

## **Submission to Senate Inquiry – Green Loans program**

11 April, 2010

Dear Sir/Madam

The potential of the Green Loans program and home sustainability assessment scheme has not been realised. The implementation of the program has failed to meet reasonable householder, and assessor, expectations. Well managed implementation of a rejuvenated program will restore householder and assessor confidence in the government's environmental programs. Many program issues have been well documented. Below are a few points of particular relevance to my experience of the program.

### Effect of program on assessor reputation and capacity to build a viable business

In July 2009 the Green Loans program opened and I was contracted as an independent assessor. The DEWHA/Green Loans assessment software required assessors to input data about the household. In response to data inputs the software generated an assessment report. The software was insufficiently tested and generated substantially incorrect reports for households, for example, making statements/recommendations about appliances that were not present in the home. Assessors were not provided with any capacity to correct reports. For example, assessors are unable to delete clearly incorrect statements generated by DEWHA's assessment software.

To invoice DEWHA for completed work assessors were required to submit reports, via the software, to DEWHA. The process of submission of each report required the assessor to agree to the following: 'By submitting, you are confirming that you agree this report is a complete and accurate record of the assessment'. As such assessors were forced to 'approve' substandard and highly inaccurate reports and distribution of these reports to householders. To complete invoicing requirements, I submitted these reports, and wrote to Green Loans indicating that I did not approve the distribution of those reports until the inaccuracies had been fixed. Despite this inaccurate reports were sent to householders.

Some assessment reports were so deeply and obviously flawed that they inevitably caused the householder to doubt the capability of the assessor. I was embarrassed by some householder's disappointment in the reports. Many held me responsible for the inaccurate statements/recommendations they received. As such they would not recommend my services, or the program, to others. My reputation in my local community, for both home assessments and any future business, has been negatively affected by DEWHA's flawed assessment software and slow/non-delivery of reports.

These administrative failings undermined my consistent efforts to deliver quality assessments and build a successful business through referrals. I attended local events to promote the assessments. Disappointed householders were often quick to tell other interested householders not to have an assessment because, 1) they did not receive a report, or 2) the report was uninformative or inaccurate. Householder perception was often that assessors were responsible for program failings.

In October 2009 assessment report software had improved and word of mouth from my assessments was adequate for a viable business. Word of mouth referrals were an essential marketing strategy as DEWHA's intended national promotion of the Green Loans program had not eventuated. I was satisfied with completing 10 assessments per week as this allowed me to perform thorough assessments, follow up, administration and promotion activities.

### Booking system closure & call centre problems

On Christmas Eve assessors were given less than 2 hours by DEWHA that the Green Loans booking line would be closed for an extended period. Access to the assessor's online assessment bookings calendar had also been removed. Assessors were required to lodge bookings with the call centre before performing assessments so this unexpected closure prevented booking and working for over 3 weeks. When the call centre reopened it was inundated. It took several hours, or several days, of dialling and waiting on hold to book a maximum of 5 assessments. Bookings were lost as householders were unimpressed by the unexplainable delays.

I doubted the veracity of rumours that at least one large assessment company was able to bypass the dysfunctional booking system and the associated wait times. At this time it was evident to most assessors that the funded assessments would soon be completed and the program was likely to end. A large company with substantial resources and a preferential booking system, combined with the knowledge that the funding was likely to soon end, could have booked vast numbers of assessments over the period that other assessors were prevented from booking working. I am deeply concerned that DEWHA may have allowed an unfair proportion of the limited pool of funded assessments to go to one or more large companies. It is reported that at least one large company took over 65% of the assessment fee paid by DEWHA and encouraged assessors to complete 25 assessment per week. This circumstance is particularly concerning if it,

- 1) resulted in substandard/brief assessments for householders
- 2) damaged the reputation of the program
- 3) shortened the lifespan of the program for other assessors
- 4) was supported by DEWHA's facilitation of a less onerous and more functional booking system for some program participants.

