



Australian Government



# Nation Building

**ECONOMIC  
STIMULUS  
PLAN**

## ENERGY EFFICIENT HOMES PACKAGE Home Insulation Program



# Program guidelines

Version 3

## The Energy Efficient Homes Package, as part of the Australian Government's Nation Building – Economic Stimulus Plan, aims to stimulate the economy, supporting thousands of jobs in manufacturing, distribution and installation in the midst of an economic downturn.

The Home Insulation Program is a key part of this package. Under the Program, assistance of up to \$1,600 is available to help eligible owner-occupiers, landlords and tenants install new Ceiling Insulation in their existing privately-owned homes, rental and other properties.

The Home Insulation Program, which incorporates the Homeowner Insulation Program and the Low Emission Assistance Plan for Renters, which ran from 3 February 2009 to 31 August 2009 is capped at \$2.7 billion.

**This booklet provides guidelines for installations from 1 September 2009 until 31 December 2011 or until the date when Program funds have been fully allocated, whichever occurs first.**

Under the Home Insulation Program the assistance is paid directly to the insulation installer, on behalf of the Householder, and \$1,600 is expected to cover the cost of insulating an average home, so for most people there should be no more to pay.

### Transitional Arrangements

Eligible householders who had insulation installed before 1 September 2009 can still access the relevant assistance under the earlier Homeowner Insulation Program and the Low Emission Assistance Plan for Renters.

Transitional arrangements are in place for householders and installers who have pre-booked installations to occur between 1 September and 30 September 2009. For advice on your individual circumstances contact the hotline on 1800 808 571 or visit [www.environment.gov.au/energyefficiency](http://www.environment.gov.au/energyefficiency).

All guidelines are available at: [www.environment.gov.au/energyefficiency](http://www.environment.gov.au/energyefficiency) or by calling **1800 808 571**.

### Program Guideline Updates

|                  |                                    |  |
|------------------|------------------------------------|--|
| <b>Version 3</b> | Date of issue:<br>1 September 2009 | Date applicable:<br>1 September 2009 to 31 December 2011<br>(or until funds have been fully allocated) |
|------------------|------------------------------------|--|

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# 1. Home Insulation Program Overview

## Why is the Australian Government providing this assistance to Householders?

The Australian Government's Home Insulation Program is improving the energy efficiency of Australian homes – making them more comfortable, reducing their carbon footprint, cutting energy waste and helping householders save on energy bills.

Program expenditure is available from:  
**[www.environment.gov.au/energyefficiency](http://www.environment.gov.au/energyefficiency)**

The Home Insulation Program offers assistance to install Ceiling Insulation (see 'Definitions') worth up to \$1,600<sup>1</sup> to Australian Householders, including Owner-Occupiers, Landlords and Tenants of currently uninsulated homes or homes with Ceiling Insulation of Negligible Effectiveness (see 'Definitions')<sup>2</sup>.

More information on the Energy Efficient Homes Package is available from: **[www.environment.gov.au/energyefficiency](http://www.environment.gov.au/energyefficiency)** or by phoning 1800 808 571.

For most homes insulation is the simplest, most effective and cheapest way to make a house more energy efficient, keeping it cooler in summer and warmer in winter. It can save up to 40 per cent in heating and cooling bills<sup>3</sup>. Insulation can also reduce condensation on walls and ceilings, and may lead to improved health outcomes.

The assistance available under the Home Insulation Program is an alternative to the Solar Hot Water Rebate Program – Householders cannot apply for assistance under the Home Insulation Program for a dwelling, where they have already applied for or received assistance under the Solar Hot Water Rebate Program for that dwelling<sup>4</sup>. Details of the Solar Hot Water Rebate Program are available at: **[www.environment.gov.au/energyefficiency/solarhotwater/index.html](http://www.environment.gov.au/energyefficiency/solarhotwater/index.html)**.



1 In certain areas of Australia and for certain home characteristics (house size, roof variables), the cost of insulation may exceed \$1,600.

