GOVERNMENT WELCOMES ANAO REPORT INTO THE HOME INSULATION PROGRAM

The Parliamentary Secretary for Climate Change and Energy Efficiency, Mark Dreyfus, today welcomed the release of the Auditor-General’s report into the Home Insulation Program and accepted the report’s findings.

The Auditor-General compiled the Report in response to a request by the then Minister Assisting the Minister for Climate Change and Energy Efficiency, Greg Combet, on 3 March 2010.

Mr Dreyfus, who has assumed responsibility for managing the Government’s energy efficiency programs, noted that the Report’s findings are consistent with those of the review undertaken by Mr Allan Hawke at the Government’s request earlier this year.

The Home Insulation Program was closed on 19 February 2010. Safety has at all times been the Government’s first priority in the wrap up of the program and the roll out of household inspections. More than 95,000 homes have now been inspected through the Government’s safety programs.

“The ANAO identified significant deficiencies in the administration of the program, particularly the risk management practices applied by the Department of Environment, Water, Heritage and the Arts,” Mr Dreyfus said.

“These shortcomings are unacceptable to the Government and we will continue our work to ensure they are addressed, and not repeated.”

The main issues identified by the ANAO include:

- ineffective and untimely risk management processes by the Department;
- an overwhelming volume of claims and installations that impacted on effective program delivery;
- little proactive oversight and response to emerging problems by the Department’s executive; and
- a lack of appropriately skilled staff to implement the program.

The report does not make adverse findings against Ministers, including the former Minister for Environment, Water, Heritage and the Arts, Peter Garrett. In relation to Mr Garrett, the ANAO found:

“DEWHA’s advice was overly optimistic and contained factual errors”.

“The Government has learnt the lessons from these reports, and we are applying them in our remediation efforts,” Mr Dreyfus said.
“I have instructed the Department of Climate Change and Energy Efficiency, which assumed administration of the program on 8 March 2010, to apply these lessons in its work on this and other programs.”

“The ANAO has described our progress on these issues and has chosen to make no recommendations in the report.”

“The ANAO report confirms that the Government’s strategy to wind down the program, outlined by Greg Combet on 10 March, is the right one. We have made progress over the last six months in establishing inspection programs for both foil and non-foil insulation, providing appropriate assistance to the insulation industry, paying outstanding claims to insulation companies and investigating fraud,” Mr Dreyfus said.

These inspections are being targeted according to a professional risk assessment, and rolled out quickly across Australia.

“We are offering all households that had foil installed under the program an inspection, as well as the option of having the foil removed or safety switches installed,” Mr Dreyfus said.

“And any householder who wants their insulation checked can call the safety hotline, on 131 792, and it will be checked by an inspector,” he said.

“By targeting particular homes and certain types of insulation, these inspection programs have already uncovered and rectified many non-compliant installations,” Mr Dreyfus said.

“We know that there have been problems - our focus now is on identifying and rectifying those problems.”

The Department of Climate Change and Energy Efficiency’s response to the report is available at www.climatechange.gov.au

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