

Australian government scraps home insulation program

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The Rudd government suddenly terminated a prominent program last Friday—its \$2.5 billion home insulation scheme—bowing to several weeks of pressure from the media, particularly Rupert Murdoch’s outlets, and the opposition.

Environment Minister Peter Garrett’s announcement was both an exercise in damage control and a wider signal to the media and the markets that the government is willing to begin cutting public spending and to scrap other key elements of its year-old \$42 billion economic stimulus package.

Last February, as part of its stimulus measures to prop up business in the face of the global financial crisis, the Labor government undertook to provide rebates to insulate the ceilings of 2.7 million houses. As well as claiming that the scheme would create jobs, the government sought to boost its “green” credentials, insisting that home energy bills would be cut dramatically.

Over the past few weeks, there has been an intensive media campaign against the insulation program that has led to four young installation workers being killed by electrocution or heat stroke, at least 87 roof fires and 1,000 homes being declared electrically “live”.

Last Friday Garrett announced the immediate abolition of the program, as well as the government’s Green Loans and solar hot water schemes for the installation of residential energy saving technology. While he declared that replacement schemes would commence in June, with tougher safety rules, few details were provided.

In a bid to limit the political impact, Prime Minister Kevin Rudd said Garrett had “done the right thing” in closing the programs, and continued to reject calls by the media and the Liberal Party opposition for Garrett’s removal.

The timing of the media agitation had nothing to do with concerns for the safety and lives of working people. There was no outcry when the first three young workers died last October and November. Rather, the media seized upon the fourth death,

on February 4, to push for the scrapping of the scheme. This response was part of a wider shift in the political situation in the wake of last December’s failed Copenhagen climate change summit and mounting demands in ruling circles internationally for austerity measures to bring down the huge debts taken on by governments during the global financial crash.

In January, Murdoch’s Australian flagship, the *Australian*, named Rudd as its “Australian of the Year” for rescuing the banks and business via the government’s multi-billion dollar stimulus packages. By the beginning of February, however, the newspaper had launched a campaign for the stimulus measures to be withdrawn and for deep cuts to social spending.

Saturday’s *Australian* editorial welcomed the abandonment of the rebate schemes, but warned Rudd not to try to “quarantine” that reversal from the remainder of the government’s agenda. “Now that he’s lanced the boil, Kevin Rudd needs to make a full-body check of his government’s approach to implementing his expensive policy program,” it stated. “His decision yesterday to suspend the strife-laden household insulation scheme must be just the start of a complete review of Labor’s strategy of direct intervention in everything from public housing to hospitals.”

The editorial specifically nominated other areas where the government programs had to be withdrawn, including education, child care, transport and homelessness.

Announcing the insulation program’s cancellation, Garrett blamed “unscrupulous, sometimes illegal and shonky operators” for the problems in the scheme. However, before the program even got fully operational, the government ignored multiple warnings last April by regulatory agencies that people could die and houses burn down, because the rollout would be effectively unregulated, with no-one to carry out safety or quality inspections.

On Friday, Garrett finally released secret legal advice the government had received last April warning that the program could result in house fires and fraud, and might be of little

benefit to the environment. Garrett also revealed that audits had shown a risk of dangerous faults in up to 90,000 homes and that poor quality batts were fitted in 180,000 homes, out of the 1.1 million homes insulated. At-risk homes will be inspected at the rate of 400 a week, potentially taking years.

There is no doubt that the government's scheme demonstrated its callous indifference for the lives and safety of insulation installers and home owners. In the scramble to take advantage of the \$1,200 (initially \$1,600) on offer for each installation, contractors recruited inexperienced young people for technical and dangerous work, with no regard for health and safety.

The accreditation process for the 7,500 or so employers who rushed into the insulation market was obviously inadequate—it could be completed on the Internet and over the phone. Serious fire hazards were caused when operators installed insulation too close to electric cables, ceiling fans, lights and transformers.

Last October 13, Matthew Fuller, a 26-year-old installer, became the first casualty. He was electrocuted in Brisbane using metal staples to fit foil-lined insulation. His girlfriend, and co-worker, Monique Pridmore, 19, was badly burned. On November 18, Rueben Barnes, 16, was electrocuted using metal staples near Rockhampton. The next day, an untrained 19-year-old casual worker died of suspected heatstroke while working for a sub-contractor in Sydney. His name has not been released. On February 4, Mitchell Sweeney, 22, was electrocuted using metal staples near Cairns.

Together with these young workers, those whose lives have been endangered are predominantly working class people who were previously unable to afford insulation. In many cases, they were preyed upon by profiteering companies door-knocking for business, cajoling them into signing up on the spot for instant “free” installation.

According to Saturday's *Australian* editorial, the debacle exposes the dangers of “big-government mindsets”. In reality, the deaths and fires are the direct result of Labor's commitment to the capitalist “free market”. By throwing the scheme open to be exploited by private contractors and sub-contractors, the government was fully aware that school leavers and impoverished young workers would be recruited as cheap labour and given little or no training.

After decades of deregulation, privatisation and outsourcing, the unsafe and oppressive conditions imposed on the insulation workers are typical of those now across many industries, from construction sites to fast-food outlets.

Labor's entire economic program is designed to assist

employers to further dismantle basic working conditions. None of the stimulus measures, including the insulation scheme, have created decent, full-time jobs. Instead, hundreds of thousands of workers who have lost their jobs or suffered drastic cuts in hours have been forced to accept the sorts of conditions seen in the insulation program.

The Construction Forestry Mining and Energy Union belatedly claimed to have raised insulation safety issues with the government. But there has been no public union campaign to protect insulation workers. The four deaths added to a growing toll—now 7,000 a year—across the building and other basic industries. The Rudd government is in the process of further winding back occupational health and safety laws nationally, with the assistance of the union movement (see: “Australian High Court overturns workplace safety law”).

As for Labor's claims to be tackling the environmental crisis by reducing carbon emissions, they lie in tatters. Alongside the scrapped household rebate programs, all the other market-based schemes are in similar disarray. The price of renewable energy certificates has plunged, throwing all large-scale wind power projects into doubt, and the discredited emissions trading scheme faces another defeat in parliament.

The abrupt dropping of the insulation scheme is just the start of the Rudd government's efforts to satisfy the demands of the financial markets for cuts to public spending. Having racked up huge and unsustainable debts to shore up the banking system and big business, governments are now under pressure around the world to impose these economic burdens on workers to avert what is looming as the second stage of the global financial crisis.



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