

The roof blows off

CLEANING up the mess left behind by the Gillard Government's home insulation scheme will cost another \$100 million.

A new \$124 million bill for taxpayers to conduct safety audits and fix faulty installations is detailed in a contract posted on the Government's AusTender website.

It confirms that a contract with Transfield Services to provide safety inspections, originally listed as costing \$26 million in April, will now cost \$124 million — an extra \$98 million.

But the cost of safety audits and rectifying dodgy installations will be met under the existing \$2.4 billion budget, frozen after the scheme was axed. When it was shut down by the Government in February last year, about 1.2 million homes had secured free insulation under the scheme at a cost of \$1.45 billion.

Opposition climate action spokesman Greg Hunt said yesterday the new clean-up contract was another "massive blowout for a disastrous scheme".

"It raises very serious ques-

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tions about the Government's ability to administer the billions of dollars from the carbon tax if they can't even manage putting pink batts in roofs," he said.

Mr Hunt also said questions should be asked about whether a tender process would be conducted for the additional \$98 million contract.

"The Prime Minister should explain how a contract to fix the roof has blown out almost \$100 million — and how it blew out without any apparent public process," he said.

But the Government maintained the original contract went to open tender. After the Budget green-lit further expenditure in May the contract was increased by \$98 million.

"The Government approved further funding in the context of the May 2011 Budget and the figures on AusTender have been updated accordingly," a spokeswoman for the Parliamentary Secretary for Climate Change, Mark Dreyfus, said.

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Dud insulation scheme fix-it bill at \$124m

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NEWS that the clean-up bill for the Government's failed home insulation scheme has blown out by another \$100 million will come as yet another nasty surprise to weary taxpayers.

The bungled scheme, introduced by former prime minister Kevin Rudd, was a \$2.4 billion plan to revive Australia's economy during the global financial crisis and tackle climate change by making houses more energy efficient.

It was a noble idea. But the management of the scheme by Canberra led to an unregulated and unsafe industry, as people rushed to cash in on the big handouts.

The scheme was eventually abandoned, but not before four people had lost their lives while installing pink batts and thousands of homes were found to be at risk of fire because of unsafe installation. In that time, 1.2 million homes received free pink batts, at a cost to the taxpayer of \$1.45 billion.

It was a costly debacle and the burden of fixing it continues to grow.

In April, the cost was listed as \$26 million.

Now, it's been quietly amended to \$124 million.

The *Sunday Herald Sun* reveals today that the Government has quietly signed off on another \$98 million to pay to inspect more houses, and repair the damage where insulation batts have been fitted unsafely.

Parliamentary secretary for climate change Mark Dreyfus argues that the cost will come out of the original budget set aside for the pink batts, so there will be no extra hit to the taxpayer.

Opposition climate change spokesman Greg Hunt says the Government has questions to answer about the near-\$100 million blowout.

The bungled pink batts scheme badly damaged the Labor Party, which promoted the scheme heavily in 2009, but dumped it in February 2010 after it became clear it was putting householders at risk.

The scheme was managed by bureaucrats in Canberra, and was a salient lesson for a new government in what happens when existing systems and processes are ignored in favour of establishing another level of bureaucracy in Canberra.

Greg Hunt makes a valid point when he says that a government that can't manage the installation of pink batts in houses will struggle to manage the billions of dollars in revenue it will generate from the planned carbon tax.



Mark Dreyfus