

## **Submission to the Parliament of Australia, Senate enquiry into the Green Loans Program of 2010**

### **Introduction**

The Mid-North Coast region of NSW, extends over 532 kilometres of coastline, beginning in the south at Seal Rocks, 275 km north of Sydney, extending as far north as Woolgoolga, 562 km north of Sydney, and covers an area of over 29,000 square kilometres.

From south to north, the region's main towns include the twin towns of Forster and Tuncurry, Taree, Port Macquarie, Kempsey, South West Rocks, Nambucca Heads and Coffs Harbour. Currently the Mid-North Coast population is calculated at approximately 306,000 which, according to the NSW Government, Planning department, is expected to grow by more than 28% to around 424,400 by 2031.

According to DEEWR<sup>1</sup>, Coffs Harbour, being representative of the region, has the well above national employment rate of 7.1%, with average job seeker unemployment duration of 24 months.

### **Background**

This submission is prompted through my association within a group of five (5) bitterly disappointed home sustainability assessors scheme (HSAS) candidates located on the NSW Mid-North Coast who, due to circumstances and events beyond their control and, despite having met all of the "Full" training and other provisions required for accreditation by the Association for Building Sustainability Assessors (ABSA) as home sustainability assessors (HSA) under the Australian Governments, Green Loans Program (GLP), have found themselves locked out of this program most apparently through the mismanagement and suspension of the program by the Government and its' representatives.

A variety of factors have influenced this outcome including the inexperience and naivety of the department in the management of this type of endeavour, occurring in concert with similar problems in other of its' programs, but not the least through the department being overwhelmed with the uptake response to the general invitation of this employment opportunity within the emerging "green sector".

It is not unreasonable to conclude that this mismanagement failure of the department in managing the GLP program has had, and continues to have, serious consequences of social and environmental impact – present and future, which must be remedied equitably and with a level headedness, in the interests of the nation and all of its' citizens.

This opportunity has seen the members of this group of HAS candidates make financial sacrifices for, and work hard to the meet the objectives of not only entering a sustainable career path, and with that making a modest living from it, but also genuinely making a contribution in assisting our local community toward reducing their household carbon footprint in the cause of reducing our combined anthropogenic influences on climate change and through that, preserving our relatively pristine region as a legacy for future generations to similarly enjoy.

This group of five NSW Mid-North Coast HSA candidates undertook the journey to accreditation in November of 2009 under the auspices of the Commonwealth Rehabilitation Service, including the training component funded either by the Commonwealth (4) or through Workers Compensation (1) mechanisms.

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<sup>1</sup> <http://www.workplace.gov.au/lmip/EmploymentData/HunterAndNorthCoast/CoffsHarbour>

The group members each financed the travel and accommodation component of their commitment, to the tune of around \$1000 each, in December 2009, participating in an ABSA approved 4 day HSA training course by in Sydney, an expense that most could ill afford, some having to borrow from family to finance this, considering the individual social inclusion (e.g. unemployment, workers compensation rehabilitation) and poverty line financial circumstances they remain a part of.

Of the five HSA candidates, two received ABSA accreditation (fees paid in the vicinity of an additional \$600 each) following which they commenced the departmental service contract application process, whilst 3 were approved for finalization of the ABSA accreditation process, both of which were unexpectedly and prematurely suspended based on the Friday 19th<sup>st</sup> of February 2010 Ministerial, departmental and subsequent Green Loans Program (GLP) announcements, which despite the of expansion of program coverage and other promised improvements, are of little consolation.

## Submission

Given the background presented as a canvas, I respectfully make this submission to the Parliament of Australia, Senate Standing Committee on Environment, Communications and the Arts enquiry into the Green Loans Program, addressing the following 'Terms of Reference' clauses;

- (a) (i) the administration of the program from a pricing, probity and efficiency perspective, including:
  - (C) Accreditation of Home Sustainability Assessors,
  - (D) Ensuring value for money for taxpayers,
- (a) (ii) an examination of:
  - (A) Employment and investment in Home Sustainability Assessments resulting from the program, including that resulting from Government statements regarding the number of accredited assessors,
- (b) consideration of measures to reduce or eliminate waste and mismanagement, and to ensure value for money for the remainder of the program, noting the commitment of funding for an additional 600,000 free Home Sustainability Assessments despite the discontinuation of the loans; and
- (c) Other related matters.

