

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Budget Estimates 2011-2012, May 2011

Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	29
Program:	1.2		
Division/Agency:	ESPD		
Topic:	Call Centre		
Hansard Page EC:	EC 6		

Senator Abetz asked:

Senator ABETZ: And the department is happy that Salesforce outsources its call centre services to people working from home with their own PCs and internet connections?

Mr Bowles: We have a contract with Salmat on an outcomes basis. I am not into the specific details. I could get someone to find that out.

Senator ABETZ: If you could take that on notice.

...

Senator ABETZ: Did you obtain external legal advice in relation to the tender for this contract centre?

Mr Bowles: I would have to take that on notice, but as a normal arrangement we would take legal advice.

Answer:

SalesForce, trading as Salmat, offers its clients a range of services to suit varying requirements and budgets, including an option for contact centre agents to work from home in handling client enquiries. The Department has chosen not to use this particular service offering at this time and has all contact centre services provided from Salmat's Melbourne-based offices.

Yes.

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Outcome:	1	Question No:	30
Program:	1.2		
Division/Agency:	ESPD		
Topic:	Call Centre		
Hansard Page EC:	EC 6		

Senator Abetz asked:

Senator ABETZ: The department paid Excelior \$400,000 for an inquiry line for nine months up until March of this year. Is that correct?

Mr Bowles: I would have to take that on notice, but it could very well be right. As I said, we had a number of call centres that we were trying to consolidate.

Senator ABETZ: All right. If so, could you let us know what the call centre was for?

Mr Bowles: Yes, Senator.

Answer:

Excelior was paid \$734,918.92 to respond to householder enquiries about the Green Loans program (including enquiries about the associated Industry Assistance Schemes) during the period 19 February 2010 to 31 March 2011. Part of the expenditure was incurred while the program was administered by the then Department of the Environment, Water, Heritage and the Arts before the Machinery of Government changes that brought the Energy Efficiency programs into the new Department of Climate Change and Energy Efficiency.

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Outcome:	1	Question No:	31
Program:	1.2		
Division/Agency:	ESPD		
Topic:	Call Centre		
Hansard Page EC:	EC 6		

Senator Abetz asked:

Senator ABETZ: Thank you. The department paid Centrelink and Greythorn over \$4 million for emergency call centre services in February this year. What was that for? Was that related to the floods in Queensland?

Mr Bowles: No. Centrelink did some call centre work around the Home Insulation Program.

Senator ABETZ: So the emergency call centre service related to the Home Insulation Program. So we spent another—

Mr Bowles: I would have to take on notice the specifics of that particular thing.

Answer:

Centrelink provided call centre services for the Home Insulation Safety Program on behalf of the Department from 24 February 2010 to 20 March 2011 to the value of \$3,720,475.00 (GST inclusive).

Greythorn Pty Ltd provided specialist program management contractor services to the Department to the value of \$163,680. The expenditure was not related to the provision of call centre services and was instead related to specialist program management services.

The Department has reviewed the details relating to Greythorn Pty Ltd that appeared on the AusTender website and identified that a data entry error occurred at the time information about Greythorn Pty Ltd was uploaded and has since rectified the issue.

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Outcome:	1	Question No:	32
Program:	1.2		
Division/Agency:	Energy and Safety Programs Division		
Topic:	Invoices to Home Insulation Program insulation installers		
Hansard Page EC:	EC 103-104		

Senator BIRMINGHAM asked:

Senator BIRMINGHAM: How many invoices were sent out?

Mr Bowles: For invoices versus noncompliance, we have sent a large number of noncompliance letters out – around 2,000-odd, I think. As far as invoices, it would be somewhat less than that. So what the normal process would be –

Senator Wong: Take on notice the number.

Mr Bowles: We can take on notice the exact numbers. Basically, the process is we send out the noncompliance letter, which I talked about before. In a large number of cases, those issues get resolved.

Senator BIRMINGHAM: But you are not able to tell me today how many invoices were sent, which I assume are sent to people who either are proven to have failed to comply or are unable to demonstrate to you that they complied or just simply did not respond to the noncompliance letter?

Mr Bowles: I can take that on notice. I do not know the specific number of invoices. I just know there has been a large number of noncompliance letters sent out. But we can take that on notice, Senator.

...

Senator BIRMINGHAM: Sure. I appreciate that. Can you tell me not only the number of invoices that have been issued but also the value of those invoices? Have any of those invoices subsequently been withdrawn? If so, what is the number and value of those that have subsequently been withdrawn or modified?

Mr Bowles: I can take that on notice, Senator. But it would not be an unusual process to find some that get withdrawn over time because of additional information provided.

Answer:

As at 30 September 2011, around 2,000 letters of demand had been issued to installer businesses registered under the Home Insulation Program. The total value of invoices associated with these letters of demand is approximately \$17 million.

To 30 September 2011, three invoices totalling \$9,200 had been written off and 232 invoices totalling approximately \$1 million had been cancelled.

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Outcome: 1 **Question No:** 33
Program: 1.2
Division/Agency: ESPD
Topic: Home Insulation Program Expenditure
Hansard Page EC: Written

Senator Birmingham asked:

For each of 2008-09, 2009-10, 2010-11 and 2011-12, please detail actual, expected or projected expenditure in relation to each of the Home Insulation Program, the Home Insulation Safety Program (HISP) and the Foil Insulation Safety Program (FISP), and also any other insulation related expenditure that formed part of the Government's Energy Efficient Homes Program/Package.

