see 'Definitions')².

For many homes insulation is the simplest and most cost effective way to make a house more energy efficient, keeping it cooler in summer and warmer in winter. It can save up to 40 per cent in heating and cooling bills³. Insulation can also reduce condensation on walls and ceilings, and may lead to improved health outcomes.

The assistance available under the Home Insulation Program is an alternative to the Solar Hot Water Rebate Program – Householders cannot apply for assistance under the Home Insulation Program for a dwelling, where they have already applied for or received assistance under the Solar Hot Water Rebate Program for that dwelling⁴. Details of the Solar Hot Water Rebate Program are available at:

www.environment.gov.au/energyefficiency/solarhotwater/index.html.

More information on the Energy Efficient Homes Package is available from: www.environment.gov.au/energyefficiency or by phoning 1800 808 571.

2. For the Householder

In order to qualify for the assistance Householders must fully comply with all the eligibility requirements set out in these guidelines. Final decisions regarding eligibility will be made by the Australian Government.

Householder eligibility

To be eligible to obtain the assistance the Householder must:

- be:
 - i) the Owner-Occupier (see 'Definitions') or Beneficial Owner (see 'Definitions') of the dwelling where the Ceiling Insulation is to be installed and be an individual who is an Australian citizen or permanent resident aged 18 years or over; or
 - ii) the Landlord (see 'Definitions') of the dwelling where the Ceiling Insulation is to be installed and be:
 - an Australian citizen or permanent resident aged 18 years or over; or
 - a corporate entity incorporated in Australia; or
 - iii) the Tenant (see 'Definitions') of a dwelling owned by a Landlord who has evidence of the Landlord's permission (letter from the Landlord or Landlord's agent) to install Ceiling Insulation in that dwelling under the Home Insulation Program and to sign the Work Order Form (see 'Definitions') including giving a release on the Landlord's behalf;

¹ The cost of insulation may exceed \$1,200.

² The provision of assistance is subject to the availability of funding for the Program.

³ Depending on the characteristics of the building shell and of the household's overall energy consumption patterns.

⁴ This includes Landlords and their Tenants.

and must:

- from 1 December 2009 obtain two (2) genuine independent quotes from two Installers on the Installer Provider register; and
- obtain the approval of the owners' corporation, if applicable; and
- not have been granted assistance under the Australian Government's Solar Hot Water Rebate Program since 3 February 2009 for that dwelling; and
- not have applied for or been granted assistance under the Homeowner Insulation Program or the Low Emission Assistance Plan for Renters in relation to the dwelling (a dwelling can only be insulated once under the Program including the Homeowner Insulation Program and the Low Emission Assistance Plan for Renters); and
- correctly complete and sign the relevant section of the Work Order Form (see 'Definitions'); and
- be arranging the installation of new Ceiling Insulation, not replacing existing Ceiling Insulation above what is deemed as having Negligible Effectiveness (see 'Definitions'); and
- not have received or be entitled to receive assistance for the installation of Ceiling Insulation in the dwelling under any State, Territory or Local Government scheme which combined with any assistance under this Program will result in the Householder receiving assistance in excess of the total cost of the installation of the Ceiling Insulation.⁵
- be arranging the installation of Ceiling Insulation in a dwelling that is not State, Territory or Local Government public housing or owned by the Commonwealth or a State, Territory or Local Government.

Arranging installation and the Work Order Form

To arrange installation the Householder will need to:

- Read these guidelines and carefully assess their eligibility.
- For installations on or after 1 December 2009, obtain at least two (2) genuine independent written quotes from different Installers (see 'Definitions') on the Installer Provider Register (see 'Definitions') at www.environment.gov.au/energyefficiency or by phoning 1800 808 571.
- For an installation before 1 December 2009, obtain at least one quote from an Installer on the Installer Provider Register.
- Each quote must be based on a Physical Site Inspection (see 'Definitions'), for the installation of Ceiling Insulation. The quotes must contain details of the Insulation product type, the insulation R-Value (see 'Definitions') (Total R-Value or Material R-Value), area to be insulated, total cost (GST inclusive), breakdown of the cost including price per square metre, labour and materials. Where the price per square metre exceeds the recommended upper price specified in the Pricing Table for the Insulation product type, an explanation of the reason(s) must be included as part of the written quote.

Notes:

- *Where Householders are unable to obtain two (2) quotes and Physical Site Inspections due to the dwelling being located in a remote area, they may be exempt from this requirement. To be eligible, a minimum of one (1) written quote with or without a Physical Site Inspection will still be required.*
- *For the purposes of the Program, dwellings are considered to be in a remote area if they are located in an area of Australia that is classified as "remote" or "very remote" under the Australian Bureau of Statistics remoteness classification.*
- *The ABS remoteness maps for each State and Territory are available on the Program website at: www.environment.gov.au/energyefficiency/insulation*
- *Installers may advertise their services; however, the Householder should check that their preferred Installers are listed on the Installer Provider Register.*
- *The Householder and the Installer are responsible for entering into a contractual arrangement for the installation of Ceiling Insulation noting that the Australian Government*

⁵ Under this Program, Householders will only be eligible for assistance (not exceeding \$1,200) which together with the total assistance under the State, Territory or Local Government scheme does not exceed the total cost of the installation of the Ceiling Insulation.

will only pay the Installer on behalf of an eligible Householder for the cost of the installation up to \$1,200.

