



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## SENATE

ENVIRONMENT, COMMUNICATIONS AND THE ARTS  
REFERENCES COMMITTEE

**Reference: Energy Efficient Homes Package**

WEDNESDAY, 17 MARCH 2010

CANBERRA

BY AUTHORITY OF THE SENATE



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## SENATE ENVIRONMENT, COMMUNICATIONS AND THE ARTS

### REFERENCES COMMITTEE

Wednesday, 17 March 2010

**Members:** Senator Fisher (*Chair*), Senator McEwen (*Deputy Chair*), Senators Boswell, Ludlam, Troeth and Wortley

**Substitute members:** Senator Birmingham to replace Senator Boswell

**Participating members:** Senators Abetz, Adams, Back, Barnett, Bernardi, Bilyk, Birmingham, Mark Bishop, Boyce, Brandis, Bob Brown, Carol Brown, Bushby, Cameron, Cash, Colbeck, Jacinta Collins, Coonan, Cormann, Crossin, Eggleston, Farrell, Feeney, Ferguson, Fielding, Fierravanti-Wells, Fifield, Forshaw, Furner, Hanson-Young, Heffernan, Humphries, Hurley, Hutchins, Johnston, Joyce, Kroger, Lundy, Ian Macdonald, McGauran, McLucas, Marshall, Mason, Milne, Minchin, Moore, Nash, O'Brien, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Siewert, Sterle, Trood, Williams and Xenophon

**Senators in attendance:** Senators Barnett, Birmingham, Fisher, McEwen, Troeth and Wortley

#### Terms of reference for the inquiry:

To inquire into and report on:

1. The Federal Government's Energy Efficient Homes Package (ceiling insulation), with particular reference to:
  - i. the level of ceiling and wall insulation in Australian residences, state by state, prior to the announcement of the Energy Efficient Homes Package and the adequacy of the Building Code to ensure comprehensive roll out in future.
  - ii. the administration of the program from a pricing, probity and efficiency perspective, including:
    - A. the basis on which the Government determined the size of the rebate for ceiling insulation;
    - B. regulation of quoting and installation practices;
    - C. protection against rorting and abuse of the rebate;
    - D. the impact of the program in pushing up insulation prices;
    - E. the level of imported insulation to meet demand;
    - F. ensuring value for money for taxpayers;
    - G. waste, inefficiency and mismanagement within the program;
    - H. ensuring the program achieves its stated aims as part of the government's stimulus package; and
    - I. the consultation and advice received from current manufacturers regarding their ability to meet the projected demand.
  - iii. an examination of:
    - A. the employment and investment in insulation production and manufacturing resulting from the program;
    - B. what advice was provided to the Government on safety matters, particularly in relation to fire and electrocution risks and to what degree the Government acted on this advice;
    - C. the costs and benefits of extending the scheme to include other energy efficiency products including wall and floor insulation, draft stoppers and window treatments;
    - D. the costs and benefits of changing or extending the scheme to make small and medium sized businesses eligible for installations;
    - E. the extent to which imported insulation products met Australian standards and the method used to make that determination; and
    - F. what advice was provided to the Government on occupational health and safety matters, particularly in relation to training for installers; including:
      - i. to what degree the Government acted on this advice; and
      - ii. identification and examination of fires and electrical incidents resulting from the Government's Home Insulation Program.
  - iv. an analysis of the effectiveness of the package as a means to improve the efficiency of homes and reduce emissions of greenhouse gases, including comparison with alternative policy measures;

2. Consideration of measures to reduce or eliminate waste and mismanagement, and to ensure value for money for the remainder of the program, noting the planned \$2.7 billion to be distributed under the program in total.
3. Other related matters.

**WITNESSES**

**FULLER, Mr Kevin Anthony, Private capacity .....1**

**FULLER, Mrs Christine, Private capacity.....1**

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*Transcript made public on 21 April 2010 on the authorisation of the committee***Committee met in camera at 4.36 pm****FULLER, Mrs Christine, Private capacity****FULLER, Mr Kevin Anthony, Private capacity**

**CHAIR (Senator Fisher)**—Welcome Mr and Mrs Fuller to today's hearing, which the Senate Environment, Communications and the Arts References Committee is having at your request. It is in camera, which is Senate code for 'in private'. I will just read some formalities to help you understand as much as you can and to, hopefully, feel a bit comfortable in this wonderfully foreign environment.

The committee has resolved that this will be in camera, which means it is confidential. It is not the intention of the committee to publish any or all of the evidence that you give today. It is being recorded, but it is not the intention of the committee or of the Senate to publish the evidence that you give today. However, you do need to know that it is within the power of this committee and, indeed, the Senate to decide to publish some or all of the evidence that you give. You should also note that an individual senator is able to refer to evidence that you might give today as part of justification of comments that dissent from what may otherwise be the report of this committee to the extent that the reference to that confidential material is, in the senator's view, necessary to justify his or her dissent.

You do need to know that there are those circumstances in which the evidence that is given today that would otherwise be private and confidential may be able to be published in one form or another. If it eventuates that that looks like being a prospect, then the committee will get in touch with you and seek your views. The committee will not necessarily thereafter act in accordance with your views.

**Mr Fuller**—You are just informing us?

**CHAIR**—Yes, that is right. If during today you give evidence that reflects adversely on another person, whether it be in camera—in private—or not, then the committee generally is required to provide that other person with an opportunity to respond to that evidence, which essentially means giving that person or organisation access to the evidence that you have given in that respect. So the committee also has that right, but given that your evidence today is in camera, in most cases it would be that any response from such a person to such evidence would also subsequently be given in camera.

Giving evidence is protected by parliamentary privilege, and it is an offence for a third party to attempt to interfere with evidence that you might otherwise give. It is also potentially in contempt of the Senate for somebody to do so, as it is for a witness—you—to attempt to give false or misleading evidence to the committee itself. If you object to answering a question, please say so and say why. The committee will then consider that. After you have talked, when we ask questions, if you do not want to answer please say the grounds upon which you do not want to answer.

