

SENATE STANDING COMMITTEE ON ENVIRONMENT, COMMUNICATIONS AND THE ARTS

Inquiry into Green Loans Program

SUPPLEMENTARY SUBMISSION TO SUBMISSION LODGED 14 APRIL 2010 ("STATEMENT OF CLAIM" LODGED BY LEANNE McINTOSH)

12 May 2010

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1) Context of this Supplementary Submission

This Supplementary Submission has been prepared and lodged on behalf of the 65 assessors, located throughout Australia, who "signed-up" to be a part of the assessor network that used the services of Green Loans Assessors Co-operative Pty Ltd [ACN 131420383] (hereafter referred to as "GLACO") to facilitate their participation as accredited Home Sustainability Assessors (HSA) in the Green Loans Program. The signatory to this submission is Leanne McIntosh, who is one of the 63 former GLACO Assessors who continue to be owed money for work done on home assessments undertaken by them under the Green Loans Program ("GL program") during February 2010, but it is lodged with the

support and consent of all the former GLACO Assessors who have been financially impacted by the cessation of GLACO's operations under the GL program in March 2010.

This Supplementary Submission to this Senate Standing Committee is lodged in addition to the original Submission prepared by Leanne McIntosh and provided to this Committee on 14 April 2010.

The GLACO Assessors consider this Supplementary Submission necessary for three major reasons:

1. to provide the Senate Committee with an update from the figures given in the original Submission of 14 April 2010 to the more accurate current figures for the total monies outstanding to the former GLACO Assessors for work performed under the GL program that remain unpaid from the moneys paid by the Commonwealth to GLACO ostensibly for such work during the period from December 2009 to March 2010;
2. to identify and outline for the Senate Standing Committee additional issues surrounding the conduct and performance of the Commonwealth Department of Environment, Water, Heritage and the Arts (DEWHA) in the implementation of the GL Program that require the scrutiny and investigation that the Standing Committee can bring to bear and for which the Assessors seek the Committee's assistance in obtaining information and answers from the Department and the Commonwealth Government; and
3. so that the GLACO Assessors can begin to lay the platform for outlining their case for compensation from the Commonwealth Government for the monies outstanding to them under the GL program (and other associated expenses and losses) and under the various Discretionary Compensation Schemes available at the Commonwealth level.

This submission (made up of the original submission lodged on 14 April 2010 and this Supplementary submission) has been prepared and filed so that the members of the Senate Standing Committee can get an idea of the nature of the operations of the Green Loans program and the impact of its meltdown from January to March 2010 from the perspective of the individual Home Sustainability Assessors (HSA) on the frontline of its implementation. As a part of this Inquiry, the Senate Committee has most likely received extensive information and views from DEWHA Departmental representatives, various Ministerial advisors, representatives from the Green Loan 'middleman companies' such as FieldForce but it is important that the Committee also hears directly from those people who put their personal time, skills, finances and community reputations at stake on a belief that what the government had told them about the merits of the program were credible and would be achieved through the significant administrative infrastructure and resources that the Commonwealth represented to them it was dedicating to the implementation of the scheme.

The Assessors (HSA's) were the ones that were trained by the Government (at their own expense) through the accrediting organisation, Association of Building Sustainability Assessors (hereafter referred to as "ABSA"), who became the foot soldiers enlisted to spread the Green Loans message and to disseminate information amongst the Australian public about home sustainability measures that they could effectively (and cheaply) adopt into their everyday lives. It should have been a very positive and worthwhile experience for all parties. Instead, the Assessors became the unwilling participants (and ultimately victims) in an ever increasingly destructive unfolding disaster, the scale of which only started to become apparent with the collapse of the DEWHA Green Loans booking and invoicing system from January 2010.

The unilateral and sudden reconfiguration of the program specifications on 19 February 2010 by the (then responsible) Minister Garrett was the final nail in the coffin of the future financial viability of the many new small businesses that had been established by the Assessors under the promise of the Scheme. By the end of March 2010 the cumulative impact of the mismanagement of the program by the Commonwealth had resulted in them losing significantly both financially and reputationally as the public goodwill towards the Green Loans program evaporated in the face of a failure of proper planning, risk management and implementation of an otherwise worthy government initiative.

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Leanne McIntosh, along with other former GLACO Assessors, is/are willing and ready to attend any public hearings scheduled by the Senate Standing Committee as a part of this Inquiry into the Green Loans Program and would welcome any opportunity to provide such further information and clarification as may be required directly to the Committee members about any of the matters raised in the Original Submission and this Supplementary Submission.

The Assessors would also like an opportunity to be provided with a copy of any submission made by GLACO or its representatives to this Inquiry and also to be given an opportunity to respond to any matters raised or allegations made in GLACO's submission that refer to or otherwise impact on the GLACO Assessors.

2) **Additional background to GLACO activities and operations under the Green Loans Program**

Who and what is GLACO Pty Ltd?

Green Loan Assessors Co-operative Pty Limited (GLACO) is a private proprietary company incorporated under the *Corporations Act 2001* with Australian Company Number [ACN] 131 420 383. It was first incorporated as Verdegas Pty Ltd on 3 June 2008 by its founding shareholders Trevor McTaggart, Neil Dodemaide and Harry Compton. The company was issued with 30000 shares, with each of the three founding shareholders holding 10000 shares each @ \$1.00 per share. Trevor McTaggart was appointed the director and secretary of the company (which remains the case to date).

On 27 August 2009 the Company name was changed from Verdegas Pty Ltd to Green Loans Assessors Co-operative Pty Ltd. The GLACO Assessors have only ever known it as Green Loans Assessors Co-operative Pty Ltd or "GLACO" for short.

Between July and December 2009 each of the 63 Assessors that "signed up" with GLACO (as listed in the table set out in the Original Submission of 14 April 2010 and update in this Supplementary Submission) signed an individual contract with GLACO Pty Ltd titled "Legally Binding Agreement

Terms & Condition of participation as a Member and Shareholder" which includes the following provision:

"On payment of the Joining fee (\$200.00) the HSA receives 2000 "C" class shares in GLACO....."

The provision goes on to state that although "C" Class shares held no voting rights, they entitled the shareholder to

"a proportional share of 20% of the annual Net profit of GLACO..."

(see Contract annexed as attachment "A" to this submission)

Upon signing the Shareholders agreement and the "Deed of Undertaking of Specified Personnel" which was an attachment to the contract GLACO had with DEWHA, each Assessor paid \$200.00 into a bank account that was held out by GLACO and its directors in the Shareholder agreement to be an "Accountants Trust Account". Each GLACO Assessor was firmly under the impression that they were acquiring 2000 shares in the company when they paid the \$200.00 into the Anderson Practising Accountants Trust Account BSB 633000 Account number 13542494.

Upon receipt of payment of the 63 amounts of \$200.00 into the nominated trust account GLACO (through its accountant) then held this total amount of \$12,600.00 in this trust account on trust for the GLACO Assessors until such time as the promised 2000 shares were issued in the name of each of the Assessors that "signed up".

However, it turned out that no shares were ever issued to any of the 63 payees of the \$200.00 amounts under the Shareholders Agreement. By email dated 9 March 2010 from Trevor McTaggart, (see attachment 3 to original Submission of 14 April 2010) these moneys were purported to be utilised as part of the "management buyout" of GLACO into the new entity Green Australia Marketing (hereafter referred to as "GAM") but all such dealings were without the knowledge or authority of the GLACO Assessors.