Answer:

In accordance with the Department's 2011-12 Portfolio Budget Statement, the administered expenditure for the Home Insulation Program (HIP) is as follows:

Budget Table 1: Whole of HIPRO Programs Administered Budget (\$m)

	Administered Budget	Actual / Forecast
2008-09	36.639	64.832
2009-10*	1,964.666	1,806.058
2010-11	318.340	318.340
2011-12	111.275	111.275

* Actual expenditure is shown for 2008-09 and 2009-10. The Department's revised projected expenditure as show in the Portfolio Budget Statement is \$318 million for 2010-11 and \$111 million for 2011-12.

The budgeted and actual expenditure in Table 1 is for the HIP in total. The individual programs (Home Insulation Safety Program, Foil Insulation Safety Program, HIP and Insulation Industry Assistance Package) are unable to be readily separated out.

In addition to the Budget allocation, the Government has set aside a \$100 million provision in the Contingency Reserve in 2011-12 to cover any unexpected costs, noting the demand driven nature of the remaining activities, that may arise in relation to the HIP closure.

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Outcome:	1	Question No:	34
Program:	1.2		
Division/Agency:	ESPD		
Topic:	Home Insulation Safety Program		
Hansard Page EC:	Written		

Senator Birmingham asked:

- a. Does the Minister stand by the safety inspection program that has been put into place for the inspection of homes where insulation has been installed and problems identified?
- b. Given that safety is the most critical issue for the home owner or renter who has had the insulation installed, is this the focus of the inspections?
- c. Once a safety inspection has been conducted and declared 'safe', is the Government confident that there are no more issues with the insulation installation?
- d. What assistance does the Department provide to home owners where a dodgy instalment has occurred and damage done to the home?
- e. What exactly is the role of case workers from the Department appointed in some circumstances to assist constituents under the scheme? Should case workers be providing special assistance to those people who are elderly and infirm?

Answer:

- a. Yes.
- b. Yes. The Australian Government's first priority is householder safety and this is therefore the primary focus of the inspections.
- c. Once an inspection has been conducted, and the dwelling assessed as safe in relation to Home Insulation Program (HIP) installed insulation, the householder is provided with a Certificate of Inspection detailing the inspection outcomes and where relevant, a written warranty in relation to any rectification work carried out by the inspectors.

Inspectors are able to declare the household safe at the time of the safety inspection. It is not possible to declare a household safe forever, as external factors such as roof damage, installation of appliances in the roof space or rodents can impact the future safety of the household. However, every effort has been made by the Government to mitigate risks resulting from the HIP.

- d. Where there is property damage or concerns about the quality of installation or materials, the Department encourages householders to pursue one or more of the following options:
- contact the original HIP insulation installer who they directly contracted and seek their assistance in resolving the issue. If householders are not able to come to a satisfactory arrangement with the original installer, they may wish to contact their local Office of Fair Trading;
 - lodge a claim through their insurance provider; and
 - engage a qualified tradesperson to rectify the problem.

The Department is able to assist by providing contact details of the original installer and/or their insurance company to the householder.

- e. The role of the Department's case managers is to facilitate the resolution of householder concerns arising from their participation in the Home Insulation Safety Inspection Program (HISP) and Foil Insulation Safety Program (FISP). The case manager acts as a single point of contact for the householder, where the outcome of a safety inspection is under dispute or there has been a particular concern with the inspection process.

The Department does not provide separate or additional services to any particular section of the community. All cases are managed by case managers in accordance with the scope of HISP and FISP.

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Outcome:	1	Question No:	35
Program:	1.2		
Division/Agency:	ESPD		
Topic:	Home Insulation Safety Program		
Hansard Page EC:	Written		

Senator Birmingham asked:

Please detail all interactions between the Department and Mr Geza Horvath of Carnegie, Victoria.

Answer:

Mr Geza Horvath had insulation installed in his home under the Home Insulation Program (HIP) in January 2010. Through his local Member of Parliament, Mr Horvath sought assistance from the Department on 28 April 2011 in relation to a cracked ceiling in his home, allegedly caused by workmen installing insulation under the HIP. Mr Horvath was contacted by the Department's safety inspection service provider on 28 April 2011 and a safety inspection was arranged for 29 April 2011.

Records indicate that Mr Horvath contacted the Department call centre on 3 June 2010. Call records are inconclusive and no safety inspection was arranged at that time.

The safety inspection of Mr Horvath's HIP install was completed as scheduled on 29 April 2011 and the dwelling was found to be safe from electrical and fire hazards. However, quality issues were noted that suggest a possible link between damage to the property's ceiling and the company responsible for installing his HIP insulation.

Mr Horvath was contacted by the Department's Case Management Team immediately after the inspection on 29 April 2011. The Department's Case Management Team explained the outcome of the safety inspection and outlined what assistance was available to help him pursue the matter with the installer responsible for damaging his ceiling.

An information pack was subsequently (3 May 2011) provided to Mr Horvath providing advice on how to pursue the matter of installer damage, the installer's contact details and a copy of the installer's insurance details.

The matter has since been resolved to Mr Horvath's satisfaction through an insurance claim.