In order to rationalize an equitable distribution for the allocation of 5000 HSA accreditation and service provision contracts between the States and Territories, and between geographical urban and regional populaces, I have developed the following formula and tabulation for a quota system, presented for consideration;

$$Quota_{HSA} = \frac{Regional\ Population}{Australian\ Population} \times 100 \times 50 = \frac{Regional\ Population}{19.5\ million} \times 100 \times 50$$

From this tabulation, taking regional NSW as an example, it accounts for approximately 12% of the nation's population and as such attracts a HSA Quota of 600 places for accredited assessors and service provision contracts.

The NSW Governments' Industry & Investment NSW classifies the 13 business profiles of regional NSW, one of which is the Mid-North Coast which currently has an approximate population of 306,000. Based on the quota formula outlined this would equate to:

$$Quota_{HSA} = \frac{306,000}{19,500,000} \times 100 \times 50 \approx 78$$

Region	Pop. (mil)	Pop. (mil)	State %	Cap %	Reg. %	HSA Quota
<b>Queensland</b>	3.7		19		9	450
<i>Brisbane</i>		1.7		10		500
<b>NSW</b>	6.6		34		12	600
<i>Sydney</i>		4.2		22		1100
<b>Victoria</b>	4.8		24		6	300
<i>Melbourne</i>		3.5		18		900
<b>South Australia</b>	1.5		8		3	150
<i>Adelaide</i>		1		5		250
<b>Western Australia</b>	1.9		10		3	150
<i>Perth</i>		1.4		7		350
<b>Tasmania</b>	0.5		2.5		1.5	75
<i>Hobart</i>		0.2		1		50
<b>Northern Territory</b>	0.2		1		0.5	25
<i>Darwin</i>		0.1		0.5		25
<b>ACT</b>	0.3		1.5		0	
<i>Canberra</i>		0.3		1.5		75
<b>Australia</b>	19.5	12.4	100	65	35	5000

Figure 1A proposed equitable national distribution scheme for Home Sustainability Assessors

Port Macquarie (PMQ) has a typically representative profile of the assessor distribution throughout the NSW Mid-North Coast. PMQ has a population of 70,000 (Source: Port Macquarie -Hastings Council);

$$Quota_{HSA} = \frac{70,000}{19,500,000} \times 100 \times 50 \approx 18$$

It currently has a disproportionate representation of 34 accredited assessors according to the published 16/03/10 ABSA register for postcode 2444 PMQ, which represents an oversupply of 16 Assessors, not counting smaller townships in the catchment served by Port- Macquarie Hastings Council which accounts for a handful of additional assessors.

If we contrast the current situation to the published ABSA accredited assessor register for postcode 2444 PMQ of 08/10/09, there were five (5) at that time, so that between October 2009 and March 2010 there had been a massive increase of accredited assessors for PMQ of approximately 700 %, the timeline of which is unclear without access to additional data, which no doubt ABSA possesses.

ABSA has publicly stated that it informed the department of their predictions at various stages prior to the department announcing the cessation date for HSA training completion in December of 2009, which apparently fell on deaf ears, as it was accompanied by the departments naive unregulated lifting of the lid on the Pandora's Box that ensued, with training organisations conducting virtual production lines of training in order to make the most of the cash cow before it disappeared..

This raises a second important issue. Whilst the ABSA accreditation data has been transparent in detail for all to see and analyse, the detail of data on assessments performance from the department has been at best cloaked, in that the data of assessments performed was limited to national statistics, not by state, territory and region.

When one is faced with such obscure and imprecise data from a government agency, it is difficult to draw conclusions of the performance indicators and drivers of a program and the deficiencies' in its implementation that are occurring in real time, let alone to perform a post-mortem on its shortcomings or failures.

