

Submission

Australian Senate Standing Committee on Environment, Communications and the Arts References Committee

Inquiry into the Green Loans Program

Introduction

This submission is in response to a written communication dated 22 April, 2010, addressed to Trevor McTaggart as Director and Green Loans Assessors Co-operative Pty Ltd (GLACO).

The correspondence suggested that there were submissions commenting adversely on GLACO and on Trevor McTaggart as Director, in the context of the inquiry.

GLACO and Mr McTaggart have decided to respond and in doing so, contributing to an examination of the Green Loans Program.

Our intention is respond on 2 fronts. Firstly to aspects noted in the Committee Terms of Reference and secondly to the submissions attached to the 22 April 2010 document, as they relate to the inquiry.

Terms of Reference

Our submission will be restricted to:

- (c) Accreditation of Home Sustainability Assessors
- (b) The effectiveness of the booking system
- (c) The effectiveness and timeliness of Home Sustainability Assessment reports being provided

Anything beyond this will be part of our answer to the 'submissions' attached to the 22 April letter.

Quality of the information supplied

The 'submissions' attached to the 22 April letter are not numbered and are poorly organised. It is difficult to see where one ends and another starts.

In addition to poor presentation, most are edited with names missing.

On this basis, we qualify our response on the basis information important to our assessment may have been 'doctored' (cut and paste) or left out.

Importantly we cannot verify dollar amounts claimed by Assessors submissions as we cannot match invoices with entities.

Our aim is to make a positive contribution to this Inquiry so we have decided to summarise the complaints levelled at us and provide our response to same.

The Demise of GLACO

GLACO failed as a result of the Government announcement of February 19, 2010 where they changed the maximum number of appointments from 5 per day to 5 per week (maximum 3 in any one day and a 2 week maximum forward booking).

There was no advance warning, no phase in period and no thought as to how this announcement would affect Home Sustainability Assessors (HSA's).

GLACO had about 3,000 appointments 'in the can' (i.e. booked with home occupiers and waiting to be booked with DEWHA). These appointments had been paid for in that call centre operators had been paid and expenses (such as phone bills) had been incurred. Nearly all of these appointments were lost.

How did GLACO work?

GLACO was contracted by individual HSA's to prospect and make HSA appointments for them. We charged \$47.50 for each appointment and guaranteed quality, rebooked cancellations etc.

Work was invoiced through GLACO at the request of DEWHA. The \$47.50 was deducted from the \$200.00 fee paid by DEWHA and the balance passed on to the HSA.

GLACO had 73 HSA's at its peak with many more requesting to join on a daily basis.

The attraction of GLACO was the cost of each appointment, the quality of appointments and the professional manner in which we operated. We had the capacity to make appointments for about 150 HSA's.

How was GLACO different to Fieldforce?

GLACO was contracted by HSA's; Fieldforce employed their HSA's after 'training' and accrediting them. There was a set remuneration package. Fieldforce HSA's were PAYG employees.

Fieldforce were seen as the reason for the Government making changes to the Green Loans Program. They were making thousands of appointments per week

Your Inquiry will find DEWHA making deals with Fieldforce for dedicated phone lines (numbers) and internet booking facilities. These opportunities were not extended to GLACO despite 'hundreds' of requests to DEWHA.

Your Inquiry will also find 'overservicing' by Fieldforce. This is where employee HSA's take the day off and other HSA's do their booked assessments. The HSA who had the day off would then sign off the HSA and be paid.

Each GLACO HSA was done by an independent HSA. They would invoice GLACO as evidence of completion of their work. GLACO would in turn bill DEWHA.

Other examples of Fieldforce overservicing was in the time spent on site. We have reports of 10 minute inspections. GLACO HSA's allowed 90 minutes (one and a half hours) per assessment.

ABSA

Stephen Gallagher led the charge by never taking our calls, never responding to our written communications and banning us from his censored Assessors Blog. Socialistic conduct with a communist application of penalty.

There were originally 1000 HSA's planned under the Program. ABSA have admitted to 3,500 HSA's being accredited and 5,000 being trained; the balance awaiting DEWHA accreditation. We believe there are 7,500 trained HSA's. ABSA have no idea what they are doing and what they have done.