GLACO Assessors have received no answers or information from the firm holding itself out as the accountant in question "Andersons Tax Accountants" (which is registered in ASIC database), based in the same office building as GLACO and then GAM (originally all located at Melbourne and now located at Melbourne), about the current status of these moneys deposited into their trust account and any dealings or transfers of the moneys between July 2009 and 1 April 2010 (and continuing). This aspect of the matter has been referred to ASIC by individual former GLACO Assessors (including ASIC complaint numbers 11564/10 and 14612/10) as a part of the general complaints that they have lodged about the activities of GLACO, representatives of DEWHA and the management buyout arrangement involving GAM. The former GLACO Assessors are still making enquiries with the nominated accountancy firm and through ASIC to determine the current whereabouts of these funds and track any dealings with these funds if they have been withdrawn from the account. Certainly any payment or transfer of these funds prior to 1 March 2010 for any purpose other than the issuing of shares in GLACO is without the authority and consent of the GLACO shareholders. Any transfer or withdrawal of the funds since 1 March 2010 once GLACO announced it was "ceasing trading" under the Green Loans Program should have been to return the funds to the original payees as a refund for the shares they were never issued, and should not have been the subject of any transfer or "management buyout" arrangement to an any other third party or entity.

A search of the ASIC register for GLACO Pty Ltd as at 11 May 2010 does not indicate that any formal step of voluntary administration, or wind-up action has been filed or recorded in respect of the company so the description of the status of the company as "*ceasing trading*" remains unclear to date.

What services did GLACO provide?

GLACO was essentially nothing more than a service entity providing call-centre services and some invoicing and payment facilitation and processing services to the GLACO Assessors under the Green Loans Program. At its height, GLACO employed over 100 people in total with handful of managers (including GLACO shareholders and director Trevor McTaggart and Neil Dodemaide) and the remainder worked on the phones who were "cold-calling" members of the public to solicit home assessment work and Green Loan applications to be undertaken by the HSA's that had signed up to GLACO.

GLACO was a middle man in the process between the Commonwealth Department responsible for administering the GL program, which was DEWHA for the majority of the period under examination in this Senate Committee Inquiry until it was later unceremoniously transferred from the ambit of Minister Garrett's responsibility, to that of Minister Wong and her re-jigged Department of Climate Change and Energy Efficiency (DCCEE).

GLACO would find the home assessment lead through the call-centre and then pass it on a GLACO Assessor in the applicable geographical area. Once the home assessment work was booked, GLACO undertook to acquire what was known as an "AN number" from the DEWHA online booking system so that the work could be undertaken. Under the DEWHA system no assessment work performed by an Assessor could be invoiced and be paid for that did not have an AN number. (This rule had to be bypassed in January 2010 when DEWHA call-centre staff directed assessors to email bookings to the Department, as the DEWHA call centre and booking system had collapsed.)

For these services GLACO charged the Assessor an administration fee of \$47.50 per booked assessment (later increased to \$69.50 in February 2010 backdated to 1 January 2010)

GLACO had a unique structure in that, at all times, GLACO assessors were independent contractors, directly contracted to the government Green Loans program, as well as having a contract with GLACO to provide specific administration services to DEWHA and the HSA. An email dated 23 November from GLACO to their assessors clearly states "DEWHA has agreed that GLACO members are not employees or subcontractors as such they remain independently contracted to DEWHA." This was the only company involved in the Green Loans program with this arrangement.

How did the DEWHA → GLACO → HSA invoicing and payment system work?

There were a couple of different invoicing and payment models that were either put in place or developed as a result of the circumstances for GLACO to provide the services to GLACO Assessors.

The overwhelming common model is the one outlined below: These models were as follows:

A. System for GLACO generated assessment work

This system of invoicing and payment was used for GLACO assessments that were derived from the GLACO call-centre and passed on to GLACO Assessors.

(GLACO charged \$47.50 for this model of service essentially for a call-centre lead, AN number allocation, monthly invoicing to DEWHA, collection of funds from DEWHA on monthly invoicing and then payment to each Assessor in accordance with their invoices)

The steps involved under this system for GLACO Assessors to obtain work and be paid were (when the DEWHA system was working):

1. GLACO telemarket, find an interested householder (HH)
2. GLACO sends booking details to assessor (sometimes, and especially for those also booking their own private work regularly to avoid calendar clashes)
3. GLACO books HH in to DEWHA booking system before the 2 day grace period specified by Department - gets AN number
4. GLACO sends booking details (name, address, contact etc) with AN number to Assessor
5. Assessor rings to confirm appointment with HH before the 24 hr grace period specified by the Department and any cancellations by HH is noted by Assessor in DEWHA online booking system.
6. Assessor conducts assessment or, if there is a "No show/ Non attendance"(ie HH is not home, doesn't complete full assessment etc.) assessor notes this (in DEWHA booking system)*
7. Assessor submits completed assessment to Department in computer calculator
8. GLACO generates and emails to each Assessor Individual GLACO invoice for all GLACO booked assessments in specified period (usually around two weeks)
9. Assessor corrects invoice by highlighting all cancelled assessments/no shows in yellow and incorrect AN numbers, misspellings etc in blue, and returns corrected invoice electronically to GLACO by specified date
10. GLACO collates all corrected individual assessors invoices and sends a single invoice to DEWHA for payment (Assessors understand this was happening fortnightly from December 2009)
11. Assessor then transfers no shows by HH to his/her private work invoice and sends this to DEWHA directly once per month (this was as per directions from DEWHA contained in email sent by GLACO to Assessors on 23 November 2009 however many Assessors have now advised that did not receive this email advice from GLACO so were unaware that they were supposed to do this)

* NB: Assessors got paid \$50.00 (rather than the usual \$200.00) by DEWHA directly rather than through GLACO, with no booking fee due to GLACO, for any No shows by booked householders.

B. Additional GLACO Invoicing service for Assessors

for those GLACO Assessors who did not want to put a separate invoice to DEWHA once each month for the separate private work that they generated from their own promotional activities, and not through the GLACO call-centre. (GLACO charged a separate \$10.00 for this invoicing service)

The steps involved in utilising this service from GLACO were as follows:

1. Assessor finds an interested householder (HH), or DEWHA sends work to assessor directly
2. Assessor or GLACO or Department books HH in to government online booking system before the 2 day grace period specified by DEWHA
3. GLACO sends booking details with AN number to Assessor
4. Assessor rings to confirm appointment with HH before the 24 hr grace period specified by the Department and notes is cancelled
5. Assessor conducts assessment or, if there is a "No show/ Non attendance"(ie HH is not home, doesn't complete full assessment etc.) assessor notes this
6. Assessor submits completed assessment to DEWHA in computer calculator
7. GLACO generated invoice of all booked assessments in specified period (usually around two weeks) is received by Assessor
8. Assessor corrects invoice to highlight all cancelled assessments and no shows and returns corrected invoice to GLACO by specified date
9. GLACO collates all corrected individual assessors invoices and sends a single invoice to DEWHA for payment (Assessors understand this was happening fortnightly from December 2009)
10. Assessor then transfers no shows by HH to his/her private work invoice and sends this to DEWHA directly once per month (this was as per directions from DEWHA contained in email sent by GLACO to Assessors on 23 November 2009 however many Assessors have now advised that did not receive this email advice from GLACO so were unaware that they were supposed to do this)

C. Less preferred model of booking and invoicing

but became common by necessity in January and February 2010 during DEWHA call centre meltdown, just so GLACO Assessors could continue to work.