It seems trite to say thank you for coming today. You have at stake, and indeed you had at stake, something which this committee cannot even begin to contemplate. We will try to assist you to get through this process as best we can. We have your written submission. You might want to make a brief opening statement for us to think about before we then ask you to speak further. I think I speak on behalf of my colleagues when I say we are here to hear from you, hear your observations. Whereas normally you would be knocked over in the rush from my colleagues wanting to hammer you with questions, today I think we will more want to hear from you, but no doubt that will lead to some questions. I think now the floor is yours to make a brief statement.

**Mr Fuller**—Thank you for inviting us. It will be difficult.

**CHAIR**—Mrs Fuller will be a good baton carrier. You can do a team play.

**Mr Fuller**—I am normally the strong one. I am normally the one who can get through all things without effect, and Christine is normally the one who does the opposite—aren't you?

**Mrs Fuller**—Yes.

**Mr Fuller**—But for some reason, this afternoon—

**Mrs Fuller**—You are falling apart.

**Mr Fuller**—I do not know why. All day it has been fairly comfortable.

**CHAIR**—Maybe it is parliament. Parliament does that to some of us, too. It turns the tables on us.

**Mr Fuller**—We did prepare a document, more for our memory and also for logic and progression. My first point was that we apologise if we get emotional or we get angry—but you can understand why.

**Mrs Fuller**—You want me to just read what you've written?

**Mr Fuller**—Yes.

**Mrs Fuller**—We are here representing our only child, Matthew James Fuller, and to a lesser degree the three other young men who died installing insulation as a result of this program. Unfortunately, they cannot be here today to give their own story.

**Mr Fuller**—Firstly, let us put on the record that we truly believe that there were, and still are, a number of professional insulation installation companies across Australia who had a skilled workforce, effective training programs and good work procedures and practices. They performed safe and effective installation of the insulation over a number of years. We used to believe and trust in the system. We believed that the government would be up with the Australian business community—use world-class, best-practice methodology and practise and continually strive for business excellence. This requires knowledge capture and leverage, also leadership and management of change. But Australia did not get that. We did not get that. We believe that the

horrendous problems and life-changing tragedies that occurred during the life of this program are as a direct result of the department's indecision, lack of follow-through, lack of accountability and the disastrous mismanagement of the planning and implementation of the program, in particular the total mismanagement of the new companies that were allowed to flood unchecked into this program.

You could call that our opening statement. We are angry. We are disappointed. We are fortunate that you allowed us to come and talk to you today, because that gave us the opportunity to talk to the Leader of the Opposition and the Prime Minister. We are sorely disappointed that the government did not react quickly enough, did not acknowledge the problems—did not do lots of things. However, today, in speaking with Greg Combet, Kevin Rudd came and joined the discussion and it is the first time we have had any acknowledgement that they got it wrong; that they implemented it wrongly. There are lots of things they are going to do with the Attorney-General and others in an investigation. He actually almost said the 'sorry' word.

I did say to the Prime Minister: 'If you are able to stand up and say sorry to the Aboriginals, why can't you say that to the people who have been killed or injured?' Everybody talks about the four people who were killed; no-one talks about the injured, and there are numbers of them, including Matthew's partner, who will have a scarred leg for the rest of her life from serious burns. She was in the hospital for five weeks in intensive care. We at least had a chance to look them square in the eyes and talk to both of them. That was the important bit. We would not have had that opportunity if you had not invited us here today.

**CHAIR**—Would you care to think about going further into detail about what you think could be done in the future?

**Mr Fuller**—At the program planning stages not enough homework was done prior to the implementation. It was a very large and complex program, as we all know, yet it was rolled out in a huge rush without sufficient due diligence and planning. In our opinion, that amounts to gross negligence and gross mismanagement. For example, if we can find out with only a few minutes on the web that five deaths from metal staples in New Zealand in 2007 caused New Zealand to ban metal staples in foil insulation, why couldn't the government department find it, with all of its resources, all of its people and the system that it was using to put this program together? Even when they were told, it took them another two months to really get to a stage where they would ban things or change things.

As a defence to them, is it due to the fact that the discussion team and decision makers were originally only talking about batt insulation and not foil insulation? However, in the terms and coverage written into the program, any insulation could be used and every insulation was automatically approved, even though it was never checked nor approved under the Australian standards. The products did not need to be approved—no-one ever checked. The company could say anything was used, any particular name or brand of insulation they wanted, because no-one ever checked. Even when they go and check now, they check to see if insulation is there and whether it is laid okay, not whether it is the right thing et cetera.

It was reported that the department acknowledged at the very outset that there is an inherent risk to working in ceilings. They also acknowledged prior to the program that fires were associated with insulation. Yet the measures put in place to overcome these known risks were

obviously totally ineffective, because we have had deaths, we have had fires and it is still going on.

In a positive sense for the new program—and I often use the word ‘we’ because I am not saying it is your problem; it is all of our problem, all of Australia’s problem—we must learn from past experience and the experience of others. Although Australia is an island, we are not isolated from the rest of the world. This big wide web we have can tell us the experience of America, China or anywhere else we like, but we do not seem to use it. We should not go blindly forward and hope that the information will be discovered. It must be discovered in the due diligence stage and then sound, educated procedures must be put in place during the planning stage. It is only then that we can implement. We should not start off too early and hope that we will work it out on the run, which is what we think happened in this program. It was: ‘Get it done at all costs.’

My next point is about interested parties. The two people representing ICANZ in Australia were both major manufacturers of batt insulation in Australia. According to reports, they were the main drivers for and helped formulate the program. It is not hard to jump to a conclusion that they had a large ulterior motive to get the program up and running as quickly as possible and to make it as huge as possible, because it made their business go gangbusters.

AFIA, the Aluminium Foil Insulation Association, were continually supporting the use of foil insulation—and they still do—but the Master Electricians, Electrical Safety Office and others were normally always totally against foil insulation going in the roofs, particularly in the manner it was applied with the wiring rules that we currently have in place in Australia. Moving forward in the new program, people’s bias and their incentive must be considered and weighed in light of all other evidence from all other parties. Take nothing at face value, inspect it and check it. Do not assume, hope or trust—which unfortunately happened in this one.