- *The Householder will be responsible for any cost in excess of \$1,200 or the total cost if they are not eligible under the Program.*

Once the installation is complete:

- o *If the Householder is satisfied with the work, they should complete and sign the relevant section of the Work Order Form, which the Installer will present to the Householder.*
- o *Householders must retain copies of the two written quotes required to support a valid claim, the tax invoice, completed and signed Work Order Form and any other proof of purchase documents provided to them by the Installer for Australian Government audit purposes for a period of five (5) years. Under the Program's audit activities, copies of all documentation may need to be provided to the Australian Government.*

Notes:

- *The Installer will retain their copy of the Work Order Form and they will apply for payment from the Australian Government by logging on to the online payment system.*
- *The Australian Government may delay payments to Installers until it is satisfied Program requirements have been met.*
- *All parts of the Work Order Form except the Householder section must be completed by the Installer.*
- *The Work Order Form is not to be used as acceptance of the quote. Only after the work has been completed to the satisfaction of both the Householder and the Installer should the form be completed and signed.*
- *By signing the Work Order Form the Householder declares they are eligible for assistance under the Program and satisfied with the installation of the Ceiling Insulation.*

3. For the Installer

Installer Provider Register

To be eligible for assistance, the Ceiling Insulation must be installed by an Installer or an Individual who is working for or contracted by an Installer. Installers must be listed on the Installer Provider Register.

To be listed on the Installer Provider Register, Installers must meet minimum competency standards, hold specified insurance cover, have an ABN and agree to the other Terms and Conditions of Registration. Proof of the competency standards and insurance will be required before registration is approved. Installer Terms and Conditions of Registration can be found at www.environment.gov.au/energyefficiency or by phoning 1800 808 571.

While Installers may advertise their services, any advertising and promotional material by an Installer that refers to the Program must state that householder eligibility criteria apply. Installers must not represent themselves as the Australian Government or as approved Installers of the Australian Government. Guidance on appropriate advertising is available at: www.environment.gov.au/energyefficiency

The Installer Provider Register is available at: www.environment.gov.au/energyefficiency or by phoning 1800 808 571.

From 1 December 2009, the Installer Provider Register will list Installers who have been de-registered and the reasons for their removal from the Installer Provider Register.

Installers who do not wish to participate in these arrangements will be given the opportunity to formally respond notifying they do not wish to accept the new Terms and Conditions and will be voluntarily de-registered. These Installers will not be included in the list of de-registered Installers.

Note: The Installer must comply with all relevant laws when installing Ceiling Insulation, including any State or Territory licensing requirements and with the Program guidelines and Terms and Conditions of Registration.

Quote requirements

Please note: From 1 December 2009, householders must obtain at least two (2) genuinely independent written quotes from different Installers (see 'Definitions') on the Installer Provider Register (see 'Definitions').

The Installer must first conduct a Physical Site Inspection (see 'Definitions') and then provide a written quote to the Householder. The quote must contain details of the insulation product type, the insulation R-Value (Total R-Value or Material R-Value), area to be insulated, total cost (GST inclusive), breakdown of the cost including price per square metre, labour and materials, and where the price per square metre exceeds the recommended upper price specified in the Pricing Table for the insulation product type used, an explanation of the reason(s).

Notes:

- *Where Householders are unable to obtain Physical Site Inspections due to the dwelling being located in a remote area, they may be exempt from this requirement. To be eligible, a minimum of one (1) written quote with or without a Physical Site Inspection will still be required.*
- *For the purposes of the Program, dwellings are considered to be in a remote area if they are located in an area of Australia that is classified as "remote" or "very remote" under the Australian Bureau of Statistics remoteness classification.*
- *The ABS remoteness maps for each State and Territory are available on the Program website at: www.environment.gov.au/energyefficiency/insulation*

Completion of the work and Work Order Form

- o Once the installation is complete, and the Householder is satisfied with the work, the Installer will complete and sign the Installer section of the Work Order Form.
- o The Installer will then present the Work Order Form to the Householder to complete the relevant section.
- o The Work Order Form will not be a validly completed form until it includes the acknowledgement by the Householder that they have obtained two quotes prior to the installation of the insulation and identified the installer that provided the other quote.
- o Installers will retain their copy of the completed and signed Work Order Form and will apply for payment from the Australian Government by logging on to the online payment system.

Notes:

- *Installers must not claim for work that has not been completed.*
- *The Australian Government may delay payments to Installers until satisfied Program requirements have been met.*

Supporting documentation

Installers must provide the Householder with:

- o a written quote;
- o a tax invoice; and
- o a duplicate copy of the completed Work Order Form for the purchase and installation of the Ceiling Insulation.

Installers must retain copies of these documents for five (5) years.

Note: These documents do not need to be submitted to the Australian Government unless requested for audit purposes.

