

Senate Standing Committee on Environment, Communications and the Arts  
Submission to the Inquiry into the Green Loans Program  
From Dr Roger Severn, Leeming WA

#### My background

I have taken an interest in this program since early 2009. My related qualifications are a Master of Arts (Ecologically Sustainable Development) (1997) and a Doctorate of Philosophy (2002) from the Institute for Sustainability and Technology Policy, Murdoch University. In 2008/09 I completed 269 household sustainability assessments for the WA Government's Living Smart program. The Living Smart assessments are not the same but are very similar to the assessments required for the Green Loans program and therefore provide a good foundation for the observation and evaluation of the Federal initiative. In early 2009 I completed the Green Loans Assessor's training program and I now meet all the requirements for registration as a Household Sustainability Assessor for Green Loans. I have not taken up this option because following my attendance at an information seminar, held by the Department for the Environment, Water, Heritage and Arts (DEWHA) in Perth just prior to the launch of the program, I thought it was quite apparent that the administration of the scheme and the assessor registration process was hopelessly inadequate. I concluded at the time this scheme was bound to "end in tears".

#### Submission

This submission urges the Senate Committee to consider issues pertaining to:  
Training and accreditation of Home Sustainability Assessors, and  
The potential (or real) conflict of interests of industry employed assessors.

#### Training and Accreditation

I attended an assessor training course in Perth in April 2009. The course was full with about 20 attendees ranging from experienced building trades people to complete novices. Many of the candidates were sales support employees of companies engaged in selling environmental services such as solar panels and hot water systems. The cost for the training was quite significant for some people, many of whom paid about \$2,000, while others were able to negotiate late enrolments at considerably reduced fees. The course content was reasonably comprehensive and delivery of material was at a fairly rapid pace which might have been problematic for attendees with little previous exposure with home sustainability issues.

My main concern is with the assessment process employed to determine if teaching objective had been achieved. Assessment was in the form of an open book test where candidates answered questions with no time limit and full access to the printed material used in the course. Marking of each test was done by each candidate passing their test answers to another candidate who marked the paper based on their own perceptions and some key points made by the instructor as each question was answered. Unsurprisingly, all candidates met the registration criterion even though it was obvious that the knowledge level within the group varied significantly.

My point is that each candidate was not tested sufficiently for anyone to be satisfied that the knowledge required for accreditation had been achieved.

Accreditation authority has been vested in a private organisation. This has meant that to be accredited an individual must become a member of that organisation paying significant fees for the privilege. In order to protect the income earning capacity of their members it is now argued that accreditation should be limited. It is true because of the

enthusiasm of the training contractors far too many people were encouraged to enrol in training with unrealistic expectations of income earning. But is it appropriate to restrict registration other than through knowledge requirements? Even though there is an obvious over supply at the moment I advocate that accreditation should be solely skill based and then let the market through supply and demand determine the number of assessors remaining in the system. There is a case, because of the current over supply and the way the scheme was promoted, to compensate people caught up in the initial training program and who now want to seek other opportunities and forego their accreditation.

It would be appropriate for the accreditation of household sustainability assessors to be placed in the hands of a registration board possibly through existing state agencies. A re-assessment of knowledge levels would also be appropriate before exiting accreditations are confirmed.

#### Potential (or Real) Conflict of Interest

Once a person has been accredited as a Household Sustainability Assessor, that person then can apply to DEWHA to enter into a contract to work in this scheme. Assessors can work as individuals or can be nominated by their employer as a "Specified Person" who is accredited to carry out the household assessments on behalf of a contracted organisation. Under the Contract for the Provision of Assessment Services by an Organisation, DEWHA requires that each specified person sign a 'Deed of Understanding' which includes the following condition regarding conflict of interest: no conflict of interest exists or is likely to arise for me in performing work under the Contract and I will not permit any situation to arise or engage in any activity which may result in a conflict of interest for me in performing work under the Contract. This is appropriate yet environmental service providers such as solar panel suppliers employ accredited staff in sales support roles with commission based incentives.

I queried this practice with DEWHA by email in June 2009 and received a delayed reply in August 2009 which stated that it was alright to re-contact the householder on behalf of an employer once the Household Assessment Report had been issued. In other words, the information received in order to carry out the household assessment can then be used for another purpose namely as a sales lead. This advice from DEWHA is at odds with their own contracts and the code of practice for assessors.

The Household Assessment is a requirement for approval for a Green Loan and whilst the assessor is not a direct decision maker in regard to approvals, the assessment process is integral to that approval, and the loan is often integral to the decision to purchase an offered product. In one example of an employment contract for assessors, that I am aware, the performance criteria includes sales follow-ups and sales targets with commissions paid for sales of solar power systems, energy efficient hot water systems, insulation, grey water systems and rainwater tanks.

There is a clear built-in conflict of interest in allowing suppliers of products to also be contractors for the provision of assessment services.

#### Summary

The Green Loans is a commendable initiative aimed at reducing household energy and water use. The housing stock needs to be upgraded to current sustainability standards. New housing stock is subject to emerging building standards for improved sustainability. Existing housing can be improved dramatically by retrofitting measures to improve energy and water efficiency. It is in this area of upgrading the existing stock of houses

that the role of the housing sustainability assessor comes into prominence. While the green loans program provides some initial seed capital to get things moving along, the role of the assessor is likely to extend to other federal, state and local government initiatives beyond the life of the Green Loans program. Household sustainability assessing is an emerging vocation with long term prospects.

I submit that the training and accreditation for household sustainability assessors is not adequate and should be reviewed. Consideration should be given to using TAFE facilities in each state to develop and deliver training and certification. Accreditation or licensing of assessors could be handled by existing state agencies.

Household sustainability assessors associated with the Green Loans program must be independent of environmental systems suppliers to avoid conflicts of interests.

Dr RC Severn

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