Regarding safety and training, although safety was the buzzword for months it is now fairly obvious that safety was not the main focus of the program or for the department. We think that the government’s main focus was speed of implementation and job creation—blindly at all cost. The supplier and manufacturer of the foil insulation and a large number of electricians said that the power should be turned off before entering the roof space to install insulation. If the government department had supported this and made the ruling from the start that the power must be off, three young Australians would still be alive today.

As we said earlier, there were a number of professional installation companies. They already had a skilled workforce, with good training programs, effective processes and practices in place. Why were these skilled and knowledgeable people ignored or simply overlooked when the government created their work methods and training plans? Their experience should have created the basis for the model. To answer, the government should not try to reinvent the system. The new program must go with the strength, knowledge and skill of the experienced workers.

Where would you go to learn to drive a car? You would not go to the car manufacturer. You would not sit around and discuss it and hope that you get the right answers. You would surely go to an authorised, skilled driving instructor, follow their training processes and procedures, and then practise to help make you a good driver—or at least a driver who can pass a test by another qualified driver; in other words, an examiner.

As we all know, people do what is inspected, not what is expected. People know that they have to learn to drive a car as they know they have to pass a test. They get inspected. In this whole program, there was little inspection until about October. In the government announcements about the program, inspections really started on about 1 October. There were some desk audits and other things happening but no in-the-field, in-your-face checking of anything.

Why did the government not go to the experts—the right people to plan the implementation procedures and safety measures? The new program must be based on and include the skill and knowledge of all good insulation companies. We cannot make up our own process and system on the way through. If they do it and they have done it well for a long time and no one has been killed and no houses have burnt down—or not many, depending on who you listen to about the cause of the fires—we should continue that.

When we come to safety or instructions, Australian standards are a system that are supposed to tell us what to do—what is the good process or good procedure—or, conversely, what not to do. How can a Joe Blow like me know what Australian standard is a part of law or a part of ‘this would be really nice if you were to consider doing this’—because at the moment Australian standards have no teeth. Minister Garrett issued some changes by way of the Australian standard improvement but if that Australian standard is not law or legislation, it has no teeth.

The government needs to consider making all Australian standards law or compulsory, or get rid of them, because I cannot look on any Australian standard in the whole system and know whether I have to or that we should do it. We do not know who wrote it and we do not know what skill and experience they had to write it. Yet as a country we say, ‘It’s in the Australian standards; follow it’, but we do not know which ones to follow.

Regarding internal communications, believe it or not there were some communication issues between the department, the minister and the government, apparently. For example, according to some reports the Minter Ellison document—how did you all know that was going to come up—was not read, was not actioned, was not handed to anybody and was never seen. But in other reports ‘it formed the basis of the system’. How can the department—from different people talking about exactly the same document being used—which never saw it, never knew it and never did anything with it use the document to form ‘the basis of the system’? It cannot possibly be both.

Many meetings, and some very pivotal and important ones, did not even have minutes. They have been unable to produce minutes to the Senate inquiry of meetings of which you would expect there to have been minutes to make some of the decisions and directions which were taken. In the new program, communication, discussions and decisions must be better recorded in a standardised process with documented follow-through and named and dated actions. That is good business practice, but it was not in this program.

The communication and media for the new program must capture and maintain the support of all Australians. At the moment, believe it or not, no-one wants insulation in their house. The program itself was a good idea. It would be potentially a good thing for Australia. What worries me is that the government, now trying to implement something similar, has no credibility with Australia and we could lose out on so many options. So there has to be a good sell job. If there is

not a good sell job, if there is not a good clean-up of this and an understanding of what caused it and that they can then remove it in the future, no-one will want to touch government programs in the future.

I have broken the program down into implementation and operating stages, and it may not all fit, so excuse me for that. First of all is distancing. We think that every step, every form and every change throughout program was made to ensure that there was always a distance between the problem and the government department. In the new program the department and its staff must have teeth and should own the program and not hide from it—manage and control, not abdicate and hope. If I was a manager implementing something and I turned around and said, ‘Didn’t see it, didn’t know it, didn’t whatever,’ I could go to jail. But, if the department, the minister or someone else says those things, it is okay.

Then there is payment control. There was obviously no control over the payments made. In the last program there was a table which showed the average maximum dollars per square metre which could be charged for each type of insulation. Was this expected cost ever compared to the cost charged before payment was approved? However, to overcome the table, if I was an insulation installer I could just quote a larger than actual floor area to justify my claim and get paid. Installers faked the name and signature of the homeowner on some jobs.

Surely the homeowner or tenant details are listed on many government databases—rates notices, leases, mortgages, electoral rolls et cetera. Also, at least one of the various government offices around the country must know how large a home is. The planning department know the size of a property, surely, because they approved it, and they have approved any improvements or extensions to it. The government are clever. They have databases. Use them. We run a few databases at work and I can take data from three of those databases and crosscheck them. The system does the work if you build it right. So we need to make sure that in the next program these systems are built, whether it is for insulation or anything else, to capture and catch the cheats early in the piece.

A letter was meant to be sent to every home that had a claim for insulation, so how come it took so long for the government department to discover that they were being rorted? Surely if the communication went out promptly this would have become apparent fairly quickly and been nipped in the bud, rather than starting to talk about ‘we’ve being rorted’ from about November, December or January onwards, instead of when it was first done in February.

The new program should have access to cross-departmental databases to check these simple details and the confirmation from the homeowner prior to payment. I think that is going to happen, but in effect the homeowner will pay and claim back. The database should also actually check for these items. Will someone be able to claim in the new system as a homeowner for a particular property, supply bank details for it to be reimbursed to and rort the new system? I do not know. We do not know. But whoever implements the system must know and must have safeguards to make sure that no-one can find a quick way to rort the system.

It needs to be proactive. We think that every step, every form and every change made to this program was done solely as a reaction to experience—when someone is killed, we will do something; when someone is injured, we will do something; when there is some media, we will do something; and so on. Nothing was done in a planned, staged and growing manner. For

example, the late banning of metal staples; adding a risk assessment and then changing that risk assessment to be three or four pages long. Have any of you ever looked at the risk assessment? We are expecting a semitrained 25-year-old to go into a roof and say, 'That cable looks nice. Is it an old 1925?' How on earth we can honestly, as a government, expect them to, one, take the time to do it, and, two, be able to do it when they are normally being paid by the job? Surely we cannot allow that.