4. Installation eligibility requirements

To be eligible to obtain the assistance the Ceiling Insulation must:

- be installed in a dwelling that does not already have Ceiling Insulation or has Ceiling Insulation of Negligible Effectiveness; and
- be installed on or after 2 November 2009 and before Program Completion (otherwise the previous Program Guidelines apply); and
- result in the Living Area (see 'Definitions') being insulated to the Minimum R-Value required under the Program; and
- be new Ceiling Insulation material; and
- be installed in an existing dwelling (not an extension or a new dwelling covered from 2003 onwards by mandatory thermal performance requirements for new housing under the Building Code of Australia (BCA)); and
- be installed in a dwelling in Australia; and
- be installed by an Installer or by an individual working for or contracted by an Installer who has the required competencies (see Section 3); and
- be installed to the Australian Insulation Installation standard, AS 3999-1992 'Thermal Insulation of dwellings – bulk installations – installation requirements'⁶⁷. Installers should note that clause 4.2 (e) of AS 3999-1992 is replaced with clause 4.5.2.3 of AS/NZS 3000:2007 and figure 4.5 of AS 3999-1992 is replaced with figure 4.7 of AS/NZS 3000:2007 for the wiring rules for the minimum clearance distances from recessed luminaires, including down lights; and
- meet the insulation product standard - AS/NZ 4859.1:2002 (incorporating Amendment 1, Dec 2006) 'Materials for the Thermal Insulation of Buildings'; and
- comply (as a minimum) with the specified R-Value outlined in Table 1 for the climate zone where the dwelling is located, and the direction of heat flow; and
- include the use of an appropriate cover over down lights and other relevant ceiling appliances, as approved and installed in accordance with relevant Australian Standards. Where it's not possible or appropriate to install a cover (eg due to space limitations in flat ceilings) installers must still leave the minimum clearance distance required under the relevant Standards and
- must be installed without the use of metal staples or other metal fasteners to attach insulation products. Taping or fastening with nylon or plastic staples or any other non metallic means is permitted; and
- from 1 December 2009, must not be installed before a Risk Assessment has been completed by the Installer on the approved template. The completed Risk Assessment must be provided if requested for audit purposes.

Note: The Installer is responsible for ensuring that the technical requirements are met and must confirm that these are met in the Work Order Form.

Table 1: Program R-Value Requirements by Climate Zone

Climate zone (see climate maps at www.environment.gov.au/energyefficiency)	1	2 At less than	2 At 300m altitude	3	4	5	6	7	8

⁶ For products that fall outside the scope of AS 3999-1992, they must be installed in accordance with Part 3.12.1 'Building Fabric', 3.12.1.1 'Building fabric thermal insulation' and 3.12.1.2 'Roofs' of the BCA. Installers should note that Table 3.12.1.1 'Roofs-Minimum Total R-Value' in the BCA is substituted for Table 1 of these guidelines. If using this method, the Installer is responsible for ensuring that the installation complies.

⁷ In situations where downlights, exhaust fans or any other elements placed in the ceiling result in thermal bridging due to the requirement to fit barriers to meet fire, electrical or any other safety standards, and a reduction in insulation coverage in the ceiling area of 1% or more results, then Table 3.12.1.1a "Adjustment of Minimum R-Value For a Reduction of Ceiling Insulation" from the Building Code of Australia 2009 or latest published version must be used in conjunction with the minimum required R-Values for the climate zones as per Table 1 in these guidelines. The BCA Table allows for calculation of the proportional increase in R-Value of insulation that will be required in the remainder of the ceiling to compensate.

		300m altitude	or more						
Minimum R-Value requirements The R-Value can be either: 1. Material R-Value OR 2. Total R-Value approach outlined in the Building Code of Australia ⁸	3.0	3.0	3.0	3.0	3.5	3.5	3.5	4.0	4.0
Direction of heat flow	Down		Down and Up		Up				

Notes on Table 1:

- Material R-Value is the declared R-Value of the insulation product as tested according to AS/NZS4859.1. This value must be marked on the insulation packaging or on appropriate product testing documentation.
- Material R-Value is not the same as Total R-Value. Total R-Value includes the Material R-Value plus the thermal value of building elements and reflective air spaces.
- The assistance of up to \$1,200 is available for a variety of insulation materials, provided the other requirements listed above are met.

5. Types and reasonable cost of insulation

A range of insulation products may be installed under the Program. It is important that Householders familiarise themselves with the range of products available to ensure the product's suitability to individual circumstances, which includes the location of the dwelling and the roof type. Further information is available from:
www.environment.gov.au/energyefficiency

Factors that may affect the price of installation of insulation include:

- non-standard roof types;
- difficult roof access;
- a requirement for higher R-Value insulation; or
- the dwelling is in a remote location.

Table 2 below provides guidance for Installers regarding the price of installing insulation. The table is intended help Householders evaluate quotations and assist them in making an informed decision on what insulation products and installation options are best for their individual circumstances.

The prices in the table are based on actual claims under the Program, and therefore factor in all business costs incurred by Installers such as materials, labour, overheads and GST.

The Pricing Table does not set a fixed price which Installers can charge. Installers are still able to set their own price and can quote householders with an amount that covers the cost of the installation.

However, when Installers quote above the recommended upper price per square metre, they must provide justification as part of the quote.

Installers must not charge above the upper price specified in the Pricing Table for the product type installed without reasonable grounds. Installers not complying with this requirement may be removed from the Installer Provider Register.

Table 2: Pricing Table

⁸ If using the Total R-Value approach from the BCA, the Minimum R-Value must still meet those of Table 1 above.