Whilst ABSA was and is responsible for issuing of HSA accreditation based on the guidelines set out and administered by DEWHA, over ABSA which it had little control and frankly little experience in delivering, ministerial departments had and still have sole control of the issue on Green Loans Assessment contracts.

Herein lies a major problem, what manner of assessment of applications did they implement to identify locality supply of service demand, and through that issuing contracts to applicants nominating those localities within which to operate, quantifying equitable national distribution, and what analysis did they perform to quantify meeting the program objectives and programming targeted compliance measures?

### **What needs to be done!**

In representations made by ABSA to Minister Wong on the 10<sup>th</sup> March 2010, ABSA proposed changes that they were convinced would see a natural attrition rate of between 10 and 15 % (900-1350) of assessors in the program, and that only active assessors be eligible for involvement in any re-vamped scheme.

I disagree with this point of view, as the mix of the organisations and individuals involved consists of a broad cross-section of reputable and disreputable operators, properly and poorly trained field personnel, and two other categories, those that have been denied completion of the approval process for accreditation by ABSA due to the reactionary and abrupt DEWHA announcement of limiting the pool of assessors to 5000, or if accredited found themselves on the wrong side of the equally reactionary and abrupt closure of the application process for service contracts by DEWHA.

I would I suggest that based on the ABSA representation to Minister Wong, that only close cooperation between ABSA and DCCEE in the dialogue leading to all decisions announced is paramount to invoking confidence and trust in all stakeholders as the way forward, and also that:

1. DEWHA/DCCEE need to immediately publicly disclose registers of Assessors in the two categories of Organizations and Individuals under contract. It also needs to fully disclose geographic distribution of contract coverage. Further it needs to disclose the number of assessors' assessments assigned and those conducted per postcode area to date and to whom (HO Number), also by postcode/region, those that had reports issued and those with reports pending, together with estimations of clearance of the backlog. They should also publicly disclose, as other similar programs do, via their website, a public advisory of the date of surveys submitted by assessors currently being processed.
2. I believe that Government support should be offered to assessors in line with that offered to those affected by the changes to the Home Insulation Package, irrespective that the insulation package was an essentially an employment program, part of the economic stimulus measures arising from the global financial crisis (GFC), the Green Loans Program metamorphosed from a well intentioned environmental program to an employment/business opportunity through active governmental promotion, which became sullied in the process with equally unpleasant consequences for many Australians who inadvertently found themselves caught up in the wake of its failings and for which the government should make reparations, as it would for a natural disaster affecting the livelihood of thousands of Australians, anything else would alienate the government even further from its constituency.

3. I think that the government should also think beyond the square with respect to persons who once all of the other measures taken to revamp the scheme still find themselves amongst a pool of potentially thousands of Australians who are left high and dry. These people, through their ABSA training regime and processes as Homes Sustainability Assessors, have been screened through compulsory police checks to enter Australian homes for the purposes of data collection, and their training has developed good communication in dealing with the public and other relevant and useful skills, which provides the Federal and State government with a vast pool of a trained human resource, strategically distributed throughout the nation, who should be invited and given first preference by the government to perform public service tasks such as data collection for the ABS (Census etc.), Electoral Commission field work and the like – similar to a government goods and services mandatory preferred supplier policy. This would at least be a token olive branch from the government, given all the angst and confusion they have brought upon so many people.
4. ABSA should directly survey, and report its findings back to the senate enquiry, of all of its accredited (fee's paid) and approved for accreditation (fee's pending) membership;
  - a. offering a refund to those who have paid fee's and wish to relinquish their accreditation and;
  - b. asking those with fee's pending whether they wished to remain in that category, or withdraw, knowing that;

This would provide an up-to-date status report of natural attrition of those accredited and those seeking accreditation due to the already changed circumstances that have caused them to review the viability of engagement in the program or their having taken up some other line of work through necessity. A non response to the ABSA survey could be taken as a withdrawal acceptance with the necessary follow-up of fee-refund and/or removal of a pending accreditation from the ABSA 'to do list', with follow up to DEWHA to consider actions for the revocation of service provision contracts thus freeing up inactive places.