In the new program there must be regular reviews. Any proactive improvements must be documented and implemented promptly to ensure that the program keeps up and is ahead of the game. If someone is killed or it is known that there have been fires or if there are rorts or if there is shonky insulation, do not let it get to about 200,000 houses being installed with shonky insulation before somebody does something. Do not let some company get \$1 million off the government before they step in and say, 'Hang on a minute, there could be a problem.'

The poor old homeowner. In the old scheme, when the homeowner signed for the work order, did they really know what they were signing for—what their signature meant? How many people read the fine print? How many of you have read the fine print of the work order so that you know what they were expected to sign for? They were expected to sign for everything being hunky dory—'I fully approve this and I absolve the government of everything.' How many people read it? That is why it was designed that way, because they knew no-one would read it—'We're covered.' It was a case of it being at arms-length, another separation. In our opinion, all the paperwork and the tick-and-flick safety forms that were progressively implemented were primarily designed to absolve the government and the department of all known risks. When they found another risk, they did another thing to absolve themselves of that.

In the new program, the media and documents need to ensure effective homeowner communication. In other words, whatever we expect the homeowner to do—whether that is to claim or whatever—they need to know that they now have to approve the quote they are paying for. They may not get their money back from the government. In their mind, they are actually spending their money. If we do not do that in the new program at some point, the homeowner will still be like the three wise monkeys.

**Mrs Fuller**—They do not care. They are just getting something done for free.

**Mr Fuller**—All they get is \$1,000 off, so they say 'I'll just sign it and send it. It'll get paid.' They need to know the type and potential for inspections and the penalties for rorting or non-compliance. The department must manage their own program. They cannot expect the homeowner to sign off on it and absolve them. Regarding physical auditing, in the old program it was reported that a Queensland worker only had one month experience as a physical insulation installer and was able to get a job as a subcontract roofing inspector. He said there was no formal training for the job and that his employer did not have a background in insulation. He was just as someone who organised these people to go and check. He did not know what he was doing. This was in the early part of the piece, before October.

Workplace health and safety departments around the country stated early on: 'It doesn't matter how perfect your regulations are going to look on paper, we simply do not have the wherewithal, the manpower or the expertise to deliver on this'—yet we carried on. In the new program we must use professionally trained, experienced checkers who know what they are looking for. They

must be given the teeth for on-the-spot inspections, on-the-spot fines or penalties—go to any job, any time, anywhere and not necessarily make an announcement that they are going to go there. They must have the ability to recommend and show cause why any company should not be struck off immediately. So, if they find a problem, there must be decisive action—get rid of it now. If they know that this potentially going to happen, they will do the right thing, won't they? People do what is inspected, not what is expected.

If the current workplace health and safety teams around the country are expected to be the physical auditors of the new program we think it would require some additional budget support for those departments to enable them to hire and train the appropriate people. The new program cannot just expect that the states will find and fund the people as the state budgets already have too many other priorities.

The previous program basically said: 'We will do all these things. Workplace health and safety in all your different states are yours.' And they abdicated, knowing full-well that they would not be able to do that anyway. And they did not. They could not; they did not have the people to do it.

Imported insulation products—minimal if any control over quantity and quality of imported product in the old program. The new program, from our view point, must limit the foreign products that can be used. We think strongly that it was—and hopefully still will be—a stimulus for Australia. The new program should only fund Australian made insulation. This will also help ensure the quality and consistency of manufacture, as the auditors should be authorised to spot-check any Australian manufacturer's premises and stock. Everything gets inspected.

The new program will then have control of the whole circle from manufacture to installation to checking—then they have got the whole loop controlled. No-one has yet checked the China stock or the USA stock to know how good or how bad it is. There is no control over the name used currently on any of the work orders. There should be a name and the audit trail from fridge to plate to et cetera—that is, if the manufacturer makes a product called XYZ and it is being audited regularly, then it should be installed by someone who knows how to check it and knows how to prove what it looks like—they can smell and taste the colour, the feel and so on. That has got to happen in the new one.

Rectification. What is planned for all of the substandard insulation not yet installed? Will it be removed from the market and banned for use, or will a blind eye be turned on it, as it will now not be funded by the government or be part of the program? So we asked Greg Combet and the Prime Minister today, and, for senators' knowledge, the potential outcome for the foil is that it will need to be ripped out of roofs, because there is not enough space in an electric box to put insulators or to put the circuit perhaps which is for everything you need to isolate in most houses so the insulation will need to come out. And the insulation that comes out is not recyclable, so it is going to go in landfill. So we need to find a dam or somewhere to put it all, because it is going to be massive. Again, if we are not careful, it could skip the mind of the government, but as we talked to them today it definitely will not.

We saw two stores in our local market in Brisbane selling foil insulation and providing an installation service for it. Is the product banned from the program or banned from use? What communication strategy will be put in place to inform all Australians, and what is the plan for

the safe and effective disposal of the substandard product? Talking with the Prime Minister and Greg Combet today, they are going to take on board the question as to 'should the insulation be banned for use because it does not conform to the standard way it was used?' But—because the Australian standard is not mandatory, it is only an advisory—they have to take advice on whether they can do that. But the hope is that foil insulation used horizontally across rafters will be banned, regardless of what it is, because our electrical wiring rules are not good.

**Senator FISHER**—Mr Fuller, can I just have a clarification. You have variously referred in the last couple of minutes to 'foil' and then 'substandard insulation'.

**Mr Fuller**—Two different things.

**Senator FISHER**—Right.

**Mr Fuller**—Sorry. I am not sure whether the foil insulation is also substandard. All I know is it is a killer. The people we spoke to today all confirmed that they know that the foil insulation is not only a conductor of electricity but it is a serious conductor of electricity. It will travel and kill. So it may be substandard—I do not know whether you have ever seen the foil insulation, but it is only like if you had a thin esky bag. It is that type of foil. The other substandards are the stuff also from America, which are the batts they could not use and we needed some so we bought them.

We also have not only the insulation that is in roofs there are container loads—and I mean container loads—of insulation that nobody wants either at the docks or on ships that were on their way and could even be here now. Somehow or other we need to either check that it is good stock or, if it is not, what we are going to do with it. The companies will not want to pay the fees.