2 The provision of assistance is subject to the availability of funding for the Program.

3 Depending on the characteristics of the building shell and of the household's overall energy consumption patterns.

4 This includes Landlords and their Tenants.

## 2. For the Householder

In order to qualify for the assistance Householders must fully comply with all the eligibility requirements set out in these guidelines. **Final decisions regarding eligibility will be made by the Australian Government.**

### Householder eligibility

**To be eligible to obtain the assistance the Householder must be:**

- i) the Owner-Occupier (see 'Definitions') or Beneficial Owner (see 'Definitions') of the dwelling where the Ceiling Insulation is to be installed and be an individual who is an Australian citizen or permanent resident aged 18 or over;
- ii) the Landlord (see 'Definitions') of the dwelling where the Ceiling Insulation is to be installed and be:
  - an Australian citizen or permanent resident aged 18 years or over; or
  - a corporate entity incorporated in Australia; or
- iii) the Tenant (see 'Definitions') of a dwelling owned by a Landlord who has evidence of the Landlord's permission (letter from the Landlord or Landlord's agent) to install Ceiling Insulation in that dwelling under the Home Insulation Program and to sign the Work Order Form (see 'Definitions') including giving a release on the Landlord's behalf;

and must:

- obtain the approval of the owners' corporation, if applicable; and
- not have been granted assistance under the Australian Government's Solar Hot Water Rebate program since 3 February 2009 for that dwelling; and
- not have applied for or been granted assistance under the Homeowner Insulation Program or the Low Emission Assistance Plan for Renters in relation to the dwelling (a dwelling can only be insulated once under the Program including the Homeowner Insulation Program and the Low Emission Assistance Plan for Renters); and
- correctly complete and sign the relevant section of the Work Order Form (see 'Definitions'); and
- be arranging the installation of new Ceiling Insulation, not replacing existing Ceiling Insulation above what is deemed as having Negligible Effectiveness (see 'Definitions'); and
- not have received or be entitled to receive assistance for the installation of Ceiling Insulation in the dwelling under any state, territory or local government scheme which combined with any assistance under this Program will result in the Householder receiving assistance in excess of the total cost of the installation of the Ceiling Insulation.<sup>5</sup>



<sup>5</sup> Under this Program, Householders will only be eligible for assistance (not exceeding \$1,600) which together with the total assistance under the state, territory or local government scheme does not exceed the total cost of the installation of the Ceiling Insulation.

## Arranging installation and Work Order Form

To arrange installation the Householder will need to:

- Read these guidelines and carefully assess their eligibility.
- Select an Installer (see 'Definitions') from the Installer Provider Register (see 'Definitions') at [www.environment.gov.au/energyefficiency](http://www.environment.gov.au/energyefficiency) or by phoning 1800 808 571.
- Contact their selected Installer and arrange for a written quote for the installation of Ceiling Insulation.
- The quote must be based on a Physical Site Inspection (see 'Definitions'), for the installation of Ceiling Insulation. The quote must contain details of the insulation product type, the insulation R-Value (see 'Definitions') (Total R-Value or Material R-Value), area to be insulated, total cost (GST inclusive), breakdown of the cost including price per square metre, labour and materials. Where the price per square metre exceeds the maximum recommended price (complex or remote installation price) specified in the Pricing Table for the insulation product type, an explanation of the reason(s) must be included as part of the quote.

### Note:

- *It is suggested that Householders contact a number of Installers on the Installer Provider Register to explore a range of insulation and installation options.*
- *Installers may advertise their services, however, the Householder should check that their preferred Installers are listed on the Installer Provider Register.*
- *The Householder and the Installer are responsible for entering into a contractual arrangement for the installation of Ceiling Insulation noting that the Australian Government will only pay the Installer on behalf of an eligible Householder for the cost of the installation up to \$1,600.*
- *Where Householders are unable to obtain a quote based on a Physical Site Inspection due to the dwelling being located in a remote area, they may be exempt from this requirement. To be eligible, a written quote is still required. For more information please contact 1800 808 571.*

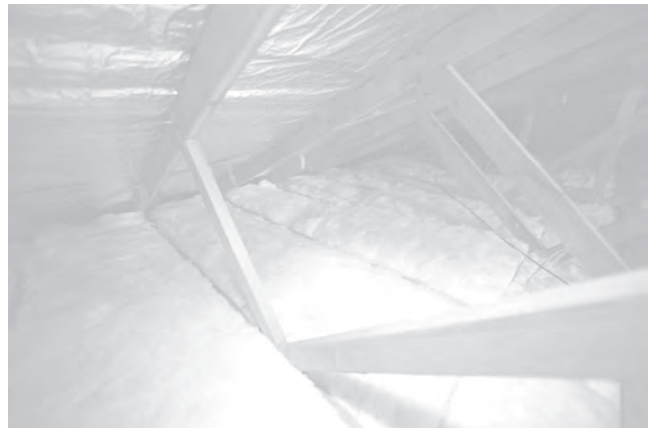
- *The Householder will be responsible for any cost in excess of \$1,600 or the total cost if they are not eligible under the Program.*

