



MEDIA RELEASE

The Hon Peter Garrett MP

Minister for the Environment, Heritage and the Arts

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INSULATION CHANGES: SAFETY, CONSUMER PROTECTIONS AND VALUE FOR MONEY

The Government has added extra safety precautions, consumer protections and reduced the maximum subsidy for its Home Insulation Program.

Environment Minister Peter Garrett said the key safety protections would apply from midnight on Sunday 1 November 2009 and included:

- a ban on metal fasteners for foil insulation such as metal staples or nails
- mandatory installation of covers over downlights and other ceiling appliances, which have always been commonly used but are not compulsory under Australian Standards
- a targeted electrical safety inspection program of Queensland homes with foil insulation installed under the program, starting at 10 per cent of installations, with the potential to adjust upwards as results are analysed

From December 1 the Government will also:

- publish a 'name and shame list' for any business struck from the installer register as a consequence of failure to meet program guidelines including 'dodgy' behaviour
- a requirement for the provision of two genuinely independent quotes
- a mandatory requirement that a formal risk assessment be completed for every installation before any installer is allowed to start work.

From midnight tonight the insulation rebate will also be reduced to \$1200 driving greater efficiencies in the market and improving competition.

The Minister said the reduction in the rebate, which will reduce the program's overall budget by \$250 million, came on top of the introduction of a pricing guide in September.

"Demand for this rebate in the first four months of the full roll out of the scheme has been significant, and is currently running well above projected demand. More than 500,000 Australian households have already installed ceiling insulation putting them on the path to reductions in their heating and cooling costs of up to 40 per cent.

"We have also seen the industry grow enormously, creating jobs and supporting the economy and the time is now right for us to make sensible changes to take pressure off the market whilst ensuring this hugely popular program still offers generous incentives for households."

Transitional arrangements apply for people who have accepted a quote but are waiting for the work to be done, provided the work is completed by 16 November 2009.

The Minister said the other changes to the program delivered on the Government's commitment to taking action to address any emerging issues with the program.

"The new fire and electrical safety measures I am announcing today come on top of the additional compliance measures I put in place in September and follow meetings I urgently convened last week with a range of groups including representatives of the foil insulation and electrical trades sectors," Mr Garrett said.

“The ban on metal staples and fasteners will immediately reduce the risk of electrocution for foil insulation installers, while making the application of covers over downlights mandatory goes further than the Australian Standards to further maximise safety.”

The relevant construction and electrical training bodies are reviewing the insulation training package as a matter of urgency. This will set the agenda for a training roundtable in the coming week, focusing on any additional safety components that should be adopted.

The Minister said the creation of a ‘name and shame’ list was also an important change to the program guidelines.

“There’s no room in this program for businesses that aren’t willing to stand publicly by the quality of their work, so from 1 December all installers on our register must do just that,” Mr Garrett said.

“Through our audit and compliance program I expect some 6,000 ceilings to have been inspected by the end of November, escalating to 11,000 by the end of the year. Insulation installers are on notice that we will not hesitate to strike them from the register, take legal action and name and shame them if they are found doing the wrong thing.”

The Minister said the requirement of a second quote built on the inclusion of a pricing guide in the program guidelines and was another measure to ensure value for money.

“We’ve always encouraged households to shop around and seek multiple quotes to compare their options – now we’re formalising that,” Mr Garrett said.

“The two quote rule will encourage householders to shop around, find a reputable installer that they’re comfortable with and get value for money.”

Information on the new measures and transitional arrangements is available at www.environment.gov.au or by freecalling 1800 808 571.