1. GLACO telemarket , find an interested householder (HH)
2. GLACO sends booking details to Assessor
3. Assessor books HH in to DEWHA booking system before the 2 day grace period specified by DEWHA
4. Assessor sends GLACO the AN number
5. Assessor rings to confirm appointment with HH before the 24 hr grace period specified by DEWHA and notes in the DEWHA booking system if cancelled
6. Assessor conducts assessment or, if there is a "No show/Non attendance"(ie HH is not home, doesn't complete full assessment etc.) Assessor notes this in booking system
7. Assessor submits completed assessment to DEWHA in computer calculator
8. Individual GLACO generated invoice of all GLACO booked assessments in specified period (usually around two weeks) is received by assessor
9. Assessor corrects invoice by highlighting all cancelled assessments, no shows in yellow and incorrect AN's, misspellings etc in blue, and returns corrected invoice to GLACO by specified date
10. GLACO collates all corrected individual assessors invoices and sends a single invoice to Department
11. Assessor adds no shows to his private work invoice and sends this to Department once per month

D. Standard Private Work Model

Privately sourced work and DEWHA notified work (arising from DEWHA's own advertising when it happened) was kept separate and submitted on a separate invoice direct to DEWHA once each month along with any No shows/Non attendance AN numbers to be paid \$50 fee, and any travel fees payable. The only overlap was that both the Assessor and GLACO had access to the Assessors portal in the electronic booking system (once it became available in January 2010) so as to ensure that assessment booking times lodged for the individual Assessor did not clash (i.e GLACO bookings and private bookings made for the same time on the same day).

Within the GLACO group of Assessors some assessors routinely divided their work evenly between this private work model and the GLACO work models each month. Many Assessors worked exclusively through GLACO's standard model and did not undertake any private work.

Outline of Problems that arose in the booking system during the DEWHA call-centre meltdown in January and February 2010.

The DEWHA booking system configuration changed in January and February 2010 as GLACO and all assessors desperately tried to get AN numbers to authorise work they had arranged and booked, but could not register into the government system:

- Assessors and GLACO were told by DEWHA to email bookings in as the DEWHA booking system was not functioning. Large numbers of these bookings disappeared and became "missing AN's" for work completed.
- The DEWHA call centre was overwhelmed and assessors and GLACO were told by recording if they left their contact details, they would receive a callback to accept bookings and retro-issue AN's for work completed. Many assessors never received a callback and large numbers of these bookings became "missing AN's".
- Assessors and GLACO spent hours on the phone everyday just trying to get AN numbers for work.
 - Assessors advise that it was almost impossible to make bookings with the DEWHA call centre at this time. All assessors had to play 'phone lottery' starting at 9am and ending at 5pm every day, hitting redial hundreds of times, sometimes all day, without getting a line into call centre. On average it would take 2 hours re-dialing non-stop to get a line in, and then a wait of 1hr 30 minutes on hold
 - Customer cancellations, no shows, corrections to street and name spellings, questions about missing ANs were rarely allowed and taken as part of the maximum 5 bookings allowed per call made during this time as only new bookings were accepted.
- As only new bookings were accepted by the call centre, no corrections to inaccurate entries or details such as company tags ie which organisation was entitled to invoice for each AN registered in the

system could be made. The company tags never correlated with which entity was entitled to invoice for work since the launch of the new booking portal in January, could not be fixed by assessors, and were never cross checked for invoicing either, until after GLACO collapsed in March 2010.

- Many GLACO Assessors changed the model they were operating with GLACO to model C above where GLACO supplied telemarketing leads, that the Assessor would then spend hours trying to lodge with the DEWHA call centre, just to try to get AN numbers issued to guarantee they would be able to invoice for this work.

3) Chronology of Events - February 1997 to May 2010

GREEN LOANS/GLACO PTY LTD CHRONOLOGY

3 June 2008	Company [ACN 131 420 383] incorporated under <i>Corporations Act</i> under the name VERDEGAS PTY LTD - 30,000 shares issued @ \$1.00 per share Company established by three Shareholders <i>Trevor McTaggart (Secretary/Director)</i> - 10,000 shares <i>Neil Dodemaide</i> - 10,000 shares <i>Harry Compton</i> - 10,000 shares
Dec 2008 to February 2009	DEWHA contracted ABSA to write a training course in Home Sustainability Assessment.
February 2009	Public Launch of Green Loans program delayed by Government until July 2009
26 Feb 2009	ABSA's application to become an Assessor Accreditation Organisation under Green Loans scheme is accepted by DEWHA
April – June 2009	First Green Loans training programs for new assessors commenced by ABSA (DEWHA's assessment software is still in development and unavailable at this time)
8 May 2009	Press release from Minister Garrett announcing the program stating <i>"The Green Loans Program will involve a team of 1,000 assessors providing advice to 360,000 home owners."</i>
May/June 2009	Green Loan information sessions held throughout Australia for prospective assessors - attended by DEWHA Director of Green Loans program
June 2009	Second part of assessor training delivered - intended to be training on use of DEWHA's software to generate assessment reports but assessment software still in development and so not ready
1 July 2009	Official launch of Green Loans program by Minister Garrett and DEWHA (program launched without any assessor software)
26-28 August 2009	Assessor representative body ABSA recommends to the Minister and DEWHA that assessor numbers be capped to ensure viability of program and investment by assessors
27 August 2009	Name of company [ACN 131 420 383] changed from VERDEGAS PTY LTD to GREEN LOANS ASSESSOR CO-OPERATIVE PTY LTD (GLACO)

