

**Senate Standing Committee on Economics**  
**ANSWERS TO QUESTIONS ON NOTICE**  
Innovation, Industry, Science and Research Portfolio  
Budget Estimates Hearing 2009-10  
01 June 2009

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**AGENCY/DEPARTMENT:** INNOVATION, INDUSTRY, SCIENCE AND RESEARCH

**TOPIC:** Green Building Fund

**REFERENCE:** Written Question – Senator Abetz

**QUESTION No.:** BI-26

1. What financial costs were incurred to develop, resource and promote the Green Building Fund program, and how many departmental staff were involved with the running and administration of the program?

2. On 20 May 2009 the Minister for Innovation, Industry, Science and Research, Senator the Hon Kim Carr announced \$29.5 million<sup>1</sup> has been provided from the first two rounds of the Green Building Fund program to help commercial office buildings reduce their energy consumption and greenhouse consumption.

- (a) How was the Green Building Fund advertised and what was the financial cost of this advertisement?
- (b) How many program applications did these first two rounds receive?
- (c) What is the eligibility criteria for this program and how was this eligibility criteria devised?
- (d) What processes are in place to evaluate and access the applications?
- (e) How many applications were unsuccessful for funding over the first two rounds and what measures are in place to provide briefing for the unsuccessful applicants to explain why their application failed?
- (f) Can applicants who have been unsuccessful with their application from the first two applications rounds apply for funding under the Green Building Fund for Round 3?
- (g) When were the unsuccessful applicants advised of their unsuccessful application?
- (h) The previous round of successful applications were announced on the Minister's website on 20 May 2009 (through his press release).
  - (i) When were the successful applicants made aware of their successful applications?
  - (ii) When were the unsuccessful applicants made aware of their unsuccessful applications?
  - (iii) Round 3 of this program closes on 30 June 2009 – does this give previous applicants enough time to address the eligibility criteria that may need amending to meet the criteria for funding and resubmit a fresh application?

3. How many future rounds (beyond round 3) have been appropriated for?

4. Can the department provide a list of in table form of;

- (i) a state by state breakdown of the applications received
- (ii) a state by state breakdown of the unsuccessful applicants
- (iii) what energy and greenhouse reduction measures the unsuccessful applicant applied funding for
- (iv) the grant amount the unsuccessful applicant was seeking under the Green Building Fund
- (v) the eligibility criteria the application failed to address or meet.

5. In Senator Carr's press release of 20 May 2009, the Senator states 'Reducing greenhouse emissions means an increase in energy efficiency and real savings for business in tough times'.

- (a) How are the claimed reductions of energy consumption and greenhouse emissions of the successful applicants measured?
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- (b) After the grant has been provided can the department outline;
- i. how the funding is provided to the successful applicant (is it through reimbursement costs incurred)?
  - ii. does an application need to be submitted before work commences?
  - iii. what audit processes are in place to ensure the promised and claimed reductions are taking place and these reductions are meeting the designated targets set by the Green Building Fund's eligibility criteria.?
  - iv. if the claimed reduction of energy consumption and or greenhouse emissions are not met what steps and procedures are in place to ensure taxpayer's funding assistance is not wasted or misappropriated?
  - v. How many of the 'smaller' building owners applied and missed out in comparison to the larger trusts?

**ANSWER:**

1. The development and delivery of the Green Building Fund (GBF) was funded from existing departmental resources. Approximately 7 ASL (equivalent) were deployed this financial year for the design, management and delivery of the program.

2a. GBF was advertised in national, state and trade press at a cost of \$33,000. It was also promoted via the AusIndustry website and hotline, and at a national series of information seminars, as well as through the existing networks of industry associations and other stakeholder groups.

2b. 158

2c. The eligibility and merit criteria are detailed in the customer documentation available on the AusIndustry web site [www.ausindustry.gov.au](http://www.ausindustry.gov.au). The criteria were developed following extensive industry consultation.

2d. Applications are reviewed against the eligibility criteria by the Department. The merit of all eligible applications is assessed by a Departmental Panel, convened for that purpose.

2e. 66 - each unsuccessful applicant is advised in writing, and provided with reasons based on the program eligibility and merit criteria, and a contact for further information.

2f. Yes

2g. Both successful and unsuccessful applicants were advised progressively by telephone over a few days commencing Wednesday 6 May. Written confirmation followed soon afterwards, commencing Thursday 14 May.

2h (i). See above (2g)

2h (ii). See above (2g)

2h(iii). Yes.

3. 3.

4(i) and (ii)

State	Stream A applications*	Unsuccessful applications
ACT	11	5
NSW	51	17
NT	3	0
QLD	19	8
SA	19	12
TAS	6	1
VIC	30	10
WA	9	5

\* Note: There were 10 applications under Stream B for training and information projects with a national focus, of which 8 were unsuccessful. As these do not relate to particular buildings or State locations, they have not been included in the above data.

4 (iii) Details of unsuccessful applicants are not made public.

4 (iv) Details of unsuccessful applicants are not made public.

4 (v) Details of unsuccessful applicants are not made public.

5a. Projected reductions in greenhouse gas emissions are provided by independent National Australian Built Environment Rating System (NABERS) accredited assessors.

5b. i. Stream A: initial payment of 20% (following execution of a grant agreement); progress payment of 60% (following completion of the project and the provision of a project report and independent audit certificate confirming that the funds were spent in accordance with the grant agreement); and final payment of 20% (on completion of post-project evaluation including provision of a further statement by a NABERS assessor of actual greenhouse gas savings from the project). Stream B is paid in two stages, with 40% of the grant retained until the completion of the project and provision of a final project report and audit certificate.

ii. No.

iii. The audit certificates and final NABERS assessment referred to above must be provided by an entity that is independent of the grantee. AusIndustry may also undertake additional compliance activities on a selection of grantees, on a risk management basis.

iv. The grant agreement requires that the grantee undertake the project as outlined in the grant agreement, and limits the funding finally provided to 50% of eligible expenditure on the project. If a grantee does not comply with its obligations, or has spent less than proposed on the project, then a lesser amount may be paid, and/or a debt raised and pursued. A grantee is not penalised for the technical failure of a project, if it can demonstrate that it has acted in good faith and undertaken the project as outlined.

v. AusIndustry received 126 applications for large buildings (>5,000 sqm), 14 applications for medium sized buildings (2,000 - 5,000 sqm), and 8 applications for small buildings (<2,000 sqm). In all, 50% of small buildings received offers of funding. It is not possible to categorise applicants as large or small trusts, based on the data submitted with applications.