Once the installation is complete:

- If the Householder is satisfied with the work, they should complete and sign the relevant section of the Work Order Form, which the Installer will present to the Householder.
- Householders must retain copies of the written quote, the tax invoice, completed and signed Work Order Form and any other proof of purchase documents provided to them by the Installer for Australian Government audit purposes for a period of five (5) years.

### Note:

- *The Installer will retain their copy of the Work Order Form and they will apply for payment from the Australian Government by logging on to the online payment system.*
- *The Australian Government may delay payments to Installers until it is satisfied Program requirements have been met.*
- *All parts of the Work Order Form except the Householder section must be completed by the Installer.*



# 3

## 3. For the Installer

### Installer Provider Register

To be eligible for assistance, the Ceiling Insulation must be installed by an Installer or an individual who is working for or contracted by an Installer. Installers must be listed on the Installer Provider Register.

To be listed on the Installer Provider Register, Installers must meet minimum competency standards, hold specified insurance cover, have an ABN and agree to the other Terms and Conditions of Registration. Proof of the competency standards and insurance will be required before registration is approved. Installer Terms and Conditions of Registration can be found at [www.environment.gov.au/energyefficiency](http://www.environment.gov.au/energyefficiency) or by phoning 1800 808 571.

While Installers may advertise their services, any advertising and promotional material by an Installer that refers to the Program must state that householder eligibility criteria apply.

The Installer Provider Register is available at: [www.environment.gov.au/energyefficiency](http://www.environment.gov.au/energyefficiency) or by phoning 1800 808 571.

**Note:** The Installer must comply with all relevant laws when installing Ceiling Insulation, including any licensing requirements and with the Program guidelines and Terms and Conditions of Registration.

### Quote requirements

The Installer must first conduct a Physical Site Inspection (see 'Definitions') and then provide a written quote to the Householder. The quote must contain details of the insulation product type, the insulation R-Value (Total R-Value or Material R-Value), area to be insulated, total cost (GST inclusive), breakdown of the cost including price per square metre, labour and materials, and where the price per square metre exceeds the maximum recommended price (complex or remote installation price) specified in the Pricing Table for the insulation product type, an explanation of the reason(s).

**Note:** Where Householders are unable to obtain a quote based on a Physical Site Inspection due to the dwelling being located in a remote area, they may be exempt from this requirement. To be eligible, a written quote is still required. For more information please contact 1800 808 571.

### Completion of the work and Work Order Form

- Once the installation is complete, and the Householder is satisfied with the work, the Installer will complete and sign the Installer section of the Work Order Form.
- The Installer will then present the Work Order Form to the Householder to complete the relevant section.
- Installers will retain their copy of the completed and signed Work Order Form and will apply for payment from the Australian Government by logging on to the online payment system.

**Note:** The Australian Government may delay payments to Installers until satisfied Program requirements have been met.

### Supporting documentation

Installers must provide the Householder with:

- a written quote;
- a tax invoice; and
- a duplicate copy of the completed Work Order Form for the purchase and installation of the Ceiling Insulation.

Installers must retain copies of these documents for five (5) years.

**Note:** These documents do not need to be submitted to the Australian Government unless requested for audit purposes.

# 4

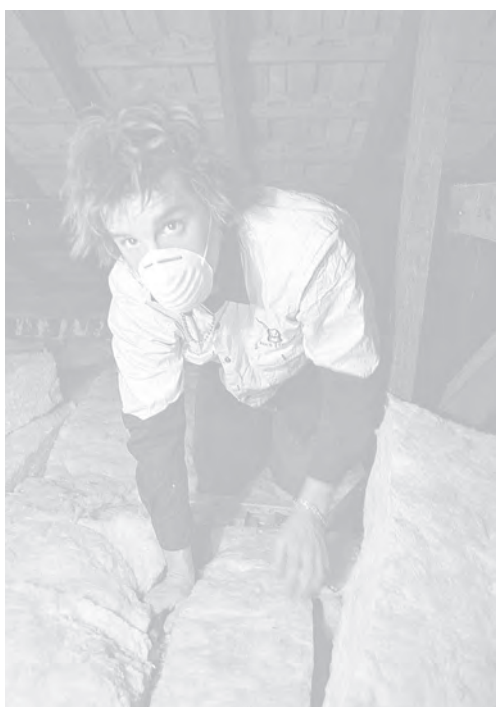
## 4. Installation eligibility requirements