Product	Lower to Average Price Range per sq m	Upper Price per sq m
Cellulose	\$9.60 to \$15.10	\$20.60
Glasswool	\$6.10 to \$14.20	\$22.40
Natural Wool	\$9.20 to \$14.40	\$19.60
Rock Wool	\$8.40 to \$14.10	\$19.90
Polyester	\$11.00 to \$16.90	\$22.90
Foil	\$9.80 to \$14.60	\$19.40

Notes on Table 2:

- Recommended figures are based on the total cost of installations lodged from 1 July to 10 September 2009.
- Figures listed in the upper price column take into consideration additional costs associated with complex installations and remote location issues.
- Upper and lower amounts are one standard deviation from the average.
- The Price Table may be updated from time to time. Please refer to www.environment.gov.au/energyefficiency for any updates.

6. Compliance

The Australian Government has a compliance and audit strategy in place for the Program which includes both targeted and random audit activities, for example:

- Inspections of installation work done;
- Direct contact with Householders;
- Auditing of Installers' records relating to the Program;
- Address and dwelling size confirmation;
- Verification of claims information with Householders and Installers;
- Verification of Installer compliance with the Pricing Table;
- Verification of Installer compliance with the Terms and Conditions of registration; and
- Verification of Householder and Installer compliance with the Program guidelines.

Any non-compliance will be treated seriously and may result in recovery of money, prosecution and/or Installers being removed from the Installer Provider Register.

7. Further Information

Definitions

The following definitions are applied for the purpose of the Program:

Beneficial Owner – an individual who is the beneficiary of a trust that owns a dwelling and who occupies that dwelling as their principal place of residence.

Ceiling Insulation – material which reduces the amount of heat flowing into or out of a building via the ceiling.

Householder – the Owner-Occupier, the Beneficial Owner, the Tenant or Landlord of the dwelling where the Ceiling Insulation is to be installed and who meets the rest of the criteria in these guidelines.

Installer – an organisation or individual listed on the Installer Provider Register.

Installer Provider Register – list of Installers of Ceiling Insulation available at: www.environment.gov.au/energyefficiency or by phoning 1800 808 571, as amended from time to time.

Landlord - for the purposes of this assistance includes a person or persons or a housing co-operative, community or church group, retirement village, non-government housing organisation, company, trustee or any other body not previously mentioned (apart from the Commonwealth or a Commonwealth authority, a State, Territory or Local Government or State, Territory or Local Government Authority including a State, Territory or Local Government Housing Authority), who own(s) a dwelling and who meets the rest of the criteria in these guidelines. Landlords can apply for assistance for each rental and other property they own, including dwellings where they do not receive rental payments and untenanted properties, for example holiday homes.

Living Area – the part of the dwelling that is determined according to the following factors:

- the area under the roof line of the main dwelling;
- the areas of the dwelling where people live including sleep, eat, relax, work, etc;
- whether there is a heating or cooling device used in the room to be insulated;
- the amount of time spent in the area; and
- whether the area to be insulated is a fully enclosed room.

Note: Bathrooms, toilets and/or laundries are generally considered part of the Living Area if they are not stand-alone constructions.

Negligible Effectiveness – Ceiling Insulation is deemed as having negligible effectiveness if it is at or below 0.5 R-Value. The Installer makes a declaration in the Work Order Form that the R-value of existing insulation is 0.5 or less.

Owner- Occupier - an individual who owns and occupies a dwelling as their principal place of residence.

Physical Site Inspection – includes a physical inspection of the ceiling or roof of the dwelling to be insulated, including a full measurement of the roof space to be insulated, confirming that the dwelling does not already have Ceiling Insulation or has Ceiling Insulation of Negligible Effectiveness.

Program – the Home Insulation Program.

Program Completion – The Program will end on 31 December 2011 or when the Program funds have been fully allocated, whichever occurs first.

R-Value - thermal efficiency of insulation is measured by its R-Value. The higher the R-Value, the more resistant the insulation is to heat flowing into and out of the dwelling. Please note that the Installer is responsible for ensuring technical requirements in Section 4 are met.

State, Territory or Local Government Housing Authority - a State, Territory or Local Government housing authority or trust.

Tenant - for the purposes of this assistance includes a person or incorporated entity which has a license or other occupation arrangement with a Landlord, whether including the payment of rent or not, to live in a dwelling which the Landlord owns and who meets the rest of the criteria in these guidelines.

Work Order Form - The hardcopy form that must be correctly completed by the Householder and the Installer at the completion of the installation work to the satisfaction of the Householder.

Important notices

The Australian Government reserves the right to change the amount of the assistance provided or any other aspect of these guidelines.

The Australian Government will decide whether the Householder satisfies the eligibility requirements as set out in these guidelines and reserves the right to request further information to make this decision.

The Australian Government does not endorse any Installer on the Installer Provider Register or their work.

The Australian Government does not accept liability for any loss, damage, injury or cost incurred as a result of, or relating to, the installation of Ceiling Insulation or the installation process.

The Department of the Environment, Water, Heritage and the Arts and other agencies directly involved in the administration of the Home Insulation Program are bound by the *Privacy Act 1988*. Personal information collected under this Program will be used for the purposes of assessing applications, auditing compliance and safety, resolving complaints, enforcement of laws and regulations applicable to Program participants (including State/Territory and Local Government laws and regulations), preparing public reports on the Program and for related purposes.

