

**Proposed Senate Inquiry  
Into The Green Loans program:**

**Questions for inquiry:  
Dated 10<sup>th</sup> April 2010:**

1. Why cancel the interest free loan part of the program?
2. Does this appear to be a viable small business opportunity?
3. Why was the program run in such a manner that it favoured Field Force?
4. Why was the after training/pre commencement “training of the operation of the computer program” never given?
5. Why were the house holders advised that the program would only take 1.5 hours to complete?
6. Why, when the assessors agreement was finally produced that the Government stated that they would not guarantee to give us any work?
7. Why did the Government allow the number of assessors to be increased to the point that they did?
8. Why has there been no assistance for assessors, like the assistance for those in the insulation installation program?
9. The Green Loans Program has been discredited & must be renamed. A good name would be “Sustainable Green Homes” Assessment program

## 1.

There are many anomalies associated with the Federal Governments well intentioned Green Loans Program.

My understanding of this program is that it was open to house holders to have their homes assessed for sustainability. The aim is to collect information from the householder & discuss their current use of energy (all types) & their water use. During the interactive time we suggest many ways in which the house holder may mitigate their use of the same. Many of these changes can be done by the house holder at minimal expense by a normally handy person. Some householders may require the services of a home handy person & many of the changes, eg. Draught stopping of doors would not normally be a high cost item & payable by the house holder with their own money.

For those house holders that wish to take more advanced steps, such as water tanks, solar hot water & or solar energy generation (photovoltaic panels) the advent of an interest free loan over 4 years was an option.

This part of the program was cancelled by the then Minister the Hon P Garrett. Due, it is said to the lack of interest by the proposed recipients of the same. The department is responsible for the lack of many expected loan uptakes as they were totally disorganised in keeping their end of the agreement (with the house holder) to deliver the reports to the house holder. I believe there may be over 100,000 reports never delivered due to incorrect information on the submitted assessment & the fact that there was not enough staff to do the work. The promised “bonus” of a \$50.00 voucher to spend on “green” things has never been delivered. Many emails had been sent by assessors in an endeavour to have assessments delivered to the clients & for some obscure reason so many of these had never been delivered. It appears that in their own defence now the staff are able to “blame” some reason or another. But why did they only discover this after the program had been discontinued.

Further, it is my understanding that the program came into being due to the signing of the Kyoto agreement. The Governments also took over the control of all trees on all farm properties, without compensation. Have these Governments also decided that they would guarantee to provide the rain to ensure it will not die?

## 2.

Before we undertook to become assessors for the Federal Government’s Green Loan Program we carefully read all the information available, this was in December 2008. The maximum number of assessors was to be 1000 (one thousand) for a proposed 350,000 assessments. This was

reconfirmed by a press release by the Minister P Garrett on the 8th. Of May 2009 & the program was scheduled to start on the 15<sup>th</sup>. May 2009. The program did not commence until the 1<sup>st</sup>. July 2009.

There was no agreement ready for assessors to sign until the program was to start. Then this agreement had many disclaimers embedded in it, one of which was that we do not guarantee to give you any work. Another is that the Government was not going to advertise in any way. We did not enter into this enterprise without fully understanding that this was a viable small business on all the information we could garner. This was prior to the agreement materialising & on all information supplied by the Green Loans department. In past years many Australian small business has been pillaged by large Australian & Multinational corporations with the blessing of Federal Governments. The most pertinent example of this was the service station industry, now that industry is basically controlled by Coles & Woolworths. Who would have ever thought that our own Federal Government would take that leaf out on the Corporate worlds note book and totally screw Australians in their own small businesses.

