

10 April 2010

Committee Secretary  
Senate Standing Committee on Environment, Communications  
And the Arts  
PO Box 6100  
Parliament House Canberra ACT 2600

Dear Sir/Madam,

**RE: Inquiry into the Green Loans Program.**

I am taking this opportunity to make a submission to the inquiry. I am a homeowner who applied for a Home Sustainability Assessment (assessment) which was carried out in August 2009 with no outcome either to my benefit or towards meeting the announced objectives of the program. I am making this submission on my own behalf as well as in the hope that it will help other similarly affected “clients” of the program to achieve a suitable outcome, and in the interests of the citizens of Australia who are required to pay for all the costs associated with the program. Details of my circumstances and submissions are set out in the following paragraphs.

**Overview**

Having become aware of the program, I submitted an expression of interest some time early in June 2009. At this time I was proposing to enter into contracts for the installation of a solar heated hot water system and solar panels for my other electricity requirements to play my part towards alleviating pollution problems and to reduce my future electricity expenses.

I am a retiree who satisfied the means test for a green loan and was expecting this to finance my net contribution towards the costs of installation after government and other rebates. As I had the household sustainability assessment carried out in August I was confident that the loan would come through and subsequently gave the relevant companies the go ahead and installation was completed by mid December 2009. Pending the loan approval and processing, I arranged alternative bank financing through a line of credit facility for which I am paying interest at the current home mortgage rate.

Despite following up the Department of the Environment, Water, Heritage and the Arts (the Department) a number of times, I received no useful feedback regarding the outcome of my assessment, which of course was a prerequisite to applying for a green loan, and to this day I have received no assessment report or advice from the Department as to where things stand.

These are my submissions to the Committee in more detail. Where practicable, I have flagged the Committee's terms of reference relevant to each as best I understand them.

**The Assessment (Item (i) (D) (E) (F) and (ii) (C) (D) (G), (ii) and (b))**

The appointed assessor, Zoran Cvetkovski, carried out the assessment of my property on 17 August 2009 and advised me that I would receive my assessment report within 4 weeks. My assessment number is HH1530. The assessment basically consisted of asking me questions about my use of energy efficient light bulbs, water saving shower heads etc., checking room by room to confirm, and checking the power rating of appliances and whether they were turned off at the power point etc. I advised the assessor that I already had a water tank installed and was arranging the installation of solar systems and that I was interested in obtaining a green loan. As referred to in my overview, I have had no report or feedback from the Department regarding the outcome of this assessment and as a consequence was denied the opportunity to take the next step of applying for a green loan. I had no concerns regarding the assessor's examination but I am unable to comment on the report I have never received.

However, it was obvious to me that the assessment report would tell me what I already knew about the benefits of using the standard energy/water saving devices and techniques. There has been an enormous amount of information provided by the energy and water suppliers to educate consumers in this regard. For the past two years at least, every bill I have received has told me how my usage compares with prior usage and most bills have been accompanied by a brochure explaining what measures I can take to reduce my usage. This has been backed up by numerous current affairs information programs presented by TV and radio networks re this subject. For those who are interested, it is almost a case of information overload. I submit that any energy/water user who is not by now similarly or reasonably well informed about these measures does not pay the bills and/or doesn't care. I therefore believe that the benefit from any future assessments proposed to be undertaken and the associated reports would be minimal and unlikely to pass a cost benefit analysis unless they are linked to a green loan facility.

**Green Loans ( Items (a) (i) (D) (E) (F) (G), (ii) (C) (D) (G), (iii) and (b))**

I believe that the primary value from this program was always going to be derived from the advice given to clients about the benefits from installing solar power alternative energy sources and water saving devices and providing financial assistance in the form of green loans to help those of limited financial means to do so. As I have already stated, the other measures which could be taken should already be well known to every reasonably alert consumer. They also cost nothing or next to nothing to implement.