In handling personal information for the purposes set out above, the Department may disclose personal information to other agencies involved in the administration of the Home Insulation Program and Energy Efficient Homes Package and the Minister for the Environment, Heritage and the Arts. The Department may also disclose personal information to appropriate Australian Government agencies, State/Territory and Local Government agencies for administration, compliance, safety, complaint resolution and law enforcement purposes relevant to the Program, and/or for preparing public reports on the assistance Program. Subject to the Terms and Conditions of Registration, which allow the disclosure of Installers' personal information on a website, published reports will be based on aggregate data and personal information will not be identifiable in such reports. Information may also be disclosed to authorised persons for audit purposes.

Information may also be disclosed to authorised persons for audit purposes.

Applying for assistance through the Home Insulation Program requires the Householder to allow an authorised inspector to access the property for audit purposes, if requested. For example this might involve, but may not be confined to, verification of satisfactory installation and the materials used.

Record keeping

The Australian Government may require the Householder and Installer to present reasonable evidence to support their application for the assistance. Requests from the Australian Government for evidence may be made after the payment of the assistance.

The Householder must retain copies of the documents referred to in Section 2 for a period of five (5) years after the date of installation for Australian Government audit purposes.

Contacts

Further information can be obtained from:

- Phone: 1800 808 571.
- Website: www.environment.gov.au/energyefficiency
- In writing to:
 - Home Insulation Program
 - Department of the Environment, Water, Heritage and the Arts
 - GPO Box 787
 - CANBERRA ACT 2601



PRIME MINISTER
CANBERRA

2 - NOV 2009

Reference: B09/1704

The Hon Peter Garrett AM MP
Minister for the Environment, Heritage and the Arts
Parliament House
CANBERRA ACT 2600

Dear Minister

Thank you for your letter of 30 October 2009 regarding revised guidelines for the Home Insulation Program.

I agree to the revisions you have made to the guidelines, which include the change to a \$1200 rebate, transition arrangements for quotes provided before the cut-off, the ability to publish names of de-registered installers and the requirements for two quotes.

It is very important that the transitional arrangements are managed smoothly. I ask that your Department work with Medicare to ensure as many of the transitional payments as possible are processed within two weeks and all are finalised by Christmas. Please advise my Department of progress on this matter.

I note the package of safety measures you intend to implement to improve safety of installer and householders following consultation with industry, safety experts and regulators.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin Rudd'.

Kevin Rudd

**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:	59
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Consultants		
Hansard Page ECA:	Written		

Senator FISHER asked:

I refer to the use of consultants in the HIP. Please provide a list of consultancies used in this program, including dates, costs, purpose, findings.

Answer:

Please see Question on Notice No. 30.

**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:	60
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Fraud		
Hansard Page ECA:	108		

Senator MARSHALL asked:

Senator MARSHALL—I was wondering if you could just advise me, too, about the sorts of fraud that we have uncovered, without going to the individual cases, that you either referred or you know are under investigation. We know there are a small number of potential, fraudulent duplicate claims you have told us about—a small number that are not clerical errors—but what other sorts of fraud, what categories, have we actually seen through this program?

Dr Parkinson—We will take that on notice, although I would not want to do anything to suggest the type of fraud that may have been a motivation for the three cases that have been referred to the AFP. If you accept that and we will see what we can do.

Senator MARSHALL—I do not want to jeopardise in any way the proceedings that you may have on foot—that is not the purpose—but are we seeing just claims put in for no work done or—

Dr Parkinson—Yes, we can tell you, without putting numbers against it, the types of things that lead to causes of concern...

Answer:

The types of activities which have been identified under the Home Insulation Program (HIP), thus far, which may meet the definition of ‘fraud’ as defined under the Commonwealth Fraud Control Guidelines may include, but are not limited to, the following:

- Claims lodged for insulation installed under the HIP when in fact the insulation was not physically installed.
- Claims lodged for insulation installed under the HIP and the insulation was not installed in accordance with the Terms and Conditions of Registration for the Energy Efficiency Homes Package (eg Batt splitting, all living areas not insulated or insulation not laid to the appropriate ‘R’ rating).
- Submitting false information on work order forms to the Department:
 - recording the details for a dwelling that was not eligible for insulation under the HIP (dwelling already had existing effective insulation, dwelling was

constructed post 2003 or dwelling is a State/Commonwealth government owned dwelling);

- installer forging householders signature on the work order form; or
- recording incorrect contact details for the householder.
- A claim was lodged for insulation installed under the HIP and a claim was lodged for the same dwelling under the Solar Hot Water Rebate program.

**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:	61
Program:	1.2		
Division/Agency:	HIPRO		
Topic:	Fraud		
Hansard Page ECA:	99		

Senator MARSHALL asked:

Senator MARSHALL—With those three cases, are you talking about three companies?

Mr Bowles—Effectively, yes.

Senator MARSHALL—Covering how many instances of fraud?

Mr Bowles—Each of the companies is different. I cannot remember. I would need to take that on notice. From memory, the highest one runs at around \$1 million, but I would need to take that on notice.

Answer:

There have been discussions with the Australian Federal Police regarding potential fraud associated with three businesses. Additionally, a team of forensic auditors (KPMG) has been engaged to undertake an assessment of fraud and non-compliance under the Home Insulation Program. It is not appropriate to provide details of these cases and assessments as this may compromise investigations.

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Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	62
Program:	1.2		
Division/Agency:	PMTGEE		
Topic:	Submissions to PM's Task Group on Energy Efficiency		
Hansard Page ECA:	123-124		

Senator BILYK asked:

Senator BILYK—Are you able to give us a sense of what is in the submissions, or not yet?

