

Submission to the inquiry on EEEHP

I am a registered installer of insulation and have been doing it since February under the scheme. I saw it as a good thing for the environment and employment. I was hoping to employ and train quite a few new people, which in return would help the economy which is what the intention was. I am being audited and have no problems with that as I know I am above board and within all guidelines. But a notice of reducing the grant in less than 24 hrs has huge ramifications for me and many others.

Early in the piece I could see the possibilities for corruption etc. I have emailed many times the EEEHP and also phoned them with my concerns.

I am a licensed builder and have trained staff doing the insulation work for me, following all the guidelines as they were set down.

Firstly the biggest mistake was the lack of control by the commission in regulating the companies that could register. Unskilled and unqualified. Question how can a plumber have experience and register, same as plasterers, painters etc. the only trades that really have any experience are builders, roofers and carpenters as they are the ones who mainly prior to this circus did the work. Apart from the actual insulation companies.

2) I came across several companies that were abusing the system and tried to report them before they did too much. Eg. Installing in houses built in 2006-7 in a complex of 280 houses already insulated!. They had done around 10-15 when I found out about it and now have done the lot. The EEEHP contacts that I could get could not help in any way, I was moved from extension to extension and no one knew where to send me. I had names, phone nrs etc on the company involved. Very frustrating. I am surprised I was not able to get these "Cowboys" stopped immediately as I know these sorts would ruin it for many others.

3) Come July the product had become as scarce as hens teeth and the prices increased accordingly. Supply and demand. I chose to invest in importing the product to help the supply system. I spent a lot of time, energy and my own money (taken out of my house) to secure products and also to get them certified as compliant. This process took some time but finally I got it on track and placed orders for delivery. Now that my product was certified etc. The stunt of reducing the grant with less than 24hrs notice has done a lot of damage as my products are on the high seas at the moment.

The big suppliers/manufacturers in Australia stopped supplying the local market and the small amount that trickled through was increasing in price weekly. Poor planning.

My current situation is as such that customers are cancelling as they will have to pay a difference. Ergo less work, bigger losses and more staff laid off. Not that I am a big operator but that only makes me more vulnerable to loss as I did the right thing and followed the rules. Many are in my situation.

I don't disagree with reducing the grant at all. But overnight..fair go. If it was announced it will be reduced in eg 1st January 2010 or by \$100 per month for the next 4-6 months then the supplies on ships at the moment headed for Australia could be utilized, 100's of companies wouldn't go belly up and 1000's of staff on the street or off loading the product at huge losses. Remember that supply and demand determines price. The cost of the product has risen 50% in 2 months and the cost of freight has doubled. All paid in advance. Now there is lots of product but no customers (or at least a 80% reduction) as interest rates rise etc, Christmas on the door step. No one wished to pay the extra above the \$1200.00

Remember also that all imported goods have duty and gst. (government revenue)
Companies and employees pay taxes. (government revenue)

Spin off to advertising, fuel, interest, etc,etc all have same scenario as above.

By cutting the way they have they will have more on unemployment benefits (government expense)

Companies having to write of losses instead of paying tax etc,etc.

The government should have consulted industry professionals before the scheme was introduced eg. Masterbuilders, Hia etc. which would of saved all the fraud, complications that now have arisen.