- 27 August 2009 DEWHA newsletter announces assessor online booking system would be made available which stated:
"This will give greater control to Assessors by allowing them to arrange their own bookings and manage their schedules accordingly, rather than operating through the Call Centre." (This was never delivered to average assessors, although FieldForce had a system that linked directly to DEWHA)
- 2 Sept 2009 DEWHA Green Loans Unit meets with ABSA and agrees to consider moratorium on bringing any new assessors into the system
- 15 Sept 2009 DEWHA newsletter announces assessor online booking system imminent:
"We expect to have this up and running in the coming weeks i.e. sometime in October."
- 16 Sept 2009 DEWHA suspends nationwide public promotion campaign for Green Loans program due to concerns about coverage of assessors in regional areas
- 25 Sept 2009 DEWHA announces figures of over 27,900 assessments booked and over 14,890 assessments completed.
- 1 Oct 2009 GLACO commences making assessment bookings for contracted assessors
- 6 Nov 2009 ABSA announces that as of 24 December 2009 it will cease accepting new applications to become Home Sustainability Assessors (HSA) for the Green Loan Program until further notice due to concerns about excess numbers. (They continued to process applications after this to 21 Jan 10)
- 3 Dec 2009 GLACO requires individual assessors to lodge corrected invoices by this date for assessments undertaken by them for November 2009
- 15 Dec 2009 GLACO requires individual assessors to lodge corrected invoices by this date for assessments undertaken by them for 1st half of December 2009
- 24 Dec 2009 DEWHA announces via email that the Green Loans call centre will be shut down from 25 Dec 2009 to 8 Jan 2010 - many assessors advise they never received this email. DEWHA deletes all calendar booking entries and attempts to start new booking portal.
- 6 Jan 2010 GLACO requires individual assessors to lodge corrected invoices by this date for assessments undertaken by them for 2nd half of December 2009
- 10 Jan 2010 DEWHA Green Loan call centre still not taking new bookings from assessors - first advice to assessors to make new bookings via email
- 12 Jan 2010 DEWHA launches new online assessor booking portal (over 6 months late) but assessors experience significant faults with system
- 10 January to 19 Feb 2010 Green Loans call centre goes into meltdown and booking system for assessors breaks down completely
- This situation continued until the major changes to the Green Loans program were announced by Minister Garrett on 19 February 2010. Senators Milne, Birmingham and Laming, as well as Minister Garrett's offices are all flooded with emails from assessors that they cannot work.
- 14 Jan 2010 DEWHA emails assessors:
"As you might be aware, the Green Loans call centre, calendar and the new online assessor portal have been experiencing technical issues this week. ... Assessors are able to request a call-back or send new booking requests by email. In addition, more staff have

*been brought on to answer calls and process bookings. Right now, we ask assessors to submit **new bookings only** by email to greenloanassessments@environment.gov.au."*

Green Loans Call centre staff begin to tell assessors to undertake assessment work without being able to book them in the system and then email bookings into Green Loans Unit email at greenloanassessments@environment.gov.au to get AN numbers

To the present day, many assessors have been unable to get these ANs either from the call centre, through email or a callback.

- 16 Jan 2010 DEWHA emails assessors that email bookings are being accepted - DEWHA's email response in reply to emails is:
'The call centre is accepting new bookings via this email address as an interim due to server system updates. This reply acknowledges that we have received your email. An operator will be in touch with you as soon as possible to confirm this information.' (Many assessors are still waiting for these calls.)
- 19 Jan 2010 GLACO requires individual assessors to lodge invoices by this date for assessments undertaken by them for first half of January 2010 (and for many also had to include 2nd half of Dec 09 as portal was down during December and assessors could not crosscheck details to invoice)
- 22 Jan 2010 ABSA emails uncontracted assessors that the 5000 new assessors that have completed their training by 24 December 2009, but are not yet accredited, will be offered refunds of fees paid
"To help manage assessor numbers ABSA announced to the industry in early Nov that new applications would only be accepted until 21 January 2010 from those candidates who had completed their training by December 24, 2009.... This action did not have the intended effect of limiting the number of applicants to sustainable level.....ABSA is now holding over 5,000 new applications awaiting processing."
- 29 Jan 2010 DEWHA emails assessors they can now view bookings in the Green Loans online portal but they must still use the call centre to make bookings
- 1 Feb 2010 DEWHA newsletter advises assessors that new assessor bookings can only be made through the Green Loan call centre"
*"As of the week ending 22 January 2010, over 182,000 assessments have been booked and over 128,900 assessments have been completed... Assessors are reminded that their contract states that the Department does not guarantee any specific workload under the Green Loans program..... The call centre has been working at a very high level. As a result, we understand that wait times for some assessors on-hold have been high, and we are urgently addressing this issue. We would like to remind people to only phone the call centre to make or change bookings. **More call centre staff are currently working on calling back assessors who have left messages and are also focusing on issuing AN numbers as quickly as possible. All new bookings to made through the call centre.** Assessors can no longer email new bookings to the email address of greenloansassessment@environment.gov.au. This address is now closed.."*
- 2 Feb 2010 DEWHA emails assessors advising the department has run out of promotional material for the Green Loans program that it was providing to assessors for free.
- 5 Feb 2010 GLACO requires individual assessors to lodge invoices by this date for assessments undertaken by them for second half of January 2010
- 8 Feb 2010 GLACO Assessor emails DEWHA officer in Green Loans Unit, evidencing a reply to concerns expressed by Assessors that GLACO are not paying assessors.

- 9 Feb 2010 DEWHA appears before Senate Estimates Committee to answer questions about Green Loans Program
- 12 Feb 2010 DEWHA newsletter advises assessors that the Green Loans call centre will only accept new bookings and that queries about AN numbers, correcting bookings etc cannot be done through the call centre:
“..... around 3,600 assessors are currently contracted to the Department. The call centre’s infrastructure cannot handle this level of demand and that is why some people are not able to get through to a call centre operator or are on-hold for a long time...Please only ring the call centre to submit new bookings and get booking numbers...Do not submit booking requests through the call centre’s head office, individual call centre or departmental officers, or email addresses – bookings will not be accepted through these entry points:

Contact points: Assessment bookings, cancellations, rescheduling and AN numbers: 1800 895 076
** Calculator queries and amendments: glassessors@environment.gov.au*
** General enquiries for the Green Loans team: greenloans@environment.gov.au*
** Promotional advice, advertising etc: greenloanscomms@environment.gov.au*
** Online portal questions and log-ins: glassessors@environment.gov.au and write ‘portal issues’ in the subject box.”*
- 19 Feb 2010 Minister Garrett announces sudden and major changes to the Green Loans program:
– The Green Loan is discontinued.
– Each assessor is now limited to a maximum of 5 assessments per week and 3 in any given day (down from 49 bookings per week (7 per day)
– Individual assessors can only book assessments a maximum of 2 weeks ahead (ie no bulk company bookings).
– An overall cap of 15 000 assessments per week is imposed for a maximum of 5000 assessors to be contracted.
– Green Start program (similar program offering alternative employment options) is deferred until 2011
- Green Loans call centre is closed from Friday 19 Feb 2010 while changes are implemented.
- No mention is made by the Minister of:-
– the approx. 4000 assessors who were trained but not yet accredited (who paid on average \$4000 to train, insured and register with ABSA) and are left without a contract and no way to recoup their costs.
– how the existing assessors who have not been able to get booking numbers for work completed in Jan and Feb 2010 because of the system meltdown will be able to get paid for that work
- DEWHA Call Centre cannot answer any questions assessors have on the new regime. Emails to DEWHA are not answered.
- 22 Feb 2010 GLACO requires individual assessors to lodge invoices by this date for assessments undertaken by them for first half of February 2010
- 24 Feb 2010 GLACO director/shareholder, Trevor McTaggart, emails GLACO assessors regarding changes announced to the Green Loans Program and advises that as of 1 March 2010:
– introduction of new upfront fee payable by Assessors to GLACO per each 5 bookings;
– assessors can only invoice direct to DEWHA for all assessments from 1 March
- No notice given in email about proposed changes to company operations or Green Loan activities