5. I agree with the ABSA suggestion that all contracts issued by DEWHA should become null and void by a certain date, but I would suggest the 30<sup>th</sup> of June 2010 for a new and fresh round of more stringent contract offers by DCCEE to commence from that date. This provides ample time for the delivery of the Senate enquiry report by 21st June 2010, as the anticipated completion date of the Auditor General's "Performance Audit of the Green Loans Program" of September 2010<sup>2</sup>, makes it ineffectual in resolving the immediate short term everyday people issues, as it is clearly a bureaucratic reflection process. Until the 30<sup>th</sup> of June, the current interim measures should remain in place, to allow the attrition rate to take its' full course and for the invitation of recommitment by those accredited and pending accreditation assessors under the new revised rules, to re-apply to conclude accreditation and/or service contract processes.
6. In the interim, the DCCEE in conjunction with ABSA should engage to honour a previous government commitment to support assessors to upgrade their existing qualifications to an Australian Quality Framework (AQF) recognised Certificate IV, establishing the role of assessor as an occupation with consistent training standards across the country and also being a requirement for continued accreditation and access to this, and future programs. This will require the support and action by the Federal Education Minister and agreement from the States.

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<sup>2</sup> [http://christine-milne.greensmps.org.au/webfm\\_send/342](http://christine-milne.greensmps.org.au/webfm_send/342)

Given there is no dedicated Industry Skills Council for the sector, that formulate Vocational Education Training packages such as Certificate IV, a dedicated package could loosely be based on the nationally recognised programs offered by the National Centre for Sustainability at Swinburne University of Technology<sup>3</sup>, who could possibly even develop the program given their expertise in the area.

I am of the opinion that ABSA's stated objective of achieving this by midyear 2010 is unrealistic, unless DEWHA and DCCEE have already made some progress in this area, which is an unknown quantity. If not, realistically the development of a first class Certificate IV Sustainability and Assessment, including approval processes, program resource development and identifying suitably qualified delivery practitioners would in my opinion take at least 6 months, so that implementation by Feb. 2011 is a more realistic deliverable.

In order to alleviate placing additional burdens of travel etc. on regional candidates I would propose that online course delivery by such RTO's as NSW TAFE's OTEN Network, would be able to deliver certifiable training including under the Australian Governments own "Productivity Placements Program" or similar State arrangements for the long-term unemployed or other rehabilitation recipients that have sought to join the Green Loans Program but have been thwarted by the events of February 2010.

7. Rebranding and national media promotion of a revised program should as a matter of priority, commence from the 1<sup>st</sup> of July 2010 in order to restore confidence in and revitalise the program, engaging the public even more than before.
8. The revised program needs to be self generating from the marketing perspective, with assessor organisation or individual contractor cold canvassing methods including telemarketing, street walking sales leads representatives and other self-promotion activities including public media advertising, letter box leaflet drops and any subliminal or inferred indirect promotion outlawed, with auditing and deregistration as the disincentive.

Direct approaches to assessors to arrange assessments by members of the public should be exempted and encouraged as these should, I suggest, be made through the public disclosure of contact details for assessors through the regulating departments' web presence and media promotion mechanisms, the allocation of which should be regularly audited to deter claims of favouritism of allocation of leads by departmental staff. Alternatively, and preferably, this may be taken out of the departments' delivery responsibilities and out-sourced to a reputable marketing organisation under the same scrutiny provisions for compliance under contractual arrangements.

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Sustainable Footprint - HSAS intensive training program certified  
 Undergraduate BEng, Deakin University  
 Member, Engineers Australia: Society for Sustainability & Environmental Engineering<sup>4</sup>  
 Member, Coffs Coast: Building and Sustainability Forum<sup>5</sup>

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<sup>3</sup> <http://www.swinburne.edu.au/ncs/sustainability.html>

<sup>4</sup> <http://www.ssee.org.au>

<sup>5</sup> <http://sustaincoffs.ning.com>