### Additional difficulties since DEWHA'S February 2010 program changes

Since February 2010 when DEWHA announced that the Green Loans component of the Green Loans program would cease it has been increasing difficult to book households for assessments. Many people have heard in the media that the Green Loans program has been cancelled. Others have heard from friends that it was impossible to get a Green Loan because they never received a report. Most householders are not aware that the assessments are still available. The program has not been renamed and to this date (April) approved marketing and assessment documents are still labelled as 'Green Loans'. It is exceedingly difficult for an assessor to promote a program that is publicly perceived as finished. Additionally the 'Green Loans' assessments promise a benefit to householders which is unavailable. Householders are put off by attempted explanations by an assessor. Householder reluctance to participate in the program is often linked to their perception that the insulation rebate scheme was poorly administered and wasted public money.

Since the December 2009 assessors have been prevented by DEWHA from operating a small business in a reasonably efficient manner. In August and September 2009 Green Loans stated in at least separate newsletters to assessors that an online booking system for assessors was being developed. It was stated that the online booking system was expected to be available by the end of October 2009. This system has never been provided. This system could have prevented many of the difficulties experienced by assessors since December 2009.

### Limit on assessor weekly bookings

I support a limit on assessor bookings to help ensure quality of assessments and longevity of the program. However the limit of 5 assessments per week does not equate to sufficient income to justify business set up and administrative costs. With the 5 assessments per week limit I am earning less than in my previous full time job, have significant costs, and severe financial insecurity. I support a limit of 10 assessments per week.

### Late Invoice Payment

It is commonly reported that delays in payment of invoices are caused by submission of incorrect invoices by assessors. None of my invoices have been deemed 'incorrect' or returned for correction but several have not been paid within the specified term of the assessor contract.

### Communications with Green Loans

Early in the program I wrote to Green Loans about my concerns about the Householder Declaration Form. Some householders did not want to sign the form as they did not understand (or could not read) the fine print. They feared being committed to a Green Loan when they only wanted the assessment. This situation occurred most frequently when the householder's first language not English. I reported my concern and sought clarification/solution from Green Loans on this issue. I was concerned that, if I did not provide the assessment, I would be discriminating against sections of the community. I suggested a simple form for these householders to give permission for, and acknowledge, the assessment. My emails to Green Loans on this topic have not received any response. Lines of communication between Green Loans/DEWHA and assessors must be improved

### Assessor Training, Accreditation and Contract

I chose to leave a full time job to become an assessor on the basis that:

- I could build a small business which delivered measurable environmental benefits
- there would be approximately 800 assessors nationally
- the program was scheduled to run for 4 years and I had good networks of people that were interested in environmental sustainability
- my commitment to delivering a quality service would allow me to build a viable business
- the program was promoted by DEWHA as being a program that would deliver a professional service to householders

My upfront costs to become an assessor (training, accreditation and mandatory insurance premiums) were approx \$3800. These costs do not include the time to attend training, plan and set up a small business. It is remiss of a government department to provide this 'opportunity' without sufficient project management to deliver the program adequately. I consider myself particularly fortunate in comparison to many assessors as I do not have a family or a home mortgage to support. As such the financial uncertainty has been bearable - but not justifiable.

### In conclusion

While DEWHA's Green Loans assessor contract indicated that there was 'no guarantee of work' it was reasonable to interpret this as meaning that DEWHA did not guarantee to provide any assessments to assessors. It is not reasonable for DEWHA to deliver numerous unnecessary, unforeseeable hurdles that prevent an assessor from booking and completing assessments in a timely and professional manner. Some of the early program problems were resolved, and smoother times were anticipated, but it has instead become progressively more difficult to operate a small business associated with the Green Loans program.

Assessors and householders alike have put time, energy, enthusiasm, and money into supporting this government program. To prevent many from regretting their involvement requires a rapid and thorough resolution of the problems associated with the Green Loans program.

Yours sincerely,

Larissa Nicholls