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Outcome:	1	Question No:	36
Program:	1.2		
Division/Agency:	ESPD		
Topic:	Home Insulation Safety Program		
Hansard Page EC:	Written		

Senator Birmingham asked:

With reference to the answers provided to Question on Notice 44 asked in Additional Estimates of February 2011, please detail for all occasions where inspectors have taken trips involving flights:

- a. From where to where the flight was taken?
- b. At what cost?
- c. How many inspectors travelled?
- d. How many inspections were undertaken in each location?
- e. Were there trained or accredited inspectors located at or near the inspection locations and what was the level of urgency of each inspection undertaken?

Answer:

The Department has contracted major established service delivery providers to deliver the Australian Government's safety inspection programs. The Department does not engage on the day to day business planning for the safety inspection contractors. However, summary details of travel to date is provided at [Attachment A](#).

Given the scale and the nature of the inspection programs and the requirements for extensive national coverage, travel costs for inspectors were always anticipated by the service delivery providers and have been included in the program budget and provided for in the relevant contracts.

The amount of work in any location, including regional and remote areas, is determined by the number of Government-initiated inspections as well as householder requests. It is not economical to train and accredit inspectors in areas with low inspection numbers. Further, given the rigorous qualification and training requirements for inspectors under the safety programs, the companies contracted to undertake inspections found it to be more cost effective to redeploy a small team rather than recruit and train a new team of suitably qualified personnel in all locations.

Generally, inspectors would not travel to an area where accredited inspectors were already present, except to complement those teams in areas where additional work was required.

Travel expenses

- There have been 68 occasions (resulting in around 3,690 inspections) where the Department has approved travel for inspectors. This travel occurred during the period from October 2010 to 1 June 2011.
 - The total approved travel costs for inspections is approximately \$840,250, inclusive of GST. Of this, approximately \$84,915 has been for flights.
 - As at 1 June 2011, there were no travel costs paid under contract with Transfield Services.
- Travel costs for inspections are categorised by location as follows:
 - In Area: an area that is locally serviced by an Inspection Team and is included in the Inspector Coverage Register, such that travel expenses are not incurred or payable.
 - Super Region: refers to a collection of adjacent postcodes that are not In Area, and where an Inspection Team temporarily relocates to the region for a set period of time to complete inspections over a number of adjoining days. Where such a Super Region has been approved, travel costs are payable in accordance with the special conditions of the associated contracts.
 - Regional/Remote: any location that is not identified as In Area in the Inspector Coverage Register and which has not been grouped into a Super Region for the purposes of a safety inspection, such that travel expenses are payable in accordance with the Special Conditions of the associated contracts. Travel costs are consistent with the Department's and the Australian Taxation Office's guidelines for non-SES domestic travel. All travel requests are quality assured and approved by the Department to ensure incurred costs are in line with contract provisions.
- The Department has approved travel costs, as outlined in service provision contracts, where inspection teams have been required to travel to a Super Region and Regional/Remote areas to conduct safety inspections.

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Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	37
Program:	1.2		
Division/Agency:	ESPD		
Topic:	Green Loans		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. How many cases of fraudulent assessments under the Green Loans Program have been identified by the Department?
2. What actions have been taken in response to any fraudulent assessments having been identified?

Answer:

One Green Loans program case has been referred for investigation in relation to suspected fraudulent activity. As this investigation is ongoing, the Department is unable to comment further.

In addition to the fraud investigation currently underway, a number of potentially non-compliant assessments have been identified and are being further investigated.

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Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	38
Program:	1.2		
Division/Agency:	LSB		
Topic:	Green Loans		
Hansard Page EC:	Written		

Senator Birmingham asked:

- a. How many claims for compensation in relation to the Green Loans program has the Department received
 - i. This financial year?
 - ii. Over the life of the program?
- b. How many of these claims for compensation, and to what value, remain unresolved?
- c. What has been the total value of compensation both claimed and paid?

Answer:

- a.
 - i. This financial year, the Department has received approximately 206 claims seeking compensation associated with the Green Loans program.
 - ii. Over the life of the program, approximately 225 claims have been received.
- b. As at 21 June 2011, 60 claims remain unresolved. These are being considered in accordance with the Commonwealth's usual processes. It would be inappropriate to disclose the value of compensation sought as many of these claims have not been substantiated and a number of the claims have not specified a particular amount.

Of the matters that have been classified as resolved, the majority of these claims were from uncontracted assessors under the Green Loans program and were made under the Scheme for Compensation for Detriment caused by Defective Administration (CDDA Scheme).

Due to the assistance offered under the Financial Assistance Scheme for uncontracted assessors, those CDDA Scheme claims have been discontinued.

- c. It would be inappropriate to disclose the total value of compensation claimed, as many of the claims have not been substantiated and a number of claims have not specified a particular amount.

To date the Department has not paid compensation to any of the claimants.

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Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	39
Program:	1.2		
Division/Agency:	ESPD		
Topic:	National Solar Schools Program		
Hansard Page EC:	Written		

Senator Birmingham asked:

- a. How are or were decisions made regarding which energy efficiency measures are funded under the National Solar Schools Program?
- b. Has there been any analysis or consideration of heat reflective coatings as an eligible measure? If so, what analysis was undertaken and why has this not been included as an eligible measure?

Answer:

- a. The National Solar Schools Program (NSSP) replaced the Green Vouchers for Schools Program. The list of eligible items under Green Vouchers, water tanks and solar hot water systems, was extended to provide a range of options for schools to improve their environmental sustainability. Eligible items include solar power systems, solar hot water systems, renewable energy generation systems such as small wind turbines and a range of energy efficiency items.