Dr Parkinson—Not in the amount of time we have got.

Senator BILYK—You could take that on notice?

Dr Parkinson—We could do that.

Answer:

In response to the ideas discussed in the Issues Paper, some key themes emerged. There was strong support for a nationally coordinated approach to energy efficiency policies. Other commonly suggested themes included the opportunities energy efficiency offered in improving the productivity or competitiveness of the Australian economy. The use of market based mechanisms or regulation to drive greater energy efficiency, such as those schemes currently in place in New South Wales, Victoria and South Australia, was also a feature in submissions. Setting a national target (or multiple sectoral targets) for energy efficiency also featured heavily in submissions. More cost reflective pricing in energy markets was a common theme along with the role of smart grid enabling technologies.

Submissions were clear that a combination of regulation and incentives were necessary to drive energy efficiency improvement. There was support for greater levels of energy performance contracting where returns could be shared between the host entity and the energy services company.

The need for changing social norms, education and information barriers was raised widely across a whole range of submissions.

Submissions are available on the Department of Climate Change and Energy Efficiency website except where authors specifically requested non-disclosure.

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Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	63
Program:	1.2		
Division/Agency:	PMTGEE		
Topic:	Bungles		
Hansard Page ECA:	Written		

Senator BIRMINGHAM asked:

Could the Department explain the circumstances leading to the public release of International Power's confidential submission on energy efficiency?

Answer:

The Prime Minister's Task Group on Energy Efficiency released an Issues Paper for public comment on 30 March 2010. The closing date for submissions to this Issues Paper was 3 May 2010, with submissions to be provided to energyefficiency@climatechange.gov.au or to the Secretariat to the Task Group on Energy Efficiency, c/- Department of Climate Change and Energy Efficiency.

The submission from International Power was received after the closing date, on 12 May 2010. Normal procedures for processing submissions, including categorising those that were marked as confidential, had been wound up following the closing date. Unfortunately this administrative oversight resulted in International Power's confidential submission being uploaded with other public submissions onto the Department of Climate Change and Energy Efficiency website.

The submission was removed from the website as soon as this mistake was identified. International Power subsequently advised that the submission could be reinstated to the website. The Secretariat has apologised to International Power both verbally and in writing for this oversight.

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Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome: 1 **Question No:** 64
Program: 1.2
Division/Agency: REED
Topic: Renewable Energy Future Fund
Hansard Page ECA: Written

Senator Birmingham asked:

1. On what basis was the Renewable Energy Future Fund established?
2. Was it in response to any recommendations to Government?
3. If so, from what recommendations and from where?
4. How were the budgeted amounts determined?
5. Please detail aims, targets and timelines of the Fund?
6. Which Department will make decisions surrounding allocations under the Fund?
7. Is the Fund attempting to leverage private investment?
8. If so, what tender selection or qualification criteria will apply?
9. How will criteria for the Fund's expenditure be developed?
10. Will consultants be engaged?
11. If so, what has been budgeted for external consultants?
12. Will consultation be undertaken with relevant stakeholders?
13. If so, what is the process for that consultation?

Answer:

The Renewable Energy Future Fund (REFF) was originally established to support Australia's transition to a low pollution economy prior to the future commencement of the Carbon Pollution Reduction Scheme (CPRS). The Fund was announced as part of the 2010-11 Budget.

Since then and in the context of the Federal Election a number of funding commitments have been made against the REFF. These include:

Program	Total REFF funds (\$m)	Summary
Tax Breaks for Green Buildings	\$180.0	A one-off bonus tax deduction for businesses that invest in eligible assets or capital works to improve the energy efficiency of their existing buildings.
Low Carbon Communities	\$80.0	Matched funding support to local councils and operators of community facilities to implement energy efficiency upgrades to street and traffic lights, council buildings and community facilities.

Renewable Energy Venture Capital Fund	\$100.0	Support for critical early-stage equity investments leveraging private funds to commercialise renewable technologies (eg geothermal, solar, wave and bio-energy).
Connecting Renewables	\$100.0	Support for major transmission infrastructure investments to help transition the power industry towards cleaner energy sources and assist renewable generation remote from grid connections to be linked to homes and businesses.
Emerging Renewables	\$40.0	Support for the early demonstration stages of new technologies with potential as future sources of large-scale base load power.
Carbon Farming Initiative	\$45.6	The initiative will facilitate the sale of carbon credits on domestic and international markets, providing a strong incentive to use low cost methods of reducing carbon pollution in the agriculture and forestry sectors.
National Green Corridors Plan	\$10.0	Development of a National Green Corridors Plan to prepare Australia's native plants and animals, as well as its agricultural landscapes for climate change.
Citizen's Assembly	\$2.7	Establishment of a citizen's assembly to build community consensus on climate change action.
Climate Change Commission	\$6.0	Establishment of a commission to provide independent expert advice to explain climate change science and report on international action.
Ethanol transitional tax assistance	\$33.0 (approx)	Transitional tax assistance to the ethanol industry to implement the policy to equalise tax on Australian and imported ethanol.

Details regarding the design of the programs and selection criteria to be used in determining applications for funding under REFF programs are to be determined.

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Climate Change and Energy Efficiency portfolio

Outcome: 1 **Question No:** 65
Program: 1.2
Division/Agency: REED
Topic: Renewable Remote Power Generation Program
Hansard Page ECA: Written

Senator Fisher asked:

Given the program was axed on 22 June 2009.