To be eligible to obtain the assistance the Ceiling Insulation must:

- be installed in a dwelling that does not already have Ceiling Insulation or has Ceiling Insulation of Negligible Effectiveness; and
- be installed on or after 1 September 2009 and before Program Completion; and
- result in the Living Area (see 'Definitions') being insulated to the Minimum R-Value required under the Program; and
- be new Ceiling Insulation material; and
- be installed in an existing dwelling (not an extension or a new dwelling covered from 2003 onwards by mandatory thermal performance requirements for new housing under the Building Code of Australia (BCA)); and
- be installed in a dwelling in Australia; and
- be installed by an Installer or by an individual working for or contracted by an Installer who has the required competencies (see Section 3); and

- be installed to the Australian insulation installation standard AS 3999-1992 'Thermal insulation of dwellings – bulk installations – installation requirements'<sup>6,7</sup>. Installers should note that clause 4.2 (e) of AS 3999-1992 is replaced with clause 4.5.2.3 of AS/NZS 3000:2007 and figure 4.5 of AS 3999-1992 is replaced with figure 4.7 of AS/NZS 3000:2007 for the wiring rules for the minimum clearance distances from recessed luminaires, including down lights; and
- meet the insulation product standard AS/NZ 4859.1:2002 (incorporating Amendment 1, Dec 2006) 'Materials for the Thermal Insulation of Buildings'; and
- comply (as a minimum) with the specified R-Value outlined in Table 1 for the climate zone where the dwelling is located, and the direction of heat flow.

**Note:** *The Installer is responsible for ensuring that the technical requirements are met and must confirm that these are met in the Work Order Form.*



6 For products that fall outside the scope of AS 3999-1992, they must be installed in accordance with Part 3.12.1 'Building Fabric', 3.12.1.1 'Building fabric thermal insulation' and 3.12.1.2 'Roofs' of the BCA. Installers should note that Table 3.12.1.1 'Roofs-Minimum Total R-Value' in the BCA is substituted for Table 1 of these guidelines. If using this method, the Installer is responsible for ensuring that the installation complies.

7 In situations where downlights, exhaust fans or any other elements placed in the ceiling result in thermal bridging due to the requirement to fit barriers to meet fire, electrical or any other safety standards, and a reduction in insulation coverage in the ceiling area of 1% or more results, then Table 3.12.1.1a "Adjustment of Minimum R-Value For a Reduction of Ceiling Insulation" from the Building Code of Australia 2009 or latest published version must be used in conjunction with the minimum required R-Values for the climate zones as per Table 1 in these guidelines. The BCA Table allows for calculation of the proportional increase in R-Value of insulation that will be required in the remainder of the ceiling to compensate.

**Table 1: Program R-Value Requirements by Climate Zone**

| <b>Climate zone</b><br>(see climate maps at <a href="http://www.environment.gov.au/energyefficiency">www.environment.gov.au/energyefficiency</a> )                               | 1    | 2<br>At less than 300m altitude | 2<br>At 300m altitude or more | 3   | 4   | 5   | 6   | 7   | 8   |
|--|------|---------------------------------|-------------------------------|-----|-----|-----|-----|-----|-----|
| <b>Minimum R-Value requirements</b><br>The R-Value can be either:<br>1. Material R-Value OR<br>2. Total R-Value approach outlined in the Building Code of Australia <sup>8</sup> | 3.0  | 3.0                             | 3.0                           | 3.0 | 3.5 | 3.5 | 3.5 | 4.0 | 4.0 |
| <b>Direction of heat flow</b>  | Down |                                 | Down and Up                   |     | Up  |     |     |     |     |

Notes on Table 1:

- Material R-Value is the declared R-Value of the insulation product as tested according to AS/NZS4859.1. This value should be marked on the insulation packaging.
- Material R-Value is not the same as Total R-Value. Total R-Value includes the Material R-Value plus the thermal value of building elements and reflective air spaces.
- The assistance of up to \$1,600 is available for a variety of insulation materials, provided the other requirements listed above are met.