**CHAIR**—When you said a bit earlier that there were discussions with the Prime Minister and Minister Combet about there being little option other than to remove foil, I think you said to put it into landfill because it was not degradable. Was that just the foil?

**Mr Fuller**—Yes, at that point we were just talking about the foil. The government should not be allowed to make legislation and programs as badly as they can get away with. When the minister and his department do not acknowledge the previous failings, how can the government be sure—how can Australia be sure—that all Australians will be safe with the new program?

The department's current track record is not good. They are not known for their skills for listening for advice or for taking decisive action when required. Remember that it is not acceptable to expect things will happen. Most people will only do what is inspected. If you, as the chair for this committee, requested something to be done by Friday night you are going to follow up on Friday night. That is the inspection. If we expect, 'Could you get it done by Friday night?' then no-one would worry. To a degree, that is where that last program was; it was like, 'Let's stick it all out there and hope it will happen' and it did not.

**Senator TROETH**—I have just got a question about the importation of substandard insulation. You would think that they would have to make some sort of declaration as to the type and that it met Australian standards—or is there no regulation regarding this?

**Mr Fuller**—I buy a fair amount of product from China, and China will copy anything. When they copy it, that does not mean to say it is as good, or as thick or as safe. In other words, it could have chemicals in it that are banned in Australia. They are very good at copying our Australian standard logos as well, so they would splash the Australian logos all over these products. They splash the Australian standards logo all over their websites, but they have no obligation to adhere to our standards. We have no way of getting back at them for not doing it. I can say in my experience in buying product from China that I would never ever take what is written on the pack as being gospel.

It should have been tested. Each product should have been tested before it was allowed to enter the marketplace, and it was not. I honestly would not know, if I were looking at 10 different insulations, which ones were good and which ones were not—but that is not my forte.

With respect to you all, one of the benefits of this Senate inquiry is that you are inspecting, you are asking questions and you do want to try to come up with the right answers. We applaud you for that. Thank you for the opportunity to speak with you today. We know that you are all aware of why it is so important to us to represent all of this.

... ..

He was our only child; he lived with us for 25 years. The hole is so large, you cannot guess. But we purposefully sat back and said, ‘We are not media tarts. We don’t want to big-note ourselves or become famous because of it.’ We purposefully, intentionally, sat back and said, ‘We will do nothing.’

**Mrs Fuller**—We did not do nothing.

**Mr Fuller**—No—we did nothing as far as the media and the circus goes. We made a journalist who found us promise not to do anything, not to say anything—not even let Matthew’s name out. For four months that was fine. But because this program allowed three other people to get killed and other people to get injured, and still seemed arrogant and unwilling to admit any understanding of fault or change or improvement, we said, ‘Enough is enough.’ We then went to one newspaper, which ended up getting in God knows how many, and they did a rerun where they took more than one picture and ended up reusing it.

We were happy to come to this inquiry in camera because we do not want to be filmed and we do not want to make a big noise. However, don’t get me wrong, we will do whatever it takes. We have made that conscious decision now. If we have to sit in front of the TV or in front of the papers or in front of anybody to get the message across and get things changed, we are going to do it. The trouble is, there are three other families out there that are now feeling more hurt than we are who have not had the benefits that we have had in talking with you, or in living it for as long.

... ..

We cannot end up with a minister being demoted on full pay and full conditions with all the perks that go with the job. Oh, no, sorry, he is half a job now. When I get demoted I want to get demoted like he was. Nobody in the department has yet suffered because of it. The four families

are basically saying that someone needs to pay, something needs to change, somebody needs to admit to it, somebody needs to grow and learn from it. And if they don't get that—we were sitting back and doing nothing and we did not want to get involved but as it has progressed we have said, 'We will support those other families; we know what they are going through.' We are farther through it than them but, if they need our help, we will do it.

There is very little support for families like us. There is very little support for families of people who have been injured.

... ..

Nobody ever talks about the injured and, to a degree, they and their families suffer just as much as we do, in different ways or different degrees.

Sorry, senators, but in the inquiry submissions you have got no control over what people say and neither have we. But it is disappointing to read in at least two submissions where people have taken the time to write to you and say, 'I don't know what the hell you are talking about because there has been no death because of insulation', because there has been no workplace health and safety stamp on one and there has been no coroner on one. It is inconceivable how people could justify their stance with that.

Also in the minutes—because, as you can understand, we have lived and watched and followed this inquiry—the department have been coming to this inquiry and tendering the latest versions of all those documents of the things that have happened as a clear result of Matthew and others being hurt, killed and injured and of houses being burnt down. I found that many problems in this training document, based simply around what we know. They tender that to you as though that is the training document that was used in the program. It was used probably for the last two weeks of the program.

... ..

Then there was the advice to installers. If ever you get the time and the inclination to wander through those, you will see that on 6 August there was advice No. 4 which asked for the money back if there was a problem. Does the government intend to go back to those 250,000 houses and ask for their money back from the installer companies that they paid it to, because it is wrong; it is bad; it is no good? On 11 September, they talked about supervision being required. On 9 October, the inspections started. On 19 October, ... installers were told that the power should be turned off and to check for circuit breakers.

**Mrs Fuller**—'Should be' not 'must be'.

**Mr Fuller**—Yes. It was an option. On 27 November, risk assessment was implemented and installers were told that the power should be off. At that point, it was starting to get a bit stronger, but by then at least two young Australians had been killed. On 17 December, improved training started. That was the first time that they came out with an approved product list. We do not know who approved and whether it is arguably a successful list or where it can be found. I am assuming that it was on the website. The website is now closed, so homeowners cannot go onto that website anymore and find out whether the installer who did my job was a good one or a

shonky one or whether the insulation that was installed was on the approved list or not. You cannot find anything. It was closed. 'Thank you very much. Don't come back for dinner tomorrow.' On 12 January, they talked about improved training. On 9 February, as you all know, foil was banned.

It is a sorry tale of everything being changed after an event. But most of the documents that they have tabled in this inquiry have been the latest versions that make it look like they had everything squeaky clean and done. I would not dare for one second help you understand how to check that, but there are ways. From the way that the pages are written, you can know.