We have heard that ABSA was self funding and that Government would not contribute to their running costs on an ongoing basis. If this is the case, it explains why HSA's were trained when clearly ABSA and DEWHA knew there was no work for them.

DEWHA

Peter Garrett is a dill. It is widely thought that Garrett (and DEWHA) was a policy body with no experience in administration. The Government replaced DEWHA with the Department of Environment. What makes them think Penny Wong will recover from the ETS debacle to head us out of the wilderness?

Quite obviously this Government has promoted its ideals ahead of their successful implementation.

At the coal face, the performance of DEWHA has been despicable.

The waiting times in regard to the CC have been widely reported. For GLACO it was 300 attempts to connect; 45 minutes on hold and then we were restricted to 3 bookings! Believe it or not! Then the CC Operators were 'temps'; poorly trained and lacking general knowledge about the scheme.

There is a view among HSA's that the miserable performance of the CC was part of a sinister plot to slow down the scheme until after the next federal election. The Operators told us that CC Management were hopelessly incompetent. The reality is it is probably a mixture of both.

We could not connect with a Manager in the CC. They diverted their phones, redirected their emails or didn't bother to respond. Complaints to the then Ministers Office bought no reply. The Management were clearly hiding. They left the 'dirty business' to their staff.

Due to the incompetence of the DEWHA CC, the cost of booking appointments with DEWHA on behalf of the HSA's, went from \$10 to \$12, to \$600! This was financially devastating for GLACO. This added cost combined with the abrupt termination of the Program led to the collapse of GLACO, resulting in HSA's being denied payments due to them.

Just when this farce looked to be at its peak, the CC closed for an extended period over Christmas 2009. The shut down was announced at the last minute with no restart date. How does this work? DEWHA used excuses such as 'system upgrade' and 'routine maintenance'. The truth was that they decided to hide from their problems and it was the HSA's who suffered.

Home Sustainability Assessors (HSA's)

A group of technically minded 'know alls'. The HSA's always looked down on us as appointment makers. However they knew it was something they couldn't do. We were a necessary evil.

Most HSA's were long term unemployed, minority grouping type people. Many faced financial disaster and viewed the Green Loans program as their saviour.

The HSA's grasped onto the green theme in the hope they were at the core of a new industry. They blogged like intellectual jackals, transferring the maximum information possible, over and over again.

So obsessed were the HSA's, they estimated the life of the Green Loans Program and effectively talked themselves out of a job on their blog! They have played into the Governments hands by continually talking down the scheme and criticising many aspects of what they were doing. A self destruct mentality.

The HSA's have always understood the cost of prospecting and have an intimate understanding of GLACO margins. So convinced were they that February would be the end of GLACO, most approached DEWHA requesting to be paid direct. Their (stated) intention was to cut GLACO out.

After being denied direct payment, the HSA's then orchestrated a personal campaign against Trevor McTaggart as Director of GLACO. Threats of violence were made and 'hate emails' were received anonymously by Mr McTaggart. Photos were taken from Facebook of the McTaggart family and distributed among HSA's.

The group of HSA's, led by a committed few, enlisted the help of current affairs program Today Tonight. The worrying aspect of this was that DEWHA passed on proprietary, private and confidential information to the group and the TV program.

ABSA also threatened to sue McTaggart for comments (such as these) that he made. Both ABSA and DEWHA will do anything at this point to save their skins.

Specific grievances noted in the attachments to the 22 April letter

'GLACO had a formal agreement with DEWHA to pay fortnightly'

Not true. GLACO was however paid fortnightly a few times.

'Payments were made by GLACO 2 months late'.

Not true. GLACO always paid within contracted payment terms. This was until the GLACO demise.

'Stephen Gallagher from ABSA said \$700,000.00 was paid to GLACO in February but nothing was paid to HSA's'.

Not true. \$350,000 was paid to Assessors after expenses were met.

'GLACO advised HSA's that DEWHA had given the go ahead to do HSA's without AN numbers and HSA's would be paid'.

Correct. This is what DEWHA advised. These HSA's still haven't been paid after 4 months.

'GLACO was trading while insolvent'.

Not true. The first hint of insolvency was met with the closure of the company. This is in line with ASIC solvency guidelines.