Decisions to include items as eligible for funding under the NSSP were based on a range of factors including emerging standards as well as supporting research on the environmental benefits that could be achieved.

- b. Yes, consideration was given to including heat reflective coatings as an eligible item. It was not recommended for inclusion as the research tendered in support of heat reflective coatings was inadequate to support the energy efficiency improvements that may be achieved in schools across Australia, when taking into account the variety of climatic conditions. The current list of eligible items is extensive, providing schools with a wide choice of items to improve their energy efficiency.

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Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	40
Program:	1.2		
Division/Agency:	ESPD		
Topic:	National Solar Schools Program		
Hansard Page EC:	Written		

Senator Birmingham asked:

- a. When were schools advised of successful applications under Round 2 (2010-11 funding round) of the National Solar Schools Program?
- b. At what point following a successful application is payment made?
- c. In the case of Government schools, is the payment made directly to the school or to the State Government?
- d. If payments are made to State Governments, when were payments made to each of the State Governments for Round 2 grants?
- e. When were the payments forwarded to individual schools?
- f. How many schools will miss out on funding due to the program's redesign and reduced funding?
- g. Is it correct, given that schools receive grants of up to \$50,000 and that program funding has been cut by \$156.4 million, that at least 3100 schools will miss out?
- h. If this is not correct, why not? Is it primary schools or high schools which will miss out?
- i. Of the successful applicants so far, please provide total breakdowns (by numbers of schools and by total funding provided) by:
 1. Private and public schools.
 2. Primary schools, high schools and colleges.
 3. High socio-economic and low socio-economic.

Answer:

- a. All schools were notified by the Department of the outcome of the 2010-11 funding round on 15 December 2010.
- b. Payment is made to a non-government school when it returns a signed Funding Agreement and the Agreement is countersigned by the Commonwealth Delegate.

Payment is made to states and territories for government schools when there is a signed National Partnership Agreement (NPA) in place for the National Solar Schools Program (NSSP) and the state/territory achieves the performance milestone associated with a specific payment as defined in the NPA.

- c. Payments are made to the state and territories.

- d. The Commonwealth and states and territories are negotiating the NPA. Payments have not yet been made to states and territories for government schools approved in the 2010-11 funding round.
- e. Payments for non-government schools were made when the school returned a signed Funding Agreement and this was countersigned by the Commonwealth Delegate. All non-government schools approved in the 2010-11 funding round have been paid.
- f. It is anticipated at the end of the NSSP that approximately 4,200 schools will not have received funding under the NSSP, including many which did not apply.
- g. Please refer to the response to part (f).
- h. The NSSP does not discriminate between high schools and primary schools.
- i. Funding to schools to date:

1. *Private versus public schools*

Private schools = 1,122 schools (\$59.84 million)

Public schools = 2,657 schools (\$107.8 million)

2. *Primary schools, high schools and colleges*

Primary schools = 2,359 (\$96.4 million)

High schools* = 1,420 (\$71.2 million)

* Includes schools that provide both primary and secondary education.

3. *High socio-economic and low socio-economic*

Schools classified as low socio-economic are those located in the lower 30 per cent of the Relative Socio-economic Disadvantage Index of Australia. Approximately 950 low socio-economic schools have been funded to date.

The NSSP does not classify schools by high socio-economic.

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Outcome:	1	Question No:	41
Program:	1.2		
Division/Agency:	ESPD		
Topic:	National Solar Schools Program		
Hansard Page EC:	Written		

Senator Birmingham asked:

- a. What has the interest and uptake been in this scheme?
- b. What has been the response from schools?
- c. Has it been a popular scheme?
- d. Why has it been cut back?

Answer:

To date, the National Solar Schools Program (NSSP) has awarded grants to over 3,800 schools at a value of more than \$165 million.

The changes to the NSSP will allow for a better alignment with the Australian Government's commitment to moving Australia to a clean energy future, principally through the introduction of a carbon price. The savings generated by the early closure of the NSSP will be used to fund improvements in energy efficiency, enhancements to the Government's greenhouse and energy reporting requirements and the Solar Cities Program.

The changes to the NSSP will also prioritise remote and low socio-economic schools for the remainder of the program.

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Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	42
Program:	1.2		
Division/Agency:	ESPD		
Topic:	Solar Programs		
Hansard Page EC:	EC 22		

Senator BOSWELL asked: I will just get this on the record; you will probably have to take it on notice. In answer to questions that you took on notice from the additional estimates in February, you recently provided some figures on the number of installations of solar PV systems and solar heat pump hot-water systems from 2007 to January-February this year. But the numbers of solar water heating and heat pump inverters were not broken down. Could you provide the breakdown, please, from 2007 through to the present.

Mr Comley: A breakdown in terms of years?

Senator BOSWELL: No; in terms of numbers of solar heaters. The numbers for the solar water heating and heap pump inverters were not broken down. Could you break those down, please?

Mr Comley: We will take that on notice.

Senator BOSWELL: Could you also update the total cash outlays by the government for direct subsidies on all these programs: the solar PV installations until the change for the off-budget subsidy and an update to the present on the solar hot-water and heat pump hot-water systems, again broken down? I know that you would have to take that on notice.

Senator Wong: Senator, the program which is now closed: do you want what the total expenditure was?

Senator BOSWELL: Yes.

Mr Comley: I will take that on notice.