### 3.

There were previous programs run by State Governments that concentrated on “Free” Compact fluorescent lights as replacements for Incandescent globes & the upgrade to water restrictive shower heads or flow restrictors installed. An English company, Field Force was a major player of these programs & saw that the Green Loans program was going to be a big earner for them. Our understanding of this program (the Green Loans program) is that it was for your average working family & or small business. This was & is a favourite slogan of our PM. We, the assessors were promised that a full system would be available for easy booking of assessments & we would be given work on a rotating basis. The reality is that the online system did not eventuate, so the existing booking process is extremely difficult as we have to sit on the phone attempting to get contact for bookings. This process can take up to a whole day to book a maximum of 5 bookings at a time. Many times the phone line will drop out & you do the whole process again. We were promised an online booking system that has not eventuated.

Due to what ever process, Field Force was able to gain a most favourable position of having a direct IT connection & able to book up to 6,000 assessments a week. What a debacle! They had a large previous customer base to operate off & had (as I understand) a call centre contacting their customers & making their own bookings over their IT set up. This is where the intent of the program was bastardised. Short in & out assessments where they were using short cuts to simply “get the numbers”. Numbers such as this would give Field Force an income of \$1.2 million dollars income from the program per week. My understanding is that Field force was a Registered Training Organisation for assessors. Field Force was training & supplying their own assessors a fee of \$50.00 per survey. This means that their cut of the \$1.2M was some \$900,000.00, of course they had a call centre & etcetra to run. The surveys were done in very short times as the assessors were given a minimum of say 5 a day to do, as I understand. I further understand that the assessors did not enter the information they gathered in to the online program for submission to Canberra.

### 4.

**Training;** We were informed that prior to the program being launched, we the assessors were to have a day of training on how the information for the program should be filled in to try to give a uniform satisfactory outcome on this generic program. There are currently 3 different programs,

the original book, an online program & an off-line program that can be filled in where we were unable access to the web. These are 3 different programs, done in such a manner that none of them completely cross over automatically. This means that we need to do further work before we can lodge the assessment in the acceptable form. This further extends the time required to accomplish the required task in order to be able to give the customer the information that will enable them to obtain the maximum benefit of the program.

## 5.

The small business assessors (many of the now 5,000 approved assessors) are compliant with the spirit of the program & interacting with our customers. Most of us have a strong belief in what the program should & could mean to the average Australian. The department was telling customers that the assessment would take around 1.5 hours. The minimum time to effectively do the job on an average small home (of 3 bedrooms) is 2 hours with interaction with the customer. There can be a big difference between assessing an average small home & an average “McMansion” (say 4 bedrooms & 3 or 4 living areas) let alone a large home. The extra time is achieved in some areas by the necessity of doing the job in a book, or two then transferring it to the online program in order to submit it to Canberra. The above means that should we be able to do all assessments in the allotted time of 1.5 hours & the total time for the booking, travelling time plus other work at home to submit the job adds another few hours to the time required for just one job. Please take the fee of \$200.00 per job, divide it by say 3.5, you come up with a figure of say \$57.15 per hour. The present system that the department has modified it into (the best transformer I have seen) is totally unworkable from the point of view of operating a business, paying costs & being able to draw a wage. The booking system is impossibly long & never any guarantee of getting connected. The biggest penalty is that there is now a limit of a maximum of 3 jobs a day AND a maximum of 5 jobs a week & that the assessor is supposed to be the only one to make the bookings. A further penalty is not being able to book any jobs further in advance of 2 weeks. The advertising has in the past often led to people booking up to a month in advance. Still, I suppose the bread winner of a working family should be able to live on thin air ???

Why it has taken the Government so long to send reports out to customers? The reports are available on the computer when program is finalised. I am able to view the report before I submit it. The only reason for not sending reports is inefficiency by the department or incorrect information placed in the Assessment number location of the program. There was no day of training on how to use the program, so naturally there would be errors.

## 6.

Why does or did the Federal Government have so many disclaimers & the “we don’t guarantee to give you any work” insert? Is it that they have a firm belief that they would “stuff” it up & this was to give them an out? Or is it that they were firm in the knowledge that they would “stuff” it up? The Insulation Installation debacle is obviously a different “kettle of fish” as the Government has promised support through Centrelink for any disaffected employees of the Installers. This support even goes to those employees of the numerous “shonky” installers that have caused many problems for the insulation installation program, which led to its being curtailed. Our company has received an email stating that there will be no support for us in any form, as the contractual agreement stipulated that the Government gave a “no guarantee of work” clause. Nice one eh???? The Green Loans Team has been kind enough to send us an email on the 19/03/2010 reminding us that should we call any person on “the do not call register” that we could leave ourselves open

to possible prosecution under the law.

