

# Canberra should stay out of roofs — and hospitals

**T**HE death of four young men and the insulation fires in 94 houses have focused public attention on the competence of Peter Garrett as a federal minister.

But leaving aside his maladministration, the truth is that the insulation program should never have been set up in the first place. Someone a lot more senior and a lot more sensible than Garrett should have stopped it.

Once you announce there is \$2.7 billion of free insulation to be distributed, you can hardly be surprised that contractors materialise from thin air to take up the business. If the government's plan was to shovel out money as fast as possible, then safety and training was not going to be its priority.

Nor was it a priority for the government when it announced the scheme in February last year. "The insulation program is expected to create a significant number of new Australian jobs," it declared. "These jobs require limited retraining and so the benefits to the community can be realised quickly."

What a tragic miscalculation that proved to be. The retraining was so limited that four young men lost their lives and thousands of homes are now at risk.

Where did the idea to insulate houses come from? In the dying days of the Howard government, the Environment Department had prepared a list of measures designed to reduce carbon emissions. One proposal was to insulate houses. In those days home insulation was dressed up as a climate change policy.

I was against it. I couldn't see why taxpayers who had paid to insulate their own homes should subsidise insulation for those who hadn't. The subsidy would only increase the value of a private asset — the private home.

Nor could I see how Canberra could hope to manage a scheme with thousands of private contractors when it had no staff with experience to design and supervise such a scheme.

After some robust debate, the Howard government decided against it. The taxpayers saved \$2.5 billion.

The then environment minister, Malcolm Turnbull, would have done a better job than Garrett, but he was saved from a potential disaster.

Then, early last year, Kevin Rudd was determined to spend money as fast as possible to stimulate the economy. The public service dusted off proposals that had been previously rejected. The insulation plan was re-badged as a stimulus policy. The inexperienced government grasped it with open arms.

It was a spending program that



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**The home insulation scheme was a bad idea from the first. We must not mirror it in health.**

had been rejected when the budget was in surplus. It was given lavish financing once the budget was deep in deficit.

Of course, if all you want to do is stimulate the economy, it doesn't matter whether you pay people to go around installing insulation batts or pay them to go around and take them out. You are still creating work.

It's just that it might be better to have something to show for \$2.7 billion of taxpayers' money — something more than fires and casualties.

The fiasco has destroyed Peter Garrett's credibility. He is now the Environment Minister with no environment policy to administer. He is on life support from the Labor machine. They can switch it off at any time.

The old Peter Garrett was great at lecturing on public morality: "How can you sleep when the beds are burning?" The old Garrett would have excoriated the present Garrett for behaviour like this.

Let us draw an additional lesson from this sorry episode. Both sides of politics are flirting with the idea that Canberra should take over public hospitals. Bear this in mind: Canberra could not run a home insulation program. Do you think it can run every hospital and hospital department in the country? "Ah," they will say. "We will recruit people who have experience in hospital management. They will run the services properly."

Which people are they? They would be the people now running the health system for state governments. They will report to Canberra rather than to the states.

Do you think this will make the hospitals run better? Do you think the federal minister will take responsibility for any failures in the health system? About as much responsibility as Garrett takes for insulation. Someone senior and sensible should think about this. And stop it before it begins.

Peter Costello was federal treasurer in the Howard government.