Answer:

Solar Hot Water Rebate

- From September 2007 to November 2009:
 - 105,086 households received assistance for a heat pump or solar hot water system worth a total of \$148.9 million.

Both technologies were paid an equal value rebate and the specific breakdown of assistance for heat pump and solar hot water systems was not recorded in the database at that time. While it may be possible to undertake a detailed assessment of applications to determine the breakdown, this would require significant resources.

- From November 2009 until June 2011:
 - 21,626 households have received a total of \$16.9 million for heat pump hot water systems; and
 - 87,298 households have received a total of \$118.2 million for solar hot water systems.

Solar Homes and Communities Plan (SHCP)

From December 2007 to June 2011 a total of \$961 million has been provided for 119,925 residential and 267 community solar power installations under the SHCP.

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Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	43
Program:	1.2		
Division/Agency:	REED		
Topic:	Energy efficiency building ratings		
Hansard Page EC:	EC 87		

Senator Cameron asked:

CHAIR: Maybe that is the wrong question. I am sure you have an interest in it. But is it hard for you? I am concerned that consumers do not seem to be satisfied that, if they are paying for five- or six-star energy efficiency that is what they are getting.

Mr Bailey: I have to be honest, Chairman. I am not aware of specific information that says there is a substantial noncompliance problem. I am aware of a debate that has been going on amongst stakeholders about the move from a five- to six-star minimum standard. But, if you would like, I can take that issue on notice and see whether in the department we do have more systematic information on compliance.

Answer:

Residential building energy efficiency requirements, for example the six star standard, are expressed in the National Construction Code (NCC) (formerly the Building Code of Australia (BCA)). Matters relating to the supervision, compliance and enforcement of the BCA – which in the case of the energy efficiency standards would be achieved, for example, through the correct installation of insulation, glazing, appropriate draft sealing etc – are the responsibility of the relevant state and territory building authorities.

There are sometimes misunderstandings expressed around what the energy efficiency rating of a new home means. The Nationwide House Energy Rating Scheme (NatHERS) is a system of tools, which can be used to measure compliance with energy efficiency requirements of the NCC. NatHERS ratings provide a way of comparing the potential heating and cooling needs of different homes based on standard assumptions. The ratings are not intended to measure actual total energy use, just as car fuel efficiency ratings do not match the actual fuel consumption of every driver of the car.

For new dwellings to meet BCA requirements, NatHERS ratings are completed before a house is constructed, so it would be impossible to rate the behaviour of the proposed or future occupants, such as their lifestyle and appliance choice. Since heating and cooling typically account for only around 40 per cent of household energy use, NatHERS ratings will not accurately predict actual total household consumption. The other main sources of energy use in homes are lighting, hot water and appliances. Through the Council of Australian Governments, governments have put in place a range of complementary measures to address the energy efficiency of these sources of energy use.

Minimum performance standards and labelling for appliances and equipment provide support for consumers in making efficient choices. However, decisions on how much to heat and cool a house, how many and which appliances to buy and use, and other behavioural decisions are not regulated by government. These are decisions that consumers make depending upon their own circumstances.

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Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	44
Program:	1.2		
Division/Agency:	REED		
Topic:	Energy efficiency window ratings		
Hansard Page EC:	EC 90		

Senator Cameron asked:

Mr Bailey: I am not aware of the details of the rating system that you are referring to. I do know that the thermal efficiency of windows is now measured specifically because of the introduction into residential buildings of double-glazed windows. Those windows now have an insulative property whereas previously a single pane glass window did not. But, going to my earlier comment, the main energy rating systems that we are focussed on relate to the overall building, not just to one specific component. If you like, I can follow up on that submission from the Australian Window Association and respond.

CHAIR: They call it the WERS, the window energy rating scheme. They say it is solely owned and managed by Australian Window Association. It says independent of any individual manufacturer. Then they go on and say there is nought to 10. Surely there has to be a more technical description of its energy efficiency than nought to 10 stars.

Mr Bailey: Yes.

CHAIR: Can you find out about that and whether that is an issue that needs to be dealt with in the broader strategy?

Answer:

The Window Energy Rating Scheme (WERS) is an Australian rating scheme for window performance. WERS enables windows to be rated and labelled for their annual energy impact on a whole house, in any climate of Australia. The Scheme is managed by the Australian Window Association (AWA), a peak industry body for window products. The Australian Government, through the former Australian Greenhouse Office, helped to underwrite WERS as part of its commitment to improving energy efficiency and reducing greenhouse gas emissions from the built environment.

To participate in WERS, window makers must obtain energy ratings for their products from a rating organisation that is accredited by the AFRC (Australian Fenestration Rating Council). The AFRC was established with the support of the former Department of Environment, Water, Heritage and the Arts. The role of the AFRC is to provide independent verification of product performance and to administer and approve the only uniform, independent, comparative rating and labelling system for window energy performance. WERS is therefore independent of any one manufacturer and acts as a fair, rigorous and credible system for testing performance claims. Rated windows and skylights display the WERS logo and each rated product has a certificate which certifies that it has been energy rated.

The characteristics of each window assembly are described in terms of its physical performance attributes, in particular the U-value, Solar Heat Gain Coefficient and Visible Transmittance. From these attributes, star ratings are calculated for both heating and cooling performance by ranking the window against alternatives, using a ten-star scale based on a set of 'generic' window types. The generic windows range from very low performance to very high performance in heating or cooling. The ratings apply to the effect of the whole window including the relative contributions of glass and frame.