**7.**

All the information that the Government offered on the proposed Green Loans Home sustainability program which commenced in (around) December 2008 was quite clear (prior to the commencement of the program in July 2009). However there was no overrider that stipulated "Caveat Emptor". We read all the information given (including the 1,000 assessor cap) & decided that this was a good opportunity for a solid small business. If you can not trust our own Federal Government not to "do us over" then who can you trust???? The then Minister Garrett put out a press release on the 8<sup>th</sup>. May 2009 that there will be only 1,000 assessors, this confirmed that the number of assessors was to be the same as the first lot of information dispensed by his department. Our assessor numbers are (there are 3 of us working in our company) are all below the 150 number. We were all trained (through the course & previous experience of survey/recommend changes of energy & water use) up & ready to go in March 2009. Further we had all the company requirements including insurances in place when we started on the program. The requirements for us as assessors, is that we maintain our insurance coverage for 5 years after the closure of the program. The fee of \$200.00 per assessment is not sufficient to properly cover our costs of carrying out the survey including the normal overheads of advertising etc. & the continuation of the liability insurance for the 5 years after the completion of the program.

**8.**

I believe I have covered this matter in item # 6. I am so thoroughly disappointed that we Australian Working families & small businesses should be treated with such contempt by our own Federal Government. Again WHY do employees of Insulation Installation companies get assistance via Centrelink? Probably most of them were simply employees & had little if any the way of expenses. I am not decrying that they should have assistance. Most of the assessors have expended a considerable amount of money. First cost was doing the training course the second cost is in equipment that would assist us in doing the job correctly. Then there is the cost in promoting the Green Loan Assessments, this could have & some advertising in local media or as a shopper docket promotion. In many instances some of these are running as a contractual arrangement, due to the fact that in the week of 15<sup>th</sup>. 16<sup>th</sup>. & 17<sup>th</sup>. Of February when Minister Garrett was still proclaiming that all was well with the Green Loans Program. BUT on the 19<sup>th</sup> of February came the big announcement that the Insulation Program has been changed yet again & The Green Loans portion of the assessment program was suspended. The reason given was "lack of interest & uptake". This was caused mainly due to the fact that the department was in such a shambles that there were supposed to be around 100,000 reports that had not been sent out to customers. How on earth can this equate to lack of interest????

The lack of follow on training on the program has a lot to do with that & yet when contacted with correct assessment numbers quite some months after the assessment was done, the department had been able to email the reports to customers. The program had a problem with being able to recognise what was a correct number in the early stages. Even though a correct BK number was put in, the program still (for quite some time) allowed a name to be added. The extension of the program was unable to pick the owner of the report as it had some extra information after the correct number. My understanding was that many assessors were putting their own registration number where the customer's number was supposed to be. I reiterate that the promised training on the program would have obviated that particular problem.

**9.**

I was in Port MacQuarie on the evening of the 7<sup>th</sup>. April 2009 & saw a commercial on Prime TV advertising the availability of the Federal Government's interest free Green Loans program. The Green Loan program was withdrawn as cancelled on the 19<sup>th</sup> February 2009, if my memory serves me correctly. The Green Loan program was poorly named as it tended to be pushing the interest free loan program. The true value of the program was & still is to inform many Australians in their own homes what they could do for themselves in becoming a more sustainable home by simply changing the way they used their power & water.

I believe that a name with more impact on what the program is trying to achieve would be more appropriate. I believe such a name could be **“Sustainable Green Homes” assessment program**

I understand that there will be no repercussions to myself, as this submission is under Parliamentary privilege. I do not believe that there is any slanderous material within this submission.