**CHAIR**—Mrs Fuller.

**Mrs Fuller**—He said it all.

**Mr Fuller**—We did not want to come to this inquiry and talk about personal stuff specific to Matt. We wanted to treat you guys with respect and talk about the big picture. Wherever we have digressed, I hope that you forgive us.

**CHAIR**—Indeed. We have some questions.

**Mr Fuller**—We will try as best as we can to answer them.

**Senator BIRMINGHAM**—I do not have many. It is more a case of beginning to explore some of the things that you have touched on. Thank you both for coming today. I am pleased that you said that it is of benefit for you. I cannot imagine how difficult it is, but then I cannot imagine how difficult all of the last five months have been for you both. In your submission, you have also attached a lot of correspondence that you exchanged with the department, ministers, the government and other bodies as well. You appear to have started that process quite soon after Matt's death. Maybe you can talk us through that process of communication and particular highlight some of the key things that you think were said to government during that process that need to be highlighted and understood.

**Mr Fuller**—In effect, I used to be a workplace health and safety officer in a previous work life. ... I knew that workplace health and safety would be involved from

... ..

That is the vein that all of our communications to anybody within the government have been in. That includes workplace health and safety, the coroner, Minister Garrett and the Prime Minister.

Being a WHSO in the old days, I know that you cannot change the world in five seconds. You have to let people do some investigation and find out some things.

... ..

I do not really remember the timing of the letters. But it was not long after that I then wrote to Minister Garrett basically asking what he was going to do and explaining what had happened. I

attached a series of support documents, which included the document off the web from SilverCell 4000 ... that clearly says that the power must be off and that a circuit breaker must be installed. ... None of that was supported by the government. None of it was an instruction anywhere. The Australian standard does not even say it. Even if it was mandatory, it does not say it.

Probably three weeks after that I got a response, which was: 'We're very sorry to hear about it. Blah, blah, blah.' As you would probably know now, Minister Garrett did not write that response. One of his aides did, so it was totally political. 'We've done all these things. Safety is the finest priority.' There were all those types of phrases and words. I may have quoted some of them in the submission—I think that the letter is in the submission. Then we tried again, because someone else got killed.

You need to understand where we were coming from. We are of the old school. We trusted the establishment; we trusted the system. We knew that the system takes time to work, so we backed off a let them do what they needed to do. We go ourselves to the stage where we did that. We were just trying to work through everything. Then someone else got killed, and we felt guilty. Then someone else got killed, and we felt more guilty. We felt guilty not because we had done anything but because we had not done something. We had not become media tarts. We had not gone out there and told the world and fought. What we did, stupidly, was go back to Minister Garrett four times and get nowhere. We went to Kevin Rudd twice, and we got a political response that was almost a mirror of Minister Garrett's.

The last communication to both of them was: 'Hey, guys, this is serious. Take me seriously. If you don't, I'm going to go to the opposition.' I gave them a day to talk to me. A day and a half later, as they still had not talked to me, I sent all the information that we had to the opposition. If you cannot get the system to work for you, see if the opposition of the system can do it. And they did. With respect to them, they listened and they understood. I am not naive. You are all politicians. So with respect to you, politicians have agendas. Politicians are in it for what they can get. At that point in our life, we were in it for whoever we could use to get the message through—whichever party or whichever denomination of religion or anything else. And we did. Luckily, they started to ask questions and do things and get things changed. We could see that in the media.

We also went to the media and got a few things done. But there was still nothing from Minister Garrett or the Prime Minister encouraging us that things would change or letting us know that they understood what was wrong. It was just all that political stuff. 'Yes, we know. Yes, we've done this and yes, we've done all these other things.'

**Mrs Fuller**—Far from safety being paramount, it never was, was it?

**Mr Fuller**—Never. I then sent quite a bit of the stuff that we had sent to Minister Garrett early in the piece to the inquiry. It took me a while to pull the guts out of it. Rather than sending lots of the unnecessary stuff, we tried to bring it back down to some important bits and pieces, along with the letter. I was a bit concerned. I would understand if the inquiry had turned round and said: 'Uh oh. This is a family that just wants to either be media tarts or fight et cetera.' That is not necessarily us. We give everyone the chance to do the right thing. We are quite happy for there to be no media and to just share info. We have tried that with everybody who we have dealt

with so far. If it was not for the opposition and the media, we would have lost faith in the government system.

I read some of the evidence that the inquiry has heard and I have seen some of the questions and questions on notice that the inquiry has asked. We know you are heading for the truth and nothing else. That is all we want. We do not necessarily want anyone to pay with their lives or their jobs if they do not deserve to. But if they were in industry and made the catastrophic total mismanagement decisions that they have made in this program, would they 5½ months later still be there? Whether it is the ministers, the Prime Minister or the people in the department, no-one has yet stood up and been counted, paid a price or even told the whole truth. By that I mean that they are giving you the latest stuff, not saying that on 15 August it was this and then this is how it evolved. They just give you the latest copy which will paint the wrong picture. I hope that answers your question. We were very frustrated with the political responses and the inaction.

**Senator BIRMINGHAM**—It certainly does. Your letters to government were probably, I suspect, unusual in the sense that a lot of people who are aggrieved let alone grieving would have taken an approach that is probably more passionate in their letters whereas you took a very factual approach and tried too, I think, put a reasonable approach there. Central to that, and your frustration comes through, is the particular issue of switching off the electricity. You obviously had some discussions and sent other emails and, as you said, you have honed down to the key things. Were your concerns on that issue ever directly addressed in responses not just from Minister Garrett or whoever but from people who could say why?

**Mr Fuller**—In reality, no. The only way we know that they were addressed is on the advices. We are Jo Blow public. We do not get copies of advices. We did not get anything given to us that you would expect as the parents of someone who was killed under a program and had made requests that the power should be off. They said: ‘We will investigate it. It will take us two weeks and then we will make a decision. We have made the decision, great.’ We had to go on the web and look things up; we had to go to the newspapers and look things up. That is not good communication. There has still never been from Minister Garrett to the Prime Minister anybody who came back to us and said, ‘Yes, we agree with you, the power should be off.’ It just comes out in announcements and even then they did not inspect it and manage it. Another youngster was killed after they made those announcements. Those announcements do not go to everyone involved in the industry. They go to the installer.

