

Senate Inquiry into Green Loans

Thank you for the opportunity to make a submission to the above Senate Enquiry.

Introduction

Our company has been established for over 13 years in northern NSW and specialises in advising clients how to reduce their energy use at home and in workplaces. Our Director, an Electrical Engineer, is the past President of the Association of Building Sustainability Assessors (ABSA) and is a pioneer of the energy assessment industry. He has many years experience working closely with State and Federal Government - increasingly over the past five years whilst there has been a surge in the rollout of environmental programs such as Green Loans (GL). We feel that our company is very well placed to offer our observations and suggestions for the Green Loans program as we've been conducting residential energy assessments since 1997.

PERSONAL EXPERIENCES

Our Director was one of the first accredited assessors in Australia (July 2009) and another full-time employee also became accredited in August 2009. We're energy consultants so Green Loans was only going to be a small part of our overall suite of services and we did not heavily market our involvement with the GL program.

Summary of our experiences as follows:

Accreditation Training:

- Our full-time employee was initially trained for Green Loans by a Gold Coast accredited training organisation.
- He attended the first day of the course in Gold Coast and the quality of the training left a lot to be desired. The trainer presented material in an incomprehensible format and it was clear that the trainer had no relevant experience to conduct this kind of group training.
- Course attendees subsequently lodged a formal complaint to the training provider and they offered a refund of the training fees \$1,500 (We still haven't been successful in obtaining a refund).

Assessments:

- The initial assessments that our company performed were very well received by householders. They seem interested and eager to know more about how they could improve the energy and water performance of their homes.
- The booking system seemed to be working well in these early stages and we also received a few automatic referrals from the Department for assessments that had been assigned to us via the call centre.

- The interest-free Green Loan was definitely a feature of the program and the majority of householders were going to pursue a loan once they received their official report from the Department.

Program Changes:

- In late 2009 when the GL program seemed to be operating satisfactorily, we received notice that a new release of software (calendar function) was going to be rolled-out. This seemed quite strange as the existing Calendar system was working fine and we were quite impressed with its ease of use.
- The new Calendar software was dogged by teething problems and quite frankly it was an embarrassment to the Department. There was no logical reason to change the existing Calendar system and the new model was a disgrace and unusable from an assessor's point of view.
- At 2pm on 24 December 2009, assessors received an email advising that the Call Centre was closing for around two weeks, starting from 5pm that same day. This short notice period was in no way satisfactory and again it was an example of incredible mismanagement and unprofessional conduct by the Department.
- It was around Christmas 2009 that the Call Centre went into meltdown and it became nearly impossible to get through to the Call Centre operators to book future assessment jobs. Call waiting times had blown out to over 50 minutes and unless you called at precisely 9am, you really had no hope of getting through to book any assessments.

General Comments:

- Our company viewed the GL program as a good way to impart some of our 15 years energy management experience on the local community and earn some extra income at the same time. Unfortunately the program was quickly infiltrated by greedy, inexperienced trainers and assessors and combined with the Department's exceptionally poor administration skills, the GL program gradually turned into a farce and a questionable spend of taxpayers money.
- The chronic breakdowns in the program were avoidable and with only a little foresight, the Department could have prevented many of these disastrous issues from occurring in the first place.
- The termination of the interest-free loan was a strange decision. A great majority of householders expressed interest in the loan and the main reason for slow uptake was that huge numbers of householders never received the original copy of their report – over 50% of our assessments from September and October 2009 have not received a copy of their report from the Department. The original report was key requirement in obtaining the interest-free loan.
- Field Force being given a direct link into the Department's computer systems is unthinkable and highly inappropriate. While a small business like ours was forced to endure call-waiting times in excess of 60 mins, Field Force were given special treatment and eventually siphoned away a huge amount of the program's allocated funds. The Department's preferential treatment of Field Force was unethical, highly inappropriate and I suspect it is illegal according to laws that bind Federal Government Departments.

- The Department's inability to regulate the GL training organisations is a major contributor to the unsustainable number of assessors involved with the program. We know a local group who trained over 800 assessors at \$2500 a head - \$2,000,000.00 total income and many of the assessors would be lucky to have recouped their training costs.
- Our company still has not been paid for invoices dating back to October, November and December
- The decision to cap the number of assessors came way too late. It was obvious in November 2009 that assessor numbers were getting out of hand and the Department should have acted swiftly to limit the amount of people being trained.
- The decision to cap the number of assessments per week also came way too late. This should have been part of the program framework from the beginning and it reflects poorly on the Department that they could not foresee this being a major problem. People had already been rorting the Federal Government's insulation program and the same was bound to happen with the GL program.
- The program's failings should not be in any way attributed to ABSA's conduct. The Minister's decision to audit ABSA can only be viewed as a frantic attempt to save face in light of his gross mismanagement of the entire program. In our opinion, the Department was the major contributor to the failings of the GL program.
- Accredited assessors did not even have to show some sustainability pre-requisites or relevant work experience in the industry. We're electrical engineers and have been in this game for over 13 years - to see it infiltrated by inexperienced people is akin to the Government announcing an attractive Dental program and then allowing us as well around 7,000 moderately trained people to conduct (unchecked) dental work on the entire Australian population – ridiculous.
- There should be an extensive Audit process on those assessors who invoiced the Department for unrealistic amounts of assessments. This would be a valuable process and may highlight the shocking administrative failures of the Department.

Conclusion:

The GL program had the makings of an extremely valuable program for all Australian householders. It is unfortunate that Minister Garrett and his Department could not coordinate the different aspects of the program in a satisfactory manner. The failings of the program could have easily been avoided and changes to the program came all too late.

What should have been four years of continual work for our company has now evaporated within the space of seven months and it is unfortunate that the reputation of the GL program is shot.

The whole GL program was grossly mismanaged and whilst it was derailing around December 2009, there was little done to improve the dire situation.

Green Loans is a blight on Australia's sustainability landscape and we hope the Senate Inquiry uncovers some of the nasty truths associated with this program.