<sup>8</sup> If using the Total R-Value approach from the BCA, the Minimum R-Value must still meet those of Table 1 above.

# 5

## 5. Types and reasonable cost of insulation

A range of insulation products may be installed under the Program. It is important that Householders familiarise themselves with the range of products available to ensure the product's suitability to individual circumstances, which includes the location of the dwelling and the roof type. Further information is available from: [www.environment.gov.au/energyefficiency](http://www.environment.gov.au/energyefficiency).

Factors that may affect the price of installation of insulation include:

- non-standard roof types;
- difficult roof access;
- a requirement for higher R-Value insulation; or
- the dwelling is in a remote location.

Table 2 below sets out the recommended prices per square metre for insulating a dwelling using different insulation product types. To determine the relevant recommended price per square metre, Installers need

to assess which of the following categories applies to the installation work:

- straightforward – installation in an urban area and with a minimum R-Value of 3.0;
- average – where at least one of the above factors increases the price;
- complex or remote – where more than one of the above factors affects the price or where the dwelling is in a remote location.

Where an Installer's price per square metre for a product type exceeds the maximum recommended price (complex or remote installation price) for that product type listed in Table 2 below, justification must be provided as part of the quote

Installers must not charge above the maximum recommended price per square metre (complex or remote installation price) specified in Table 2 for the product type installed without reasonable grounds to do so.

Table 2: Pricing Table

| Product Type | Straightforward Installation price per square metre | Average price per square metre | Complex or Remote Installation price per square metre |
|--------------|---|--------------------------------|---|
| Cellulose    | \$5.80  | \$13                           | \$15  |
| Glasswool    | \$7.60  | \$12.50                        | \$14.50   |
| Natural Wool | \$10  | \$16                           | \$18.40   |
| Rock Wool    | \$10.25   | \$14.50                        | \$16.60   |
| Polyester    | \$11.70   | \$16                           | \$18.40   |
| Foil         | \$10  | \$10                           | \$11.50   |

Notes on Table 2:

- The figures above have been determined from an analysis of claims submitted to the Australian Government between 1 July 2009 and 20 August 2009 for the six most commonly used types of insulation materials for the average house size as claimed under the Program. These figures may be updated from time to time. Up to date figures are available from: [www.environment.gov.au/energyefficiency](http://www.environment.gov.au/energyefficiency)
- Installers that charge above the price range specified in Table 2 will be subject to review.
- Installers that charge above the price range specified in Table 2 without reasonable grounds to do so, may be removed from the Installer Provider Register.

# 6

## 6. Compliance

The Australian Government has a compliance and audit strategy in place for the Program which includes both targeted and random audit activities, for example:

- Inspections of installation work done;
- Direct contact with Householders;
- Auditing of Installers' records relating to the Program;
- Address and dwelling size confirmation;
- Verification of claims information with Householders and Installers;
- Verification of Installer compliance with the Pricing Table;
- Verification of Installer compliance with the Terms and Conditions of registration; and
- Verification of Householder and Installer compliance with the Program guidelines.

Any non-compliance will be treated seriously and may result in recovery of money, prosecution and/or Installers being removed from the Installer Provider Register.



# Further information

# 7

## Definitions

The following definitions are applied for the purpose of the Program:

**Beneficial Owner** – an individual who is the beneficiary of a trust that owns a dwelling and who occupies that dwelling as their principal place of residence.

**Ceiling Insulation** – material which reduces the amount of heat flowing into or out of a building via the ceiling.

**Householder** – the Owner-Occupier, the Beneficial Owner, the Tenant or Landlord of the dwelling where the Ceiling Insulation is to be installed and who meets the rest of the criteria in these guidelines.

**Installer** – an organisation or individual listed on the Installer Provider Register.

**Installer Provider Register** – list of Installers of Ceiling Insulation available at: [www.environment.gov.au/energyefficiency](http://www.environment.gov.au/energyefficiency) or by phoning 1800 808 571, as amended from time to time.