... ..

So even if everything went to the installer, the people doing the work are never going to know about it.

**Senator TROETH**—Did you have any interaction with the Queensland government at the same time that you were making contact with Minister Garrett and Prime Minister Rudd?

**Mr Fuller**—We did, Senator. This is the first time we have been through anything like this. We did not know who to talk to or what was the appropriate thing to do, so ... I went to state government and federal government and got myself in trouble because I got a bit emotional. The guy in the state government office would not come round, sit down and talk to me. He wanted me to talk to him through one of these big glass grille things. But when he understood what I

was talking about, he came round and we had a sit and a chat. Our local member for state parliament is Margaret Keech. She has visited us probably four times. Margaret Keech and Cameron Dick have brought it up in the Queensland parliament a couple of times and on the back of what we shared with them and, obviously, in talking to Workplace Health And Safety Queensland as well, the Queensland parliament banned metal staples.

**Senator TROETH**—So that was a direct action on their part?

**Mr Fuller**—Yes. So the state government have been very good. I was really only going to the federal government representative to find out what he could do for us but, with respect, I went to the top, rather than going to the local guys

... ..

**Senator TROETH**—You also mentioned in your opening remarks the indecision of the federal government. Can you give us some examples of that?

**Mr Fuller**—We shared with them documented evidence from the manufacturer and supplier of the insulation that the power should be turned off. We shared with them evidence from the Web of people being killed in New Zealand in 2007 by staples in foil insulation. Why did it take three months to make the decision? It is that type of indecision that I am referring to. They did not go, ‘Oh, oh,’ and make a decision. To me there should be decisive action as soon as anything is brought to their attention, particularly if safety is the buzzword, particularly if safety is everything as keeps being quoted.

**Senator TROETH**—So you are talking about the time between October and February, when they knew the facts but were not acknowledging them?

**Mr Fuller**—Yes. There were probably lots of other things in that, not just the staples. To us it was seriously a case of: ‘We have everything covered because we don’t do anything. We’re the government and what we have done is that. Now if you can give me a bit of paper that says you’ve got your business covered and you’ve got insurance and you’ve got this and you’ve got that, therefore whatever you do wrong has got absolutely nothing to do with me. I haven’t written any policies or procedures. I haven’t really given you any instructions.’ I know the original companies were very good and still do a good job. But you cannot go from something like 90 companies to 6,000 companies and expect, when you are at the planning stage of any implementation, that any of those 6,000 have got any flipping idea of what they are doing, particularly if they are not being inspected and particularly if a training program was not in place and no-one was paying any attention to what they were doing. It is that type of indecision. They should have stopped the program. They should have pulled back. It was always originally going to be an Australian stimulus for Australia. Why on earth did we let foreign insulation into that? Why on earth did we get to a stage of saying, ‘We now have more installers than we can make insulation for but that’s okay as we’ll just go and buy foreign stuff’? So you take half the benefit of the stimulus and give it to China and America—that’s a silly idea.

**Senator TROETH**—I am sure you would appreciate that federal government departments are not normally in the business of service delivery. It is like them running a business, as it were,

and they were running the business from here. I mean that there was no connection between them and the people on the ground.

**Mr Fuller**—Who pushed the program? Who pushed the media for the program? Who made the general Joe Blow public go ‘I want some’? Who allowed the companies to sign up with minimal or no experience? To be honest, what does a bricklayer know about going into a roof and putting insulation in and about the wiring and so on? But if you were a bricklayer it was automatically approved, as so for other trades that had nothing to do with it. ‘Here’s a licence to print money. Here’s your number. You go out there and find any number of people you can. You put insulation in, get this form signed and we’ll pay you.’ That is what happened. The government created 99 per cent of the problem because they did not manage the implementation. They did not manage the system. Even when obviously there were problems they did not react. They were not decisive in their reaction.

**Senator BARNETT**—Mr and Mrs Fuller, thanks for your courage in being here. It is fantastic, so thank you. I want to ask if you have been offered any compensation by either the state government or the federal government. Are you aware as to those that are injured—and you have made that point very well today and it is well noted by me that there are many that are injured and that highlights the point about how many and the answer is I do not know. Are you aware of, firstly, whether you have had any offer of compensation from either a state or federal entity and, secondly, whether those that have been injured have been offered any compensation at all?

**Mr Fuller**—No.

... ..

**Senator BARNETT**—You mentioned in your opening remarks that the Attorney-General was looking at some investigations. Are those in regard to compensation or are those in regard to perhaps chasing down dodgy installers? Can you shed any light on that?

**Mr Fuller**—Greg Combet and the Prime Minister shared that information, because we wanted to know where they were at with the investigation. He said that they had referred to the Attorney-General not only the fraud and the rorting of the system but also what was done in the system wrongly so they can find out the problems and fix the problems or not make the same mistakes again. It was that type of logic. I do not think there was any discussion whatsoever about whether the families or the injured people et cetera should get something.

**Senator BARNETT**—Do you think they should?

**Mr Fuller**—Yes. Sorry, we differ on this, don’t we?

**Mrs Fuller**—Yes.

**Mr Fuller**—Can I share this with you. When we were doing the submission, I sat at the machine for ages and put it all together and sent it. Chris said, ‘What do you want from this?’ I said, ‘Well, firstly, what do you want?’ Chris said two things: ‘Rudd to lose his job and Garrett to lose his job because somebody needs to pay. Somebody needs to be accountable for it.’

**Mrs Fuller**—I just want somebody to be accountable for this, for somebody to say, ‘I stuffed up’. Peter Garrett, on all the stuff that he has said, said, ‘Oh, my advisers tell me’ this, that and the other. Well, his advisers are telling him wrongly. Somebody is culpable here. Somebody should be losing their job.

**CHAIR**—And neither the Prime Minister nor the minister today made themselves accountable, are you saying?

**Mr Fuller**—The Prime Minister did—

**Mrs Fuller**—admit that they had got it wrong—

**Mr Fuller**—after I looked him in the eye and said a few things. I was fairly blunt, because I was given the opportunity to be and he is a Queenslander and we are Queenslanders as well, so I had played a few cards that helped. He indicated that he was sorry but not in those words. It was more, ‘Yes, it’s unfortunate.’ I cannot remember the exact words. It was along the lines: ‘It’s a shame it happened. Yes, we’re going to try to work backwards to find out what caused it and how come it happened and who is accountable and we’ll try to find someone and fix it.’ But, no, there was not really much else. So Chris was after change.