Presumably, the Government named the scheme the "Green Loans Program" in recognition that this was the most significant component of the program.

However, it is obvious to me that no serious effort was taken to ensure the success of this element of the program. While I was awaiting my assessment report, I enquired of the Department which financial institutions were involved in providing

green loans and was advised that for my geographic location MECU (North Sydney), AWA (Yenora), Community First and Old Gold (which I was advised were regionally located) were my best options. I independently enquired of my local branches of Westpac, The ANZ and St George to find that they knew nothing about the program.

Both the former responsible Minister, Peter Garrett, and the now responsible Minister, Penny Wong, have stated or implied that the green loans component was less “popular” and that this was the reason for discontinuing the loans and providing a “significant boost” to assessment availability”. The real reasons behind this so called unpopularity, which I believe to be the inability of the Department to get reports out to clients and to arrange adequate lending facilities (at a time when the Government was providing financial guarantees to the banks and credit unions), have been completely “smokescreened”.

I can attest to the fact that I missed out on a green loan because I was denied the opportunity notwithstanding that my assessment was carried out only 6 weeks after the program’s commencement date. I would like the Committee to seek to ascertain and let the public know how many are there like me who would have been granted a loan if the program had been properly administered and in any event to recommend that the Government honour the original commitment for these clients at least.

I would also like to know how the Government came to the conclusion that the loans were unpopular, given that the majority of clients never had the opportunity to apply for a loan.

It is a matter of curiosity to me that Minister Garrett’s press release dated 19 February 2010, which I understand announced the discontinuation of the green loans and the reasons for that decision (to concentrate on the more “popular” assessments) cannot be located on the Department’s websites. This may confirm my belief, that the Minister and/or his advisors misled the public and possibly the Parliament in relation to the green loans. I believe that the Committee should also closely examine that press release and any related statements made to Parliament with a view to finding out the true position in that regard.

### **Announced Changes to the Program (Items (a) (i) (D) (E) (F) , (ii) (C) (D) (G), (iii) and (b))**

For the reasons outlined above (The Assessment), I believe that the continuation of this program by undertaking and reporting on assessments only is a waste of resources as there is very little provided to clients that they would not already know. A small team of reasonably intelligent bureaucrats could sit down and put together a generic package summarising all existing options for householders and mail this out to all applicants still seeking an assessment. This could be done at a miniscule cost compared to the cost of continuing the program by undertaking more assessments. My views in this regard were further reinforced by the attached insert in today’s Daily Telegraph. It details, step by step, 100 measures which homeowners can take to reduce their power bills. My newspaper cost me the grand sum of \$1.60 including GST. What does this compare with for a household assessment and report, \$300, \$500, \$1,000 ? Members should note the bottom right hand site footnote to the article; ie. “Compiled by the energy-efficient experts at EnergyAustralia”, “For more

advice go to [www.energy.com.au/efficiency](http://www.energy.com.au/efficiency)". This suggests to me that as it was prepared by experts in the industry it should be as good as it gets. If you google "energy savings" you can find similar expert advice on many similar websites representing industry, consumer and related interests across Australia.

I submit that any funds remaining under the program should be allocated towards:

- Firstly, paying any outstanding fees owing to assessors for work already done;
- Secondly, facilitating the provision of green loans and meeting the costs involved for all householders who have already had an assessment done, who meet the other eligibility criteria, and who wish to apply for a green loan ( if it is true that these loans are not "popular" this should not cost much);
- Thirdly, to meet the relatively small cost of preparing a suitable information package as described above and mailing it out to all householders still waiting for assessments to be done or expressing an interest in one.
- Any balance of funds remaining should be retained in Consolidated Revenue and applied towards repaying the nation's burgeoning debt.

I hope that this submission assists the Committee in its inquiry. In the event that my appearance before the Committee as a "client" witness would be of further assistance I would be happy to oblige.

**Yours sincerely**

**John Woodger**