1. Why does the Budget include \$7.3 million for 2010-2011?
2. What will the funds be used on?
3. Where?

Answer:

1. The Renewable Remote Power Generation Program extension major projects and industry support sub-programs were suspended on 27 September 2008 as sufficient eligible proposals had been submitted to fully commit the available funds. There were a number of approved major projects and industry support activities still to be completed. There were also a number of major project activities at various stages of assessment and approval.

When the residential and medium scale and renewable energy water pumping sub-programs closed to new applications on 22 June 2009, a number of existing major projects and industry support projects remained in various stages of assessment and approval. These will be implemented and finalised over the 2010-11 financial year.

2. and 3.

Project	Location
Windorah Solar Power Station – 0.175 MW concentrating solar array	Windorah, QLD
Alice Springs Airport – 0.205 MW concentrating solar array	Alice Springs, NT
Clean Energy Council Quality Inspections of installations made under rebate programs	Various
Small Wind Turbine Test Centre – to test equipment, and investigate consumer labelling options	Murdoch Univ, WA

Research Institute of Sustainable Energy RESLab Extension – renewable energy standards development and product testing of off grid and fringe of grid systems Murdoch Univ, WA

Alice Springs Aquatic Centre – solar water heating Alice Springs, NT

Uterne Solar Power Station – 0.975 MW solar single axis tracker solar PV array Alice Springs, NT

Araluen Cultural Centre – solar thermal installation to drive air-conditioning system Alice Springs, NT

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Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	66
Program:	1.2		
Division/Agency:	REED		
Topic:	National Energy Efficiency Initiative		
Hansard Page ECA:	Written		

Senator Fisher asked:

According to a joint media release by Ministers Garrett, Conroy and Ferguson on 12 May 2009, the program would: (quote)

“... invest up to **\$100.0 million** in partnership with the energy sector for the development of a new National Energy Efficiency Initiative - using 21st century technology to assist our transition to a low carbon economy by encouraging a smarter and more efficient energy network.”

1. Is the program on time?
2. What will it actually do?
3. Has it been scaled back or will it be rolled out in its original form?

Answer:

This response is current as at 30 June 2010. Any further questions regarding this initiative are to be addressed to the Department of Resources, Energy and Tourism.

1. The indicative timeline in the *Smart Grid, Smart City Grant Guidelines* provided a project commencement period of mid-2010. The Commonwealth and the preferred applicant are currently in contract negotiations which are progressing well.
2. (a) The *Smart Grid, Smart City* initiative will demonstrate Australia's first fully integrated, commercial-scale smart grid.
(b) A smart grid is an electricity network that can intelligently integrate the actions of all users connected to it – generators, distributors, and consumers – in order to efficiently deliver sustainable, economic and secure electricity supply.
(c) The demonstration will gather robust and meaningful data about how smart grids will work in the Australian environment to inform future decisions by Government, electricity providers, technology suppliers and consumers across Australia.

- (d) *Smart Grid, Smart City* will be led by an electricity distributor and will involve electricity retailers, technology suppliers, regulators, research institutions and up to 50,000 consumers.
- 3. There have been no changes to the project design and deployment rollout published in the *Smart Grid, Smart City* Grant Guidelines on 29 October 2009.

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Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome: 1 **Question No:** 67
Program: 1.2
Division/Agency: REED
Topic: Energy Efficiency Programs
Hansard Page ECA: Written

Senator Fisher asked:

1. What is the \$20m being spent on?
2. Where?
3. When?
4. Is it on time / on budget?

Answer:

1. The table below shows a breakup of the \$20 million of administered funds:

Administered funds	2009-10 (\$m)	2010-11 (\$m)	2011-12 (\$m)	2012-13 (\$m)	Total (\$m)
Energy Efficiency Labelling-enhancement	2.810	2.850	2.880	2.900	11.440
Minimum Energy Performance Standards for appliance and equipment - expansion	1.490	1.520	1.520	1.520	6.050
Commercial Building energy efficiency mandatory disclosure	0.150	0.050	0.020	0.000	0.220
Heating, Ventilation and Air Conditioning High Efficiency Systems Strategy	0.600	0.600	0.600	0.000	1.800
Commercial Building rating tools	0.200	0.250	0.100	0.050	0.600
Total	5.250	5.270	5.120	4.470	20.110

2. Energy Efficiency Labelling, Minimum Energy Performance Standards and Heating, Ventilation and the Air Conditioning High Efficiency Systems Strategy are national programs and do not provide funding to specific locations.
3. Funding for Energy Efficiency Labelling, Minimum Energy Performance Standards and Heating, Ventilation and the Air Conditioning High Efficiency Systems Strategy will be expended between the 2009-10 and 2012-13 financial years.

4. Funds allocated to Minimum Energy Performance Standards and the Heating, Ventilation and the Air Conditioning High Efficiency Systems Strategy have been fully expended as per the forecast budget for the 2009-10 financial year. Energy efficiency labelling has recorded an underspend of \$416,228 for the 2009-10 financial year.

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Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	68
Program:	1.2		
Division/Agency:	REED		
Topic:	Building codes		
Hansard Page ECA:	112		

Senator Ludlam asked:

Senator LUDLAM—Do such numbers exist, or do you have to break it down by climate zone?