- 24 February 2010 Prime Minister Rudd announces \$41.2 million assistance/compensation package for insulation businesses affected by the closure of the household insulation program
- 2 March 2010 Payment for January received today from GLACO and does not add up
- 4 March 2010 and from Green Australia Marketing Pty Ltd (GAM) email GLACO Assessors and send them an invoice payable immediately to GAM. This is the first notice GLACO Assessors had that GLACO had moved to a new company structure with different Directors. We were not told by GLACO.
- 5 March 2010 GLACO requires individual assessors to lodge invoices by this date for assessments undertaken by them for the remaining part of February 2010
- 8 March 2010 Green Loans program removed from the portfolio of Minister Garrett and responsibility transferred out of DEWHA. Penny Wong appointed Minister in charge of Green Loans under new Department of Climate Change and Energy Efficiency (DCCEE).
- 8 March 2010 onwards GLACO Assessors commence emailing and calling ABSA and DEWHA seeking for February payment to GLACO to be frozen, as assessors were concerned that they would not be paid following GLACO ceasing trading. (See Attachments to original Submission lodged 14 April 2010 for details/evidence.)
- 9 March 2010 GLACO director/shareholder Trevor McTaggart emails GLACO Assessors re: "management buyout" of the company and transfer of Green Loan booking services to new company GAM Green Australia Marketing Pty Ltd who will make bookings from March 8, and move to new offices. He advises that Neil Dodemaide has resigned, effective today. The \$200 joining fee was paid to GAM. Feb payment due on 1 April. Invoice direct to DEWHA for March. (Attachment 9 Senate Submission)
- 10 March 2010 Green Loans program referred to Senate Standing Committee on Environment Communication and the Arts for inquiry and reporting on 21 June 2010.
- 10 March 2010 GLACO assessor (of emailed DEWHA advising them not to pay his GLACO Feb invoice into GLACO's account and forwarded all his GLACO generated work on an invoice under name of for the full amount owed for GLACO generated assessments and then did the same for March. Interestingly were paid by DEWHA directly on 23 April for these February and March invoices whilst other Assessors had been advised by DEWHA call-centre staff they could not be paid this way but they could only go through GLACO.
- 15 March 2010 GLACO Assessor emails at DEWHA:
"Before I submitted my invoice for my February jobs with them (GLACO), I contacted DEWHA and pleaded with them to let me put in my Co-op jobs straight to DEWHA as I was worried that the Coop was going to do a runner. I have now been told that this is the plan and that Trevor McTaggart has been investigated by ASIC in the past. If I am not able to be paid my money which is about \$6,500 then I will lose my house, I am just one of 70 assessors. I again am pleading with DEWHA to stop payment for February work before we are left penniless. Please advise me on what action to take I have contacted ASIC."
- 16 March 2010 GLACO assessor member lodges complaint with ASIC (complaint number 79929406 in follow-up to previous complaint number 5090577 submitted by GLACO assessor member on 15 March) regarding operations and activities of GLACO Pty Ltd and the circumstances surrounding the transfer to GAM Pty Ltd alleging defrauding of assessors
- 19 March 2010 ABSA and a group of assessor representatives meets with Minister Penny Wong

- 24 March 2010 ABSA release Discussion Paper submitted to Minister Wong at their meeting of 19 March 2010
- 29 March 2010 FieldForce (through its company UXC Pty Ltd) states publicly that it is applying for compensation from the Commonwealth Government for the problems with the Green Loans Program:
- 1 April 2010 GLACO director Trevor McTaggart emails GLACO Assessors to advise GLACO is "ceased trading" on 30 March 2010 and that GLACO has no assets but substantial liabilities and that GLACO would not be paying Assessors for February work invoiced and paid to GLACO by DEWHA. (Attachment 4 Senate Submission)
- of ABSA emails GLACO assessors to advise that ABSA did ask DEWHA to hold GLACO February payment after GLACO assessors had contacted him in early March (Attachment 11 original Senate Submission lodged 14 April 2010)
- 1 April 2010 of ABSA emails GLACO assessors stating
"I have put a request into GL to determine when the last payment has been made to GLACO. I do know that they were paid over \$700,000 in Feb, and if assessors were owed money prior to this date, then clearly they were in trouble long before Feb."
- 4 April 2010 GLACO assessor lodges follow-up complaint re: GLACO and GAM with ASIC (complaint number 80031335) (Attachment 12 Senate Submission)
- 7 April 2010 DEWHA emails ex-GLACO assessors to advise the Department is aware GLACO has ceased trading and that a dedicated unit has been established
- 7 April 2010 ABSA survey of 982 assessor organisations found 93% of assessors were waiting more than 30 days for invoices to be paid and 70% of householders are waiting more than 2 months for their reports to be processed.
- 9 April 2010 ABSA issues Press release re: GLACO collapse
- 12 April 2010 GLACO director Trevor McTaggart emails GLACO Assessors to advise he is applying for compensation from Commonwealth government.
- 13 April 2010 Invoices for all unpaid GLACO assessors listed on original senate submission/statement of claim sent to DCCEE and at ABSA by unpaid GLACO assessors.
- 14 April 2010 DCCEE emails GLACO assessors - *" We would also like to clarify that the Department is not in discussions with GLACO about compensation. As mentioned however, the Department is seeking legal advice to help resolve issues for assessors associated with the collapse of GLACO...We would like to clarify that Green Loans Assessors are not being deregistered. If you have an individual contract with the Department and operate within the program guidelines, you are able to continue to undertake home sustainability assessments." The email requests "Clarification regarding the arrangements you had in place with GLACO (for example, did GLACO book assessments on your behalf or simply invoice the Department for assessments you had booked yourself and competed)."*
- 21 April 2010 DEWHA finally tells Green Centre call centre to stop registering assessor bookings in the assessor portal under the GLACO company tag - assessors had been trying to get this corrected since beginning of March 2010.
- GLACO deregistered as a HSA with DEHWA.
- 22 April 2010 DCCEE emails GLACO assessors.

“Once we receive final legal advice we will be able to respond to your specific situation... We are collating and cross referencing the information you have sent us in order to act as quickly as possible when we have clarification on contractual and payment arrangements.”

- 28 April 2010 GAM emails DEWHA to try to fix company tags so assessors can be paid and emails ex-GLACO Assessors to advise:
“Any Home Sustainability Assessments booked under the GLACO name have been frozen so payment can’t be made to the individual HSA. Unfortunately when GAM booked on behalf of some HSA’s, the DEWHA Call Centre didn’t recognise GAM as connected with the HSA or HSA’s entity. There was a decision taken at Call Centre level to book them under GLACO. The result is that the HSA’s now can’t be paid.”
- 5 May 2010 DCCEE emails GLACO assessors that they will process invoices for March and April invoices by 12 May, and assess all GLACO and private February invoices individually at a later date. - (also effectively notifying them that if GLACO submitted unlawful invoices for GLACO assessor private work and stole yet more money from us it is our problem again!)
- 10 May 2010 Sun Herald newspaper reports that not one \$50 Green reward card has been posted.
- 10 May 2010 of ABSA advises by email that DCCEE have not sent any further information regarding payments to GLACO or dates they were paid up to March but he has requested this again.
- 11 May 2010 DEWHA officer advises GLACO assessor that all February 2010 work of ex GLACO assessors, both private and GLACO generated work is now quarantined by legal officers and will not be paid anytime soon

4) Update and confirmation of total amounts owed to Assessors by GLACO as at May 2010 from the monies DEWHA paid to GLACO