**Mrs Fuller**—If it was the business world and the managing director made some decision and it went bad, he would suffer—he would lose his job or go to jail even. But nobody is getting punished for this. I do put this at the government’s door. It is their fault, because they rushed that program out. They keep referring to shonky installers, but they are not all shonky. There are good ones out there.

... ..

It was just a rushed scheme. There was no planning. Private business cannot do that, but the government can because they are spending our tax money.

**Mr Fuller**—Chris wanted scalps and change and so on. I was totally different. I wanted to end up with a formal apology, change being made and the confidence that they learned from their errors—confidence that no-one else would be doing what we are doing; no one else would be going through the five months and three days that we have had. Because we have now worked and talked with the other families, we see where they are at too.

... ..

I have asked the families, if you had the choice of this, this or this, what would you prefer to have? Although money ended up being one of the least chosen options—first was change, to make sure these things don’t happen—everything ultimately comes back to money because they have bills to pay, they have things to do, they have dreams and aspirations that now cannot happen.

... ..

Those sorts of people are saying hey, hang on a minute, we need to make sure we can put some money back into their future and not necessarily replace the family member they have lost but at least allow them to get on with life and potentially enjoy it.

None of the families, us included, wanted or expected any monetary reimbursement, but the longer it has gone on, the further we get towards that. My brain has gone very, very, very directly to ‘somebody has to pay’, to use Chris’s words. My brain is saying yes, somebody has to pay because the only way the government sits up and takes notice, and the only way the media sit up and take notice, is if it is going to cost them money. They do not take any notice of letters and they do not listen to anything else. They have not done anything we have asked them to do until today. The only reason they are talking to us today is because they know we are coming here to talk to you. If we were not here talking to you today, we probably would not have sat in their offices today and talked to them. They were almost clambering over each other to get us into their office first.

I think the cleanest way out of it is, first, fix and understand the problems, and fix and understand and manage any new implementations or any new systems, and then try to have a clean break for the families or the house fires or the injured. Otherwise there will be a very bad smell around the media and policies and procedures for a while. I am not one to give in when I get a bee in my bonnet.

... ..

We went through one counselling session, and that was not long after Matt had gone. We went in and sat down—she was a lovely lady, and she said, ‘Hello Kevin, what have you been up to?’ I told her some of the things I had been up to with the investigations, et cetera, and she looked at me and said, ‘That’s no good—that’s a typical man.’ Men deflect or ignore all the grief—and we have not really grieved yet, though there is a little bit every day. We have not been able to stop safe in the knowledge that it is going to be fixed. Our five months and three days so far have been hell, and I would not wish them on our worst enemy. Up until today we were not confident that anything would change. We have been talking to you today, and the Prime Minister and Minister Combet are talking about some of the things they are going to do and how it is going to happen, but we are yet to see it.

**CHAIR**—If nothing else, I think my colleagues would join with me in saying we are happy that you have been able to use us in that way.

**Senator BARNETT**—I wanted to ask what you would like in terms of outcomes. You have shared both your perspectives on what would be the ideal outcome, and it is in the second last paragraph of your submission. You say that you would like an apology, that you want to be sure that the government has recognised the problem and that you want to be confident that the new system is going to work. I was going to ask if that was it, but you have really summed it up, so thank you again.

**Mr Fuller**—Thank you.

**CHAIR**—Mr Fuller, you have a professional life, and I wonder whether the comments that you have made about the insulation scheme draw in part from that. Clearly you know something about risk management. What is your background?

**Mr Fuller**—I have been an operations manager for 26 years. An operations manager is a person employed in a company to hire, fire, train and manage—the building, the people, the equipment, the services, everything. I have worked for IGA as the Queensland distribution manager for 20½ years, operating and covering the territory from Coffs Harbour to Darwin.

**CHAIR**—So they make things, do they?

**Mr Fuller**—IGA is the Independent Grocers of Australia and we buy, store, pick, stack and ship stuff all over the country. As it is a manual job and we use many forklifts, electric palette jacks and so on, there is all the workplace health and safety that goes along with that. Looking after 400 workers who at some times in their lives were very militant union people, you learn how to work and negotiate with people, rather than fighting head-on. Fighting head-on gets you nowhere. That is why, in all the things we have done with this, we have tried not to be confrontational. We have tried to get things to happen, rather than just venting.

**CHAIR**—So you, and probably Mrs Fuller through osmosis as well, have been able to draw on that life experience in the comments that you have made.

**Mr Fuller**—I spent a long time looking through the web and trying to find out why. You look at the procedures, the systems, the products and what other countries do. Other countries do it a lot better than we do.

**CHAIR**—Given everything that you are dealing with, do you think a government, any government—black, white, brindle, this government, another government—can and should deliver a program of this nature, or should it just stop?

**Mr Fuller**—A well-managed, well-planned, well-inspected program is fine for insulation of any type. It could be games of cricket. It could be anything. So long as it is well-managed, well-thought-out, well-planned, well-implemented, well-checked, well-reviewed and changed as appropriate decisively and promptly, yes, anything can be and should be implemented. We do not want to have the government unable to make change or big policy decisions. The stimulus package was a good thing for Australia. Whether I agree they should have spent that much money on it is another point, but it got Australia together and it got Australia working. Even the insulation program itself had merit and has merit. It was just mismanaged and poorly planned and thought through.

**CHAIR**—Thank you.

... ..

**Senator McEWEN**—Thank you. For my part, thank you very much for your frank evidence before the committee. I am very glad that you got to meet the Prime Minister, the Leader of the Opposition and Mr Combet today. I am sure they enjoyed your frank advice to them.

**Mr Fuller**—The Prime Minister possibly did. We will see.

**CHAIR**—Mr and Mrs Fuller, thank you for your commitment and your courage. Thank you to our secretariat in helping bring this about and also to Hansard.

**Committee adjourned at 5.59 pm**