



MEDIA RELEASE

The Hon Peter Garrett MP

Minister for the Environment, Heritage and the Arts

PG/13

19 February 2010

SIGNIFICANT CHANGES TO COMMONWEALTH ENVIRONMENTAL PROGRAMS

The Government today announced a series of changes to the administration of the environmental programs to boost safety and improve environmental performance.

These changes are aimed at boosting safety for households and safety for the workers whose employment is funded by these important environmental programs.

The changes announced by the Government today include:

- The establishment of a new household Renewable Energy Bonus Scheme to replace the Home Insulation Program and the Solar Hot Water Rebate.
- Significant changes to the Green Loans scheme to boost the effectiveness and sustainability of the scheme.

The changes announced today will ensure the Government continues to help householders and business contribute to Australia's efforts to transition to a low carbon economy.

The changes announced today put householders back in charge of the environmental products installed in their home.

These changes will benefit good green businesses and are bad for the shonky operators who have begun exploiting this market.

A new household Renewable Energy Bonus scheme

A new household Renewable Energy Bonus Scheme will assist households save money on power bills and reduce their carbon emissions.

This new Scheme will replace the Home Insulation Program and the Solar Hot Water Rebate Program both of which have been discontinued as of close of business today.

The Government's focus is on the safety of households and tradespeople who will both benefit from the operation of this new scheme.

Under the household Renewable Energy Bonus scheme households will be able to receive a rebate for the installation of ceiling insulation or a solar hot water system or a heat pump.

\$1000 rebates will be available for ceiling installation and solar hot water systems and \$600 rebates for heat pumps systems.

The new rebate for solar hot water systems and heat pumps will be available for systems installed after today.

This scheme will institute several key changes to the delivery of ceiling insulation including:

- Householders – rather than installers - will claim the \$1000 rebate directly through the Medicare system.
- Introducing a new registration scheme requiring all installers to reregister, pay a cash bond, show evidence of meeting the training and skills requirements and provide certified quality assurance and occupational health and safety plans.
- Introducing a strengthened compliance regime in concert with State and Territory occupational health and safety and fair trading authorities.

It is intended that the insulation component of the Renewable Energy Bonus scheme will come into operation by 1 June.

The Government's objective remains to see insulation installed in up to 1.9 million homes, including those already installed under the discontinued Home Insulation Program, to be completed by 2011.

The Government will also be commissioning an external assessment of the proposed implementation arrangements for the household Renewable Energy Bonus scheme and will continue to provide oversight to the scheme during its operation.

This assessment will consider whether the arrangements and planned timelines proposed for the scheme's implementation are sufficient to meet the Government's expectations of safety.

In relation to the discontinuation of the Home Insulation Program, installers will have seven days to claim outstanding rebates for work completed prior to close of business today.

The Government is prepared to consider appropriate transitional arrangements for legitimate industry participants and a hotline will be available.

The Government attaches particular priority on the impact of this announcement on workers. Workers will have immediate access to assistance under the Government's Compact for Retrenched Workers, meaning they will get immediate access to high level support, including access to retraining support and help in finding another job as quickly as possible. A hotline will be available for them too.

The Government will continue to roll out an existing electrical safety inspection program of all homes that have had foil insulation installed under the Program.

The Government will also be prepared to check as many houses as necessary which have insulation installed under the Home Insulation Program.

The Government will also establish a new Home Insulation Program Review Office to handle all complaints and inquiries and immediately address risks created by unscrupulous operators and

will appoint an independent reviewer to conduct a review of the Home Insulation Program design, implementation and delivery.

Significant Changes to Green Loans Program

The Government will help over an additional 600,000 Australian households tackle climate change through a re-designed and extended Green Loans program.

That is on top of the 360,000 assessments already available under the program, of which more than 270,000 have already been booked nationwide.

The re-design of the program will include:

- the discontinuation of the less popular loans component next month to provide for the significant boost to assessment availability;
- a new cap of 5000 assessors, allowing up to an extra 1200 trained assessors to contract with the Department of Environment, Water, Heritage and the Arts;
- a weekly cap of 15,000 assessment bookings and a daily and weekly cap per assessor of three and five respectively to ensure greater quality and a more even distribution of work for assessors right around the nation;
- changed booking arrangements allowing only individual assessors to make bookings.

These new arrangements will apply to the end of 2010.

A new Green Start program

The Green Start program will now commence from 1 January 2011.

This Program will remain directed at helping low income households and those most at need improve their energy and water efficiency and help tackle climate change.

The Program will also include a web-based assessment tool for all households.

This Program will include in-home sustainability assessments, providing an ongoing pipeline of work for home sustainability assessors following the Green Loans program.

Details of the program will be finalised in the coming months.