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Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	45
Program:	1.2		
Division/Agency:	ESPD		
Topic:	Transfield Contract		
Hansard Page EC:	EC 100		

Senator Fisher asked:

Senator FISHER: The suggestion in the press is that it is \$40,000 a month. Could that be possible?

Mr Bowles: Are we talking about the Salmat contract?

Senator FISHER: Transfield.

Mr Bowles: The Transfield contract?

Senator FISHER: Yes.

Mr Bowles: I would have to check with them.

Senator FISHER: Can you?

Mr Bowles: Yes. We can check.

Answer:

Following a comprehensive open market tender process, Transfield Services was engaged by the Department to provide inspection services from April 2011 to June 2012. In addition to routine inspections, the Transfield Services contract includes delivery of complex inspection and rectification activities for those homes requiring specialist services (for example, homes with limited ceiling access, or asbestos).

The Transfield Services contract also covers a range of support services including the operation of a call centre, mail handling centre and case management services. The amount specific to call centre operations varies on a monthly basis depending on the volume and nature of activity undertaken. The specific amount paid is subject to commercial confidentiality.

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Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	46
Program:	1.2		
Division/Agency:	ESPD		
Topic:	Cool or Cosy Natural Insulation		
Hansard Page EC:	EC 77		

Senator Fisher asked:

Senator FISHER: Can you get back to the committee on notice about, for example, Cool or Cosy's claims, because there is no mention of correspondence from the department in the article. That does not necessarily mean it did not happen of course.

Mr Bowles: That is correct. As I said, we wrote to Cool and Cosy in September last year, I think it was, asking them to clarify a range of issues. We are still trying to deal with that. I am happy, once we clarify the situation with Cool and Cosy, to provide this committee with the advice on where it lands.

Senator FISHER: Thank you. If it is not resolved by the next time this committee meets for estimates, you might give a status report.

Mr Bowles: Yes, I will definitely do that.

Answer:

As at 15 June 2011, the Department is working closely with Cool or Cosy Natural Insulation to resolve all outstanding matters in relation to the company's involvement in the Home Insulation Program.

The Department will provide a status report to the Committee should these outstanding matters not be resolved before the next Estimates hearing.

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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:	ESPD		
Topic:	The Demand Group		
Hansard Page EC:	EC 78		

Senator Fisher asked:

Senator FISHER: So Schwab lawyers first contacted you a couple of months ago?

Mr Bowles: I do not have the specific date that they started but we did meet with them on 12 April.

Senator FISHER: If you could, on notice, tell the committee when that action first commenced?

Mr Bowles: Sorry, Senator, it is not an action at this stage.

Senator FISHER: When you first became aware that Schwab lawyers was acting for that group and exchanges commenced.

Answer:

Swaab Attorneys first contacted the Department on 20 September 2010, providing a draft statement of claim on behalf of a number of parties seeking damages in relation to the Commonwealth's decision to terminate the Home Insulation Program.

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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:	LSB		
Topic:	Claims against the Commonwealth		
Hansard Page EC:	EC 79		

Senator Fisher asked:

Senator FISHER: Are you able to break down the 46 claims from installers, claim from householders, claims from manufacturers, claims from electrical companies?

Mr Bowles: No. I would have to take that on notice.

Senator FISHER: Given that they manage it on your behalf, can you please break down on notice the status as of the time that you answer the question-

Mr Bowles: Very good, Senator.

Senator FISHER: of those 46 claims.

Mr Bowles: Yes, Senator.

Answer:

As at 21 June 2011, the Commonwealth has received 50 claims in relation to the Home Insulation Program (HIP). These 50 claims do not include applications made under the Scheme for Compensation for Detriment caused by Defective Administration (CDDA Scheme).

Of the 50 claims, 39 claims have been claims for compensation. These include:

- five claims for personal injury;
- 19 claims from customs agents, manufacturers of insulation material, distributors, installers and a householder for financial loss as a result of the Commonwealth's decision to terminate the HIP;
- 13 claims from householders relating to property damage; and
- two claims from householders relating to substandard installation.

The Commonwealth has also received 11 claims from installers and one claim from an electrical company seeking payment for work undertaken in connection with the HIP.

All claims are being managed in accordance with the Commonwealth's usual processes and the majority of claims for compensation are being handled by Comcover.

To date, 23 of the claims have been resolved. Compensation has not been paid in any of these cases.

In addition to the above claims, the Department has received 25 applications from installers (or entities associated with installers) and manufacturers under the CDDA Scheme in relation to the HIP (23 applications are from entities associated with one installer). These CDDA applications are being considered by the Department.

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Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	49
Program:	1.2		
Division/Agency:	ESPD		
Topic:	Householder Initiated Inspections		
Hansard Page EC:	EC 92		

Senator Fisher asked:

Senator FISHER: In terms of the householder initiated inspections, how many of those have you budgeted for?

Mr Bowles: We have been reasonably conservative in that to make sure that we can cope with anything there. We also have the understanding through the process that if there were an upsurge in these numbers, we have the capacity to deal with that.

Senator FISHER: By 'conservative', do you mean you think you are overestimating rather than underestimating?

Mr Bowles: Yes.

Senator FISHER: Can you give us a feel for that?

Mr Bowles: I will have to take that on notice. I just cannot remember off the top of my head at the moment.