The original Submission to the Standing Committee lodged 14 April 2010 set out an estimated range of figures for the total amount owed to the former GLACO Assessors, being \$395,090.00 - \$497,400.00 for assessment work done by them sourced through the GLACO call centre model. Since the lodgment of the original Submission, the former GLACO Assessors have had a more considered opportunity to examine their records and have now confirmed to the author of this Supplementary Submission the final figures for the amounts they are each owed is as set out in the table below

Actual losses for unpaid GLACO assessments

	Name	HAS no.	State	Amount Owed
1.				5800.00
2.				7700.00
3.				7225.00
4.				10780.00
5.				10400.00
6.				14960.00
7.				4400.00
8.				11200.00
9.				7600.00
10.				5550.00

SENATE STANDING COMMITTEE - INQUIRY INTO GREEN LOANS PROGRAM - SUPPLEMENTARY SUBMISSION
 BY LEANNE MCINTOSH ON BEHALF OF FORMER GLACO PTY LTD ASSESSORS - 13 MAY 2010

11.				12320.00
12.				9400.00
13.				7500.00
14.				2200.00
15.				8000.00
16.				2640.00
17.				12540.00
18.				2500.00
19.				7600.00
20.				2000.00
21.				3500.00
22.				12200.00
23.				7700.00
24.				12540.00
25.				4840.00
26.				6600.00
27.				6800.00
28.				4800.00
29.				2420.00
30.				5200.00
31.				3000.00
32.				2700.00
33.				3600.00
34.				2600.00
35.				10200.00
36.				0.00
37.				21850.00
38.				9000.00
39.				7000.00
40.				15600.00
41.				4800.00
42.				8040.00
43.				12760.00
44.				8360.00
45.				23760.00
46.				0.00
47.				0.00
48.				23760.00
49.				8000.00
50.				8500.00
51.				5400.00
52.				5800.00
53.				8600.00
54.				14200.00
55.				13000.00
56.				17820.00
57.				18920.00
58.				16200.00

59.				16500.00
60.				9000.00
61.				14960.00
62.				3000.00
63.				18800.00
64.				11880.00
65.				8000.00
				<u>\$574,525.00</u>

* each of the names, details and amounts set out in the table above have been provided with the consent of each Assessor identified and have already been submitted by each Assessor to the Department of Climate Change and Energy Efficiency on the invoice template supplied to Assessors on 14 April 2010

The above table only sets out the amounts owed to Assessors for work undertaken by them for GLACO generated assessments over the period covering January and February 2010 for which GLACO had invoiced DEWHA (from information provided to GLACO by the Assessors) and for which DEWHA has paid GLACO direct.

As previously outlined in our original Submission of 14 April 2010 the payments for January and February 2010 were made to GLACO by DEWHA in the face of explicit and repeated warnings by individual GLACO Assessors plus a representative of ABSA that there were signs that GLACO were in some financial uncertainty and specific indications and intelligence that the directors were intending to divert the moneys from the February payments owed to the Assessors once DEWHA paid those invoices away from the Assessors and towards covering their own the company's other liabilities.

The above table does not include other categories of monies owed to GLACO assessors including:

- Assessment work done in January and February for which they were unable to acquire AN numbers from either GLACO or the DEWHA booking system direct once the DEWHA Call Centre collapsed and for which DEWHA call centre staff advised them they should proceed with and obtain AN numbers later once the system was functional again
- Private work, no shows and travel fees conducted and invoiced by Assessors for February 2010 that remains unpaid and may have been paid to GLACO by DEWHA

Once these additional categories of work are collated and tallied by the Assessors the amount of monies outstanding for assessment work performed by them under the Green Loans program up to 1 March 2010 will increase significantly from the figure of \$574,525.00 outlined in the above table.

5) Outline of the issues of Maladministration by the Commonwealth in the administration of the Green Loans Scheme

Demonstrated maladministration by the Department of Environment Water Heritage and the Arts from July 2009 to April 2010

The conduct displayed by DEWHA and officers of Green Loans Unit in the implementation of the Green Loans Program displayed all the elements of maladministration, in particular neglect, dereliction of duty, improperly discriminatory, incompetence, unreasonableness and oppressiveness. These are demonstrated in the features of the manner in which the Green Loans program was implemented by DEWHA which has been outlined in this Submission by the GLACO Assessors to this Inquiry (made up of the original Submission and this Supplementary Submission).

1. The sudden overhaul of the program on 19 February 2010 in response to the problems experienced with the execution of the program without notice or consideration of the impact such a drastic change in the criteria for the program would have on assessors was manifestly unreasonable and the overnight limit introduced on the work levels of assessors to 5 per week was oppressive.
2. the undisclosed preferential and distinctive booking and AN number allocation system supplied or otherwise provided by DEWHA to FieldForce as a HSA under the Green Loans program was improperly discriminatory as between HSA's. By being placed in a position by DEWHA of having their own processing stream and fast-tracking system direct to the Green Loans Team for the management of booking number allocation and payments meant that at times of capacity constraints in the system Fieldforce had an unfair advantage and opportunity to access the Call Centre services and to take up the lions share of the limited supply of booking numbers. This built discrimination as between HSAs into the very system itself and resulted in financial detriment to those who acted in good faith to become trained and accredited under the Green Loans program on the belief that they would have as fair and equal an opportunity to prosper through their participation as a HSA under the program as any other person.
3. The booking, number allocation and reporting system (both electronic and manually operated through the Call-Centre) installed by DEWHA for the Green Loans program was manifestly deficient in capacity and design to undertake the work actively encouraged, promoted and represented by the Commonwealth under the program. This points to neglect and incompetence on the part of responsible DEWHA officers covering poor planning, resource allocation as well as misrepresentation as to capacity on the part of the Commonwealth that induced individuals to enrol, train and expend moneys to become accredited under the Program.
4. the apparent complete failure by responsible DEWHA officers to undertake basic and prudent due diligence on the character and business background on the directors of corporate entities they were contracting with under the Green Loans Program thereby putting at unreasonable risk the efficacy and integrity of the program.

As far as the GLACO Assessors are concerned in allowing Trevor McTaggart to be involved at a ownership and managerial level in a HSA company like GLACO with which DEWHA entered into a contract which required his company to recruit individual HSA's to deliver the Green Loans services on behalf of the Government and made his company the recipient of moneys the Commonwealth owed to the individual HSA's amounted to serious maladministration on the part of DEWHA and its Departmental officers, in particular

- Failure to appreciate impact on the public and on individual participants in the Green Loans program

- Breach of trust owed to HSA's it knew were contracted to GLACO and members of the public that utilised GLACO's services
 - Failure to properly investigate the risks to public moneys and the program integrity that allowing GLACO to participate in the Green Loans Program at the level that it was permitted to
 - Negligence and the absence of proper care and attention in the management and implementation of the Green Loans Scheme
5. DEWHA officers and managers of the Green Loans Unit and DEWHA Call Centre willfully and recklessly ignoring or otherwise unreasonably failing to act to heed the warnings given to them about the dangers of payment of the February invoices to GLACO in circumstances where it was known to be highly likely that the invoices provided to DEWHA by the Assessors through GLACO would not be paid or honoured by GLACO from such payments made to it by DEWHA.