**Landlord** – for the purposes of this assistance includes a person or persons or a housing co-operative, community or church group, retirement village, non-government housing organisation, company, trustee or any other body not previously mentioned (apart from the Commonwealth or a Commonwealth authority, a State or Territory Government or State or Territory Government Authority including a State or Territory Housing Authority), who own(s) a dwelling and who meets the rest of the criteria in these guidelines. Landlords can apply for assistance for each rental and other property they own, including dwellings where they do not receive rental payments and untenanted properties, for example holiday homes.

**Living Area** – the part of the dwelling that is determined according to the following factors:

- the area under the roof line of the main dwelling;
- the areas of the dwelling where people live including sleep, eat, relax, work etc;
- whether there is a heater or cooling device used in the room to be insulated;
- the amount of time spent in the area; and
- whether the area to be insulated is a fully enclosed room.

*Note: Bathrooms, toilets and/or laundries are generally considered part of the Living Area if they are not stand-alone constructions.*

**Negligible Effectiveness** – Ceiling Insulation is deemed as having negligible effectiveness if it is at or below 0.5 R-Value. The Installer will need to indicate if any existing insulation is 0.5 or less in the Work Order Form.

**Owner-Occupier** – an individual who owns and occupies a dwelling as their principal place of residence.

**Physical Site Inspection** – includes a physical inspection of the ceiling or roof of the dwelling to be insulated, including a full measurement of the roof space to be insulated, confirming that the dwelling does not already have Ceiling Insulation or has Ceiling Insulation of Negligible Effectiveness.

**Program** – the Home Insulation Program.

**Program Completion** – The Program will end on 31 December 2011 or when the Program funds have been fully allocated, whichever occurs first.

**R-Value** – thermal efficiency of insulation is measured by its R-Value. The higher the R-Value, the more resistant the insulation is to heat flowing into and out of the dwelling. Please note that the Installer is responsible for ensuring technical requirements in Section 4 are met.

**State or Territory Housing Authority** – a state or territory housing authority or trust.

**Tenant** – for the purposes of this assistance includes a person or incorporated entity which has a license or other occupation arrangement with a Landlord whether including the payment of rent or not to live in a dwelling which the Landlord owns and who meets the rest of the criteria in these guidelines.

**Work Order Form** - The hardcopy form that must be correctly completed by the Householder and the Installer at the completion of the installation work to the satisfaction of the Householder.



## Important notices

The Australian Government reserves the right to change the amount of the assistance provided or any other aspect of these guidelines.

The Australian Government will decide whether the Householder satisfies the eligibility requirements as set out in these guidelines and reserves the right to request further information to make this decision.

The Australian Government does not endorse any Installer on the Installer Provider Register or their work.

The Australian Government does not accept liability for any loss, damage, injury or cost incurred as a result of, or relating to, the installation of Ceiling Insulation or the installation process.

The Department of the Environment, Water, Heritage and the Arts and other agencies directly involved in the administration of the Home Insulation Program are bound by the Privacy Act 1988. Personal information collected under this Program will only be used for the purpose of assessing applications and related purposes. This process may include the exchange of information between the Department, other agencies directly involved in the administration of the Home Insulation Program and the Minister for the Environment, Heritage and the Arts for administration and compliance purposes directly connected with the Program, and/or preparing public reports on the performance of the assistance Program.

Published reports will be based on aggregate data and personal information will not be identifiable in such reports. Information may also be disclosed to authorised persons for audit purposes.

Applying for assistance through the Home Insulation Program requires the Householder to allow an authorised inspector to access the property for audit purposes, if requested. For example this might involve, but may not be confined to, verification of satisfactory installation and the materials used.

## Record keeping

The Australian Government may require the Householder and Installer to present reasonable evidence to support their application for the assistance. Requests from the Australian Government for evidence may be made after the payment of the assistance.

The Householder must retain copies of the documents referred to in Section 2 for a period of five (5) years after the date of installation for Australian Government audit purposes.

## Contacts

Further information can be obtained from:

Phone: **1800 808 571**

Website: **[www.environment.gov.au/energyefficiency](http://www.environment.gov.au/energyefficiency)**

In writing to:

Home Insulation Program

Department of the Environment, Water, Heritage and the Arts

GPO Box 787

Canberra ACT 2601



Home Insulation Program  
Department of the Environment, Water, Heritage and the Arts  
GPO Box 787  
Canberra ACT 2601  
Phone: **1800 808 571**  
Website: **[www.environment.gov.au/energyefficiency](http://www.environment.gov.au/energyefficiency)**