Answer:

On 20 April 2011, the Minister for Climate Change and Energy Efficiency, the Hon Greg Combet AM MP, announced the closure strategy for the Home Insulation Safety Program. The announcement included the commitment to continue to offer inspections to any householder that had insulation installed under the Home Insulation Program, who has not previously had one, until 30 June 2012.

As at 1 June 2011, a total of 152,083 (non foil) inspections have been undertaken including 22,690 that have been specifically requested by individual householders.

Although there is no limit set for the number of householders who can request an inspection before 30 June 2012, the Department has made provision for up to 40,000 householder initiated inspections for the 2011-12 financial year.

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Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	50
Program:	1.2		
Division/Agency:	ESPD		
Topic:	Companies De-registered Under the HIP		
Hansard Page EC:	EC 95-96 / Written		

Senator Fisher asked:

Senator FISHER: Can you provide on notice a list of the companies that were deregistered under the home insulation program and the states in which they operated or laid insulation?

Mr Bowles: I think I referred to this in previous estimates hearings and have actually provided you with web links and provided this in the past.

Senator Wong: If there is any update to the information we previously provided on previous occasions, we will provide it on notice, Senator.

...

Senator Wong: I have taken the question on notice. If you want to add an aspect to that, which, as I understand it, is to say, in the context of the question on notice, could we refine it so as to only focus on those who were deregistered for reasons other than that they sought it, we can take that on notice too.

Senator FISHER: All right. Thank you.

Answer:

The list of de-registered insulation installers was previously referenced in response to Question on Notice No. 52 from the February 2011 Additional Estimates. The list is provided at [Attachment A](#).

The list has been static since February 2010 as it was no longer relevant after the Home Insulation Program (HIP) had been discontinued.



DEREGISTERED INSULATION INSTALLERS

Reason for deregistration Key: 1 = Failure to comply with Terms and Conditions of Registration

Company Name	ABN	ACN	Registration Number	Registration Date	Reason for Deregistration
Stanshall and Sons Pty Ltd	15134632438		0002723	6/10/2009	
Connect Holdings trading as Statewide Contracting Qld Pty Ltd	24115182299		0004752	17/11/2009	
Diablo Pty Ltd	11108088213		0009586	1/12/2009	
Fride Building NSW Pty Ltd	11137189158		0005590	4/12/2009	
Arrow Property Maintenance Pty Ltd	91119440701		0000212	8/12/2009	
Taha Group Constructions	68129900638		0005344	9/12/2009	
Home Improve.com Pty Ltd	41125715120		0003079	14/12/2009	
GGN Pty Ltd trading as Urban Solutions	86095767721		0003244	14/12/2009	
A1 Insulation	49607589567		0000014	14/12/2009	
W & T Draper Pty Ltd trading as Alduin Traders AUS	92463724128		0000347	14/12/2009	
Mues Holdings Pty Ltd	87126229794		0005348	16/12/2009	
Adam Dayoub trading as Speedy Solutions	6607117206		0001934	16/12/2009	
Junie Verma trading as Clear Choice Services	43225211824		0010286	16/12/2009	
Famore Business Brokers Pty Ltd trading as Queensland State Insulation	50010254930		0002617	21/12/2009	
S.O.S-TILING Pty Ltd	14121714467		0004184	15/01/2010	
S&L Brothers Investment Pty Ltd trading as S&L Brothers Insulation	62089528183		0002717	15/01/2010	
The Trustees for Geoharmony Trust trading as Monash Insulation	90889061338		0006199	20/01/2010	
Urban Insulations Pty Ltd	52138492167		0009802	4/02/2010	
KenOZ Building Maintenance	27379007581		0004953	9/02/2010	
Trade Up Services Pty Ltd	96689667029		0009086	9/02/2010	
Dream Group Personnel	28128931279		0002639	9/02/2010	
Pepu Services Pty Ltd	2812123144		0005878	10/02/2010	
Green Water Tanks Pty Ltd trading as Green World Insulation	36360285783		0005090	14/02/2010	
Diab Constructions trading as Diab Constructions	91308145949		0007267	14/02/2010	

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Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	51
Program:	1.2		
Division:	ESPD		
Topic:	Safety Programs Inspector Training		
Hansard Page EC:	Written		

Senator Fisher asked:

- a. What training was provided and/ or required for inspectors conducting Home Insulation Safety Program and the Foil Insulation Safety Program?
- b. Was any level of practical training or experience provided and/ or required?
- c. Has the level of training required by HISP and FISP inspectors been reviewed since the closure of the Home Insulation Program?
- d. Have any complaints been made to the department over inadequacies in the training for inspectors conducting inspections under the Home Insulation Safety Program and the Foil Insulation Safety program? If yes, how were these complaints handled?

Answer:

- a. All safety inspectors contracted as part of the safety programs have appropriate experience and qualifications. Every inspection undertaken is completed by a two person inspection team, with one of these people a designated safety observer. Additional requirements apply depending on inspection of foil or non-foil insulation.

Inspectors undertaking non-foil insulation inspections must have undertaken a course in Work Safety in the Construction Industry or a General Construction Induction (CPCCOHS1001A).

In addition, installers and inspectors also need to have completed a training course offered through the Construction and Property Services Industry Skills Council (CPCCPB3027A), which includes simulation of the workplace environment.