The GLACO Assessors have established in this submission that the Department had fair and reasonable warning as to the risks regarding the loss of the February payment due to be paid to GLACO (from themselves and from ABSA). The individual Assessors made all reasonable attempts to avert what ultimately happened by GLACO absconding with their February payments, and it was solely within the control of DEWHA to prevent this outcome by withholding the payment pending the addressing of the concerns that were being expressed by the legitimate owners of the moneys. DEWHA actively denied the Assessors the only other alternative which would have avoided the outcome by refusing to allow the Assessors to invoice DEWHA directly for their outstanding assessment work and continued to insist that they invoice for the work for February through GLACO.

DEWHA has already established a precedent for payment of one former GLACO Assessor, of _____, who forwarded his February invoices directly DEWHA during this period via email by-passing the dysfunctional DEWHA call centre and booking system. This Assessor received payment for February from DEWHA. He did this for March as well and has now been fully paid for all work. Those GLACO Assessors that diligently followed the instructions given to them by DEWHA, even in the face of their warnings to DEWHA about the risks associated in DEWHA paying GLACO should not be unfairly penalised for following DEWHA's directions.

As far as the GLACO Assessors are concerned this conduct on the part of DEWHA amounts to maladministration as:-

- Failure to appreciate impact on the public or an individual of not acting on the warnings
- Giving undue weight to the Department's convenience or interests in the circumstances
- Breach of trust
- Failure to properly investigate
- Negligence or the absence of proper care and attention

6) The basis for claim by GLACO Assessors under Commonwealth Discretionary Compensation Schemes

The Commonwealth has in place two schemes whereby persons adversely affected by the actions of Commonwealth officers may receive compensation. They are:-

- the Compensation for Detriment caused by Defective Administration (the CDDA scheme); and
- the "*act of grace*" scheme.

As we understand it the CDDA is a purely executive scheme administered by individual agencies responsible for the defective administration in accordance with a Finance Circular 2006/05 issued by Department of Finance and Regulation. The act of grace scheme is statutory; the *Financial Management and Accountability Act 1997* determines the circumstances in which a payment can be made. The act of grace scheme is administered by the Department of Finance and Administration.

The GLACO Assessors consider that the circumstances of their experience with DEWHA and its officers in their implementation of the Green Loans program and their administration of the various components of the scheme (from contracting parties, installation and design of the assessment booking and reporting system as well as the invoicing and payment arrangements for HSA's) falls squarely within the ambit of at least one of these discretionary compensation schemes or both.

The Assessors complied with all directions from DEWHA regarding training, accreditation, performance standards and timeframes for the provision of required reporting and payment information. They attempted to alert DEWHA during the course of February 2010 to the serious risks associated with DEWHA making the payment to GLACO for their February payments but such warnings were ignored or unheeded and the payment was made by DEWHA in March 2010. DEWHA is now attempting to rely upon the fact that the GLACO Assessors had contracts with GLACO and that therefore there is no contractual liability on the DEWHA's part to make good those losses that were incurred when GLACO did so abscond with the February payments. It is clear in these circumstances that injustice will flow and the GLACO Assessors will have incurred loss unfairly if this situation is allowed to stand.

The GLACO Assessors therefore request for the Senate to take up the issue of compensation with the DEWHA or with the Department of Finance and Administration as well as make recommendations as a part of this Inquiry to the Government and the Parliament that provide for adequate redress to them for financial loss that they have experienced as a direct result of the many and systemic failures of the department under the scheme.

In February 2010 Prime Minister Kevin Rudd announced a \$41.2 million assistance package to compensate the insulation industry after the 19 February 2010 changes were made to this program and the Green Loans program, with a further \$15million compensation announced for insulation installers on 6 May 2010. GLACO Assessors feel that equity requires that they too are entitled to a similar dispensation of justice by the government for all or part of their losses and that the discretionary compensation schemes available to the Commonwealth should be utilised for this purpose as soon as possible.

A failure to act in the manner with which the Government has acted under the home insulation scheme to redress losses and injustices caused by Government mismanagement and maladministration will leave HSA's out in the cold and confirm to us that the Green Loans program was nothing more than the "poor cousin" to the home insulation scheme in the eyes of the Government, despite its promises and representations to us to the contrary.

Moreover, the GLACO Assessors are aware that Finance Director from UXC, the company that owns FieldForce, has recently stated publicly in the media that Field Force is in discussions with the Commonwealth government regarding compensation to it for the company's losses arising from its involvement in the Green Loans program and the changes announced on 19 February 2010.

It would be unfairly discriminatory for the Government to grant selective compensation to only one affected party and would compound the injustice caused to date by the preferential treatment that appears to have been given to FieldForce by the government throughout the implementation of the Green Loans Program. The GLACO Assessors would therefore appreciate access to any information this Senate Inquiry can uncover regarding any compensation to FieldForce that is proposed or being discussed as well as details as to which compensation scheme FieldForce and the Government may be contemplating for this purpose.

7) Other matters GLACO Assessors would like the Committee to examine and enquire into

1. GLACO Assessors would like the Inquiry to ascertain the precise payment dates and amounts made by DEWHA to GLACO for January and February 2010 invoices (prepared by the GLACO Assessors)

To date the GLACO Assessors do not have access to information on precise dates and amounts of payments made by Department to GLACO for February assessment work completed. Requests have been made to DEWHA and the Commonwealth Auditor-General (ANAO) who we understanding is conducting an audit into the Green Loans Scheme for such information but both departments have advised that such information is confidential government records and cannot be disclosed to us.

This basic information about payment amounts and dates and the GLACO Assessor invoices that make up such payments are needed so that each Assessor can cross-reference their records with those of the Department for the purposes of determining with any precision to extent of their losses and possible claims against GLACO, GAM and the Commonwealth.

2. The GLACO Assessors seek the assistance of the Senate Inquiry to find out information regarding any proposed compensation to FieldForce as well as details as to which compensation scheme FieldForce and the Government may be contemplating for this purpose.

As noted above, the GLACO Assessors are aware that FieldForce is in discussions with the Commonwealth Government about compensation to it for losses it incurred as a result of its participation in the Green Loans program. It would be unfairly discriminatory for the Government to grant selective compensation to only one affected party.

3. Fraudulent misrepresentation about share issue in GLACO Pty Ltd

Issue of misrepresentation and fraud on the part of by GLACO directors and other representatives in taking money from GLACO Assessors at the time they each signed up as a "Member and Shareholder" of GLACO and failing to issue the 2000 shares in the company to each Assessor as promised in the Shareholders Agreement.

4. Fraudulent misrepresentation regarding the payment of monies from the Commonwealth for invoices lodged by GLACO Assessors would be made into "Accountants trust account" and from there paid direct to Assessors.

This misrepresentation is contained in the Contract between GLACO and Assessors attached at Attachment "A". The Assessors have referred this issue to ASIC as part of their complaint but ASIC have advised that the status of their investigation into the matter and any documentation or information that they uncover about these kinds of matters are confidential and cannot be disclosed to us.

The Assessors have also made enquiries with various accounts professional and regulatory bodies in Victoria and they have advised they have no record of Trevor McTaggart as in any way being an accredited accountant or any accountancy firm under their auspices known as "Anderson Accountants" or the like.

5. The details and circumstances surrounding the transfer or "management buy-out" as alleged by Mr McTaggart of GLACO to GAM on 8 March 2010.