'The Government promised compensation and reimbursement for HSA's but nothing has come to fruition'.

Correct. This Government has lied about just about everything connected with the Green Loans Program. This includes a compensation package.

'GLACO said they have ceased trading but ASIC says this is not true'.

Rubbish. GLACO ceased trading on 29 March, 2010.

'GLACO wrote to HSA's asking if they were interested in doing some inspection work'.

True. This was a request from a private entity. We passed this on in the hope that it may assist. GLACO has no role in the inspection phase. This was a referral service for which we were not paid.

'My primary and significant contract was with DEWHA'. 'They should pay'.

Agreed. DEWHA should pay. Not because of any contractual obligation but due to their mismanagement of the scheme.

'Being a HSA is the single most satisfying and important employment situation I have ever been involved in'.

Agreed. Many HSA's feel the same way. This makes the Government mismanagement of the scheme even more damning.

'I have exhausted all avenues of Government compensation'.

You and many others. There is no compensation or assistance. The Government has lied about this from day one.

'I searched Google and found he is a known con-man who ripped off the Victorian Government in a hearing aid scam involving his companies Bettercare and Earcare'. 'He was also investigated by A Current Affair for this matter'.

This information came from the television shows database not Google. Mr McTaggart was mentioned in Parliament in 1997 by Jeff Kennett. The words 'con-man' were used under Parliamentary Privilege. However the issue with the State Government was that the companies mentioned were touting for business. The hearing loss threshold was subsequently increased from .0001% to 15%! People today suffer work related hearing loss but no compensation is paid.

'Why wasn't a Police Check done on a man who has previously 'ripped off' Government Departments'?

Firstly, Mr McTaggart did not 'rip off' anyone. Secondly a Police Check was done and it supported the fact that Mr McTaggart was conviction free.

'The Registration and Accreditation process took months; not the 10 days promised'.

Correct. Many thousands of HSA's are still waiting registration with DEWHA. It will never happen.

'Doing the HSA course cost me thousands of dollars'.

Correct. This was the ABSA charge for the HSA course and accreditation. There was a guarantee of work and registration which never happened in a number of cases.

'Fieldforce while representing 7.7% of the HSA's, were allowed to completely dominate the booking process'.

Correct. This was mentioned in Parliament but DEWHA is yet to 'come clean' on this matter.

'Many Householders never received their Home Sustainability Assessment'.

Correct. There has been no explanation from DEWHA as to why these assessment reports were never sent to householders.

'The least DEWHA can do is pay the March Invoice in advance to assist HSA's'.

DEWHA are running and hiding. They will not assist unless it diverts pressure off their incompetence.

'DEWHA is uncontactable always'.

Correct. The CC was deliberately blocked from talking to HSA's and Householders.

'There was supposed to be a media (advertising) campaign organised by DEWHA'.

Correct. This was put in writing by DEWHA. They never initiated a campaign contrary to promises.

'GLACO had a contract with the Government so they must be ok'.

Wrong. The Government never had a contract with GLACO. That is apart from the normal HSA contract.

'We got paid for the first half of December before Christmas which was wonderful'.

Correct. DEWHA agreed to this as an 'offset' for their incompetence and manipulation to date.

'Prior to submitting my February invoice, I heard from someone that GLACO were planning to do a runner with our money'.

It is true that this was the rumour. It was instigated by a small group of HSA's who had determined that the Green Loans scheme was doomed.

'I spoke to _____ from DEWHA, complained to ASIC, wrote to ABSA and contacted DEWHA'.

There was a Pressure Group initiating a complaint procedure against GLACO before it folded. GLACO was not aware of these complaints.

'DEWHA's lack of guidance, advice and protection as well as the Call Centre fiasco caused HSA's many problems'.

Correct. The call Centre issue is at the heart of the HSA's problems.

'It became very clear immediately that work (for HSA's) via the Call Centre, as promised by DEWHA, was going to be almost non existent'. 'If a person wanted to work we would have to spend thousands of \$\$ in marketing or somehow get leads for us'.

Correct. This is why GLACO was so in demand.