The Inspection Team Leader must hold a relevant trade qualification (that is, be a licensed builder, electrician, carpenter or plumber in the relevant state or territory) and have more than two years experience in either the insulation installation industry or in a trade related to the building industry.

For inspection of foil insulated households, at least one member of the inspection team must be a licensed electrical contractor.

All safety inspectors must also have appropriate levels of insurance and training in Occupational Health and Safety and first aid.

- b. Inspection team members must have more than six months prior experience in the insulation installation industry or in a trade related to the building industry. Transfield Services currently deliver the inspection program, and have designed a two-day training course to provide inspectors with the skills required to perform inspections under the safety programs. All potential inspectors have roof experience, and the training includes exercises conducted in a simulated roof environment.
- c. There was no safety inspection program prior to the closure of the Home Insulation Program; the training requirements developed in consultation with industry have been in place since that time. To date there has only been a requirement for incremental improvements.
- d. Some industry stakeholders have made representations to the Department outlining concerns over the adequacy of the training for inspectors under the safety programs. All such feedback is welcomed and where relevant has been incorporated into the training program.

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Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome: 1 **Question No:** 52
Program: 1.2
Division/Agency: ESPD
Topic: Safety Program Calls
Hansard Page EC: EC 91

Senator Fisher asked:

- a. Please provide a state by state list of the number of calls to the insulation Safety Hotline.
- b. Please provide a state by state list of the home inspections undertaken as a result of calls to the insulation Safety Hotline.
- c. Please provide a month by month list of the number of calls to the insulation Safety Hotline.

Answer:

- a. The total number of calls received by the Safety Hotline (131 792) to 1 June 2011 was 101,022.

The Department does not report on calls by state, but rather reports on the number of calls received and whether these calls are related to foil or non-foil insulation. This information is made available on the Department's website.

- b. As at 1 June 2011, there have been 22,690 householder requested safety inspections. Table 1 provides an overview by state/territory.

Table 1: Householder Requested Safety Inspections under the Home Insulation Safety Program as at 1 June 2011.

Location	Number of requests
<i>ACT</i>	181
<i>NSW</i>	7,131
<i>NT</i>	42
<i>QLD</i>	4,492
<i>SA</i>	696
<i>TAS</i>	202
<i>VIC</i>	8,862
<i>WA</i>	1,084
<i>Total</i>	22,690

- c. Monthly Safety Hotline call statistics indicate there has been a consistent decline in calls received over the last 12 months – over 7,000 calls were received in June 2010, 3,000 in December 2010 and just over 1,000 in May 2011. The majority of calls to the Safety Hotline are general enquiries or queries relating to an existing booking.

In June 2011, monthly key statistics regarding calls to the Safety Hotline were made publicly available on the Department's website. These statistics are updated on a monthly basis.

Previously, the Department has not prepared month by month lists of the number of calls to the Safety Hotline. The preparation of this information would involve an extensive manual process and therefore, in the context of existing workloads, an unreasonable diversion of resources.

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Answers to questions on notice

Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	191
Program:	1.2		
Division/Agency:	ESPD		
Topic:	HIP – Fire injuries		
Hansard Page EC:	EC 83		

Senator Fisher asked:

Senator FISHER: Okay. Can you provide the committee on notice confirmation of injuries arising from fire incidents, using your language, that have happened under the home insulation program?

Mr Bowles: We can provide you with what we know. We cannot provide you with a definitive list. Some people might have some minor injuries that we have no knowledge of. But, as I said, there is a small number of ones that have come to our attention that we have dealt with. That is about all we would be able to provide you, Senator.

Answer:

There have been no fatalities or injuries formally attributed to fire incidents associated with the Home Insulation Program.

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Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	192
Program:	1.2		
Division/Agency:	ESPD		
Topic:	Inspection costs		
Hansard Page EC:	EC 97		

Senator Fisher asked:

Mr Bowles: Again, if the average is \$1,000, if you pick one case out, you might find that to be the case. But I really could not speculate. We have a contract with PricewaterhouseCoopers, who subsequently contracted UGL and PwC. But if over the entire contract we are actually seeing an average price of about \$1,000-I think it is actually a bit less than that-I would find it hard to believe that someone could be getting \$1,600, I think you said, in one particular case.

Senator FISHER: That is the allegation.

Senator Wong: It will be responded to, Senator.

Answer:

The cost of individual inspections can vary significantly based on the location, degree of complexity, and the extent to which immediate rectification work to address safety issues is undertaken.

Assuming typical conditions, the vast majority of completed inspections under the Home Insulation Safety Program have cost around \$800 to \$850.

The rate of payment to inspectors is a matter between the inspection services provider and its subcontractors or employees and is covered by commercial confidentiality provisions.

The inspection services provider also provides a number of services in addition to the inspection itself, for example, management of the inspection booking and work allocation processes, maintenance of associated information systems, management, reporting and quality assurance.

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Climate Change and Energy Efficiency portfolio

Outcome:	1	Question No:	196
Program:	1.2		
Division/Agency:	REED		
Topic:	Wind farms		
Hansard Page EC:	Written		

Senator Heffernan asked:

1. Can you please confirm the Department's total budgeted expenditure for the construction of Industrial scale Wind Turbine developments?
2. Please confirm the Department's total budgeted allowance for corporate subsidies relating to the generation of Wind Energy?

Answer:

1. The Department has not had, and does not have, budget items to assist with the construction of wind farms.
2. The Department does not provide corporate subsidies for wind farm electricity generation.