Assessors have made repeated requests to GLACO directors and GAM staff and management to provide details of these events without success to date. The Assessors have referred this issue to ASIC as part of their complaint but ASIC have advised that the status of their investigation into the matter and any documentation or information that they uncover about these kinds of matters are confidential and cannot be disclosed to us.

The Assessors would really appreciate any assistance the Committee can provide (or any individual members of the Committee can provide) in seeking basic information regarding the circumstances surrounding the set up of GAM and the dealings that took place between GLACO and GAM on or around 8 March 2010.

The GLACO Assessors would also like an opportunity to be provided with a copy of any submission made by GLACO or its representatives to this Inquiry and also to be given an opportunity to respond to any matters raised or allegations made in GLACO's submission that refer to or otherwise impact on the GLACO Assessors.

8) Supporting Documentation/Attachments to this Supplementary Submission

Attachment "A" - copy of Legally Binding Agreement" entered into between GLACO and Assessors including attachment A required by DEWHA

"A"

Terms Sheet

Legally Binding Agreement

Terms & Conditions of participation as a Member & Shareholder

-between-

Green Loans Assessors Co-operative Pty Ltd (GLACO)

-and-

[Insert HSA's name] (HSA)

Introduction

- The HSA has asked to join the GLACO
- The GLACO will assess the HSA's application to join and either accept or reject the HSA's application
- Membership to the GLACO is at the sole discretion of GLACO and can be terminated at any time

Services offered by GLACO

- Lead generation
- Insurance products
- Referral service
- Pressure Group
- Administration Services

Object of GLACO

The principal object of GLACO is to provide leads for Home Sustainability Assessments. In addition GLACO will offer to perform administrative functions for HSA's. These services come at a cost but it is the aim of GLACO to reimburse these costs 100% through profit share and beyond this, provide an income stream for shareholders.

The Process

The process is outlined in the attached Flow Chart. The system is simple and easily understood.

Shares

On payment of the GLACO Joining Fee (one off \$200), the HSA receives 2000 'C' shares in GLACO. These shares do not have voting rights and carry no liability. However they entitle the HSA to a proportional share of 20% of the annual Net Profit of GLACO proportional to the number of assessments completed. This is calculated twice per year; 1 July and 1 December. Payments will be made to HSA's within 7 days of these dates.

Payments

Payments for the HSAR's are directed into an Accountants Trust Account. They are disbursed from here to GLACO and the HSA according to an agreed split. Payments from GLACO to the HSA are guaranteed to be electronically transferred within 24 hours of receipt by GLACO.

Rates

The current rate between GLACO and the HSA is \$47.50 per lead. This means that each HSAR lodged and invoiced via a GLACO referred lead will incur a \$47.50 charge. The full amount for the HSAR will be paid to GLACO and the net (after the \$47.50) will be remitted to the HSA. Where a HSA has procured an assessment themselves or received one through DEWHA no fees will apply if the HSA invoices directly to DEWHA. GLACO can invoice these on the HSA's behalf if requested. A \$10.00 administration fee will be charged for this service.

Law, Rules & Regulations

The HSA agrees to abide by all the rules, regulations and Laws relating to the Green Loans Program specifically and business and community generally. GLACO takes no responsibility for the conduct of the HSA.

Termination of Agreement

Either party to this Agreement can terminate the arrangement at any time and without notice. Advice in writing to the business address of GLACO or the HSA constitutes and end to this Agreement.

Dispute Resolution

In the event of a dispute between GLACO and the HSA, mediation before a Mediator registered with the Law Council of Victoria is the first step towards resolution. If the dispute cannot be resolved, the all parties agree that the Mediator will become an Arbitrator and his or her decision will be final. This Agreement is governed by the Laws of Victoria.

End of Agreement

Signing page

This document is executed on the 23 day of NOVEMBER, 2009.

2009 by:

HSA

Signature

Name & Position

GLACO

Signature

Name & Position

HSA Bank Account Details

Name of Bank: _____

Branch: _____

BSB: _____

Account No: _____

Account Name: _____

Attachment A – Deed of Undertaking for Specified Personnel

THIS DEED POLL is made the 23 / 11 / 2009
day month year

by

.....
[Insert name, address and Accreditation Number of the Specified Personnel] (Contractor), for the benefit of the Commonwealth of Australia as represented by the Department of the Environment, Water, Heritage and the Arts (Department).

BACKGROUND

- A The Department and Green Loans Assessors Co-operative Pty Ltd (Assessor) have entered into a contract dated [23/11/09] for the provision of Assessor Services by an organisation under the Green Loans Program (Contract).
- B The Contractor is employed or engaged by the Assessor.
- C The Department requires that this Deed Poll be executed by the Contractor before it performs any work under the Contract.
- D The Contractor provides the undertakings and warranties set out below in respect of work to be performed, and information to be acquired, directly or indirectly in connection with the Contract.

DEFINITIONS

Terms used in this Deed Poll are defined in the dictionary at clause 28.1 of the Terms and Conditions of the Contract, and rules for interpreting this Deed Poll are in clause 28.2 of the Contract.

AGREED TERMS

- I. I undertake and warrant that:
 - (a) I am accredited with an Accrediting Organisation;
 - (b) I will notify the Assessor of any suspension, cancellation, non-renewal or change of my accreditation;
 - (c) I will undertake training reasonably required by the Department;
 - (d) 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;
 - (e) I will perform Assessment-related services:
 - (i) with due skill and care and to the best of my knowledge and expertise;
 - (ii) to a high standard and in accordance with the professional standards of conduct applying to the relevant industry;

- (iii) in accordance with the Green Loans Program Assessor Procedures;
 - (iv) in accordance with relevant Australian industry standards, best practice and guidelines or where none apply, relevant international industry standards, best practice and guidelines;
 - (v) in accordance with all applicable Laws, including occupational health and safety and discrimination legislation;
 - (vi) in accordance with any directions in relation to the Services given by the Department from time to time; and
 - (vii) promptly and without delay;
- (f) I will act impartially at all times and provide Assessments that are accurate, independent and free of commercial influence;
- (g) I will not:
- (i) communicate or use commercial branding for products or services during an Assessment; or
 - (ii) direct Householders towards a range of products or services developed or supported by an enterprise with which I am associated or from whom I receive a commission or other benefit;
- (h) I will treat as secret and confidential all Confidential Information to which I have access or which is disclosed to me;
- (i) I will treat Confidential Information with the utmost care and will protect it at all times;
- (j) I will take necessary precautions to prevent unauthorised access to or copying of Confidential Information in my control; and
- (k) I will comply with the provisions of the *Privacy Act 1988* (Cth), including the Information Privacy Principles and National Privacy Principles set out in that Act, in respect of both Personal Information and Confidential Information, whether or not I am legally bound to comply with that Act and as if the definition of "personal information" in that Act includes Confidential Information.

2. This Deed Poll will survive the expiry or termination of the Contract.
3. The laws of the Australian Capital Territory will apply to this Deed Poll. The courts of the Australian Capital Territory will have non-exclusive jurisdiction to decide any matter arising out of this Deed Poll.

EXECUTED as a Deed Poll

Signed sealed and delivered by

Name of Contractor

In the presence of

Signature of witness

Signature of Contractor

Name of witness (print)

Date