'I was amazed at how poorly run the Call Centre was run and said to people on many occasions if this was private enterprise it would have been shut down already'. 'The program and problems got worse'. 'By late December we were forced to have longer holidays than expected due to a breakdown of the Call Centre and bookings'. By mid January 2010, not much had changed and in fact the changes had become horrendous'.

The Call Centre was deliberately obstructive and incompetent. Management had instructed Operators to be vague and not give out information. This was devastating for HSA's because the CC was their only point of contact.

'2.5 hours to get 3 appointments and the call cost me nearly \$100'.

A sad but true story. It cost GLACO \$600 to keep up appointments for our contracted HSA's.

'By the end of February GLACO is condensed to a smaller company now trading as Green Australia marketing'.

Partially true. After DEWHA reduced the appointments from 5 per day to 5 per week, the Directors of GLACO determined that it was not viable to continue making appointments for HSA's at \$47.50. Staff employed by GLACO put up a proposal to set up a new company as a type of 'buyout'. The terms were agreed on and consideration paid. GLACO Owners have no interest in Green Australia Marketing Pty Ltd.

'I was told by DEWHA that I had to invoice through GLACO'.

This is correct. DEWHA were aware of the contractual relationship between HSA's and GLACO.

'We were unable to contact anyone else as everything was conveyed through emails, most of which disappeared into cyberspace'. 'We were abandoned by DEWHA, the organisation we paid for our contract'.

True.

'I place the blame squarely on the Federal Government'.

So do we.

'I accuse the Government of gross negligence resulting in my massive loss of income'.

So do we.

'I have also found that any direct assessments that I have conducted during this time, but not through GLACO have also not been paid'. 'Some 40+ days past invoice date, with no news of when they will be paid (even though numerous emails have been sent to the Department)'.

Speaks for itself!

'But favouritism to a select large group who over serviced this operation have monopolised the operation of this scheme with impunity'.

The root of the problem.

Summary & Conclusion

Our view is that the Green Loans Program was a success. It encouraged a decrease in energy consumption and an increase in efficiency of energy usage. Home Sustainability Assessments highlighted the problems while the Green Loans fixed them.

However the Program was ill conceived in that it lacked the administrative back up to operate at the roll out volumes. This was evident in:

1. The accreditation of Home sustainability Assessors
2. The DEWHA Call Centre design, implementation and administration
3. The production and dissemination of Home Sustainability Reports

Let's be clear, this wasn't something that got out of hand and needed to be fixed. This was a deliberate manipulation of a published program which involved systemic fraud and illegal manipulation.

The Department Heads were involved, the respective Departments, Government Ministers, Cabinet, and the Prime Minister. They all knew and actively participated in the single greatest Governmental disaster (when combined with the insulation stimulus plan) in Australian history.

This was not a Government mistake; this was corruption from the top down. Under our Westminster system (which was slightly modified to incorporate the United States Congressional system), there is a requirement to answer questions put to you. The public has a right to demand answers.

The Rudd Government decided to shut down the communication process to minimise the fall out of their failed implementation and administration. This is a threat to our democratic process. The people responsible (at all levels) are culpable.

In addition the Government showed their lack of experience and disregard for the democratic process by:

1. Making policy on the run without due consideration of the consequences of their actions.
2. Abruptly cancelling the Green Loans and adjusting the Program (decreasing Assessments from 5 per day to 5 per week) without due consideration of the consequences of their actions.

The effect of this Governments poor decision making devastated the industry. What makes it worse however is the Governments deliberate decision to 'shut down communication' to the detriment of the HSA's. This action:

1. Increased the frustration of the HSA's.
2. Maximised the financial damage suffered by the HSA's.

In addition, the Departments decision to provide Fieldforce with special benefits (direct access) not available to other HSA's, meant that big business hijacked the scheme. While Fieldforce made millions of dollars from the Green Loans Program, smaller HSA's went broke negotiating the bureaucratic maze.

There are undeniable benefits in continuing the Home Sustainability Assessments. However there will always be a shadow over the Program unless the Government steps up and:

1. Compensates the HSA's
2. Prosecutes the Department Heads and Management of the respective Government Departments.
3. Investigates how Fieldforce got special treatment and how they are now negotiating directly with the Government for compensation.

End of submission.

Trevor McTaggart
Green Loans Assessors Co-operative Pty Ltd (GLACO)