Mr Thompson—I would have thought that there was some work done in the context of the decision RIS that building ministers considered, which would cover that.

Senator LUDLAM—Are you able to provide that? Is that going to be unduly onerous to provide that material to us?

Mr Thompson—I do not think it will be. If it is I will let you know—

Senator LUDLAM—I will hear from you again.

Mr Thompson—That is right.

Answer:

The residential building Decision Regulatory Impact Statement (RIS) for the changes from five to six stars in energy efficiency for new homes (*Final Regulation Impact Statement for Decision (RIS 2009-06) Proposal to Revise the Energy Efficiency Requirements in the BCA for Residential Buildings – Classes 1, 4, and 10*) is available online at www.abcb.gov.au/index.cfm?objectid=BE1E5D93-0B04-11DF-B1DD001143D4D594.

The cost and benefit calculations employed in the RIS used a sample of dwellings from representative climate zones and estimated that the required capital outlay for compliance with the six star standard would lead to additional construction costs ranging from \$829 to \$4,100 depending upon location, as shown in Figure 1 below.

As noted in the RIS, the cost estimates are conservative and are not ‘low’ or ‘least cost’. There is significant scope for planners, designers and builders to minimise capital costs by better dwelling orientation, design, and material selection. Additionally, it is likely that costs will lessen over time as market prices respond to new technology, industry adoption and economies of scale.

Figure 1: Additional Construction Cost Estimates for 6 star minimum standard

Location	House	Townhouse	Flat
Darwin	1614	1242	1900
Brisbane	2119	1184	1200
Longreach	3325	2573	1600
Mildura	3165	1980	1700
Adelaide	2402	1532	4100
Perth	1738	829	4100
Sydney	1875	1197	4100
Melbourne	1749	1371	2800
Canberra	1701	1594	2500
Hobart	2555	1433	2500
Cabramurra	1943	1582	3100

Over the life of the building the RIS notes that the BCA amendments are expected to result in dwelling energy savings for occupants ranging from \$400 to \$7478 as outlined in Figure 2 below.

Figure 2: Estimated energy savings over dwelling lifetime

Location	House	Townhouse	Flat
Darwin	3039	1519	6205
Brisbane	733	439	659
Longreach	2102	1123	2814
Mildura	1837	964	2936
Adelaide	1368	853	1966
Perth	868	515	1659
Sydney	679	400	1821
Melbourne	1522	754	1349
Canberra	1592	749	1390
Hobart	1497	826	1159
Cabramurra	7478	3403	1525

The net impact of the five to six star changes range from an average benefit of about \$6400 to an average cost of about \$2400 depending upon location.

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Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	69
Program:	1.2		
Division/Agency:	REED		
Topic:	Building costs		
Hansard Page ECA:	113		

Senator Ludlam asked:

Senator LUDLAM—I am quoting from a piece that ran in the *Financial Review*, page 27, on 23 April this year. I am not going to get into a debate about costs now, but that is just for your reference. The builders believe they could construct it for two per cent to five per cent more than a standard home, not including land costs and so on, which would disappear over the life of the home and which is why I was asking about payback periods before.

Senator Wong—Why don't we take that on notice, because unless Mr Thompson has those figures in his head—

Mr Thompson—No, I do not.

Senator Wong—He does have a lot in his head, but we will—

Senator LUDLAM—I will even wave the article at you, if that will help. My substantive question—not to nitpick about the costs—is: are we going to spend 20 years arguing with states and territories to get to seven and then eight when we have a perfectly good 10-star rating system which people could build to today? Could you outline that for us in as much detail as you are able to on notice? The sort of work that you are engaged in at the moment sounds extremely promising as to alternative pathways. Anything at all that you could provide us with would be helpful.

Mr Thompson—I would just add that the information I have in front of me indicates that there was a public discussion paper on this issue released earlier this year and that submissions closed on 7 May. I do not know whether you have seen that, but that may provide some of the information.

Answer:

Australian governments have agreed to develop a national Framework for energy standard-setting, assessment and rating for residential and commercial buildings.

A key aim is to identify future pathways for increasing the stringency of minimum energy efficiency standards in a nationally consistent, predictable and systematic way and through improving assessment and rating of buildings. Any future increases in stringency of minimum energy efficiency standards will be subject to regulatory impact statements.

Recent research done as an input to the development of the Framework found that, for most building classes, almost any level of energy/greenhouse gas performance is technically achievable even today, down to and beyond zero net energy or zero net emissions with the addition of on-site renewable energy generation. However, these performance levels may not currently be cost-effective in the terms of the Building Code of Australia where minimum standards are set according to whether net economic benefit can be demonstrated.

There are differences across Australia in building design and construction required to reach increasing star ratings and varying opinions about the costs involved. However, smart design and innovative construction will keep any initial cost increases to a minimum and these will be offset to some degree by longer term savings in household energy bills. Further work is required to provide more information on both the measures and the costs to underpin future steps forward in regulation. This is what the Framework exercise seeks to address.

More broadly, a sound Framework will enable industry, the community and governments to plan, adapt and support excellence in design and innovation, and reduce market barriers to future improvements in the energy efficiency of buildings and other elements of the sustainability of Australia's building stock.

Details of the Framework are now being developed by a cross-jurisdictional group, led by the Department of Climate Change and Energy Efficiency, for later consideration by governments under the Council of Australian Governments auspices.