

## Green Loans Program Submission

I am an ABSA accredited assessor and signed a contract with DEWHA in September 09 to carry out home sustainability assessments. My decision to follow this path was based on my understanding of the program; this was defined in the Green Loans official guidelines document, which clearly laid out the overview of the program.

## Part 1 - Program Overview

The 2008/09 Federal Budget announced a program to assist Australian families to install solar, water saving, and energy efficient products (the Program).

The Program will provide Householders with detailed Home Sustainability Assessments by suitably qualified Assessors, tailored Assessment Reports, general renovation information and access to subsidised 'Green Loans' of up to \$10,000 to make their existing Homes more energy and water efficient.

### 1.1 Objectives of the Program

The key objectives of the Program are to:

- encourage wide-scale improvement of energy and water efficiency in existing Homes
- provide sound advice to Households on the most appropriate actions to reduce the environmental impact of operating their Home
- provide financial assistance to Households to gain access to the resources they need to invest in energy and water efficient technologies
- reduce annual greenhouse gas emissions.

### 1.2 Outputs of the Program

The key outputs of the Program are:

- consumer communication and engagement activities that identify and reach the target audience to encourage sustainable improvements of existing Homes
- an application process that ensures that only eligible applicants can receive subsidised Assessments and Green Loans
- the provision of accurate and timely advice on environmental home improvements to Australian families from accredited experts
- the efficient and timely provision of subsidised Green Loans to eligible applicants by participating Financial Institutions
- detailed Program monitoring and assessment to quantify environmental impacts, to track progress and achievements, and to inform policy development in the area of Home sustainability.

### 1.3 Outcomes of the Program

The key outcomes of the Program are the reduction of greenhouse gas emissions and water consumption in existing Homes through:

- the engagement of Households in reducing the environmental impact of operating their Home
- a recognised industry of expert Assessors providing tailored information and guidance on energy and water saving actions
- a research industry analysing the environmental impact of Homes and Households.

### 1.4 Key Dates

Assessments are expected to commence mid 2009 and be available until 31 December 2012 or until available funding is exhausted (whichever comes first). Subsidised Green Loans are intended to be available until 31 March, 2013 or until available funding is exhausted (whichever comes first).

## Part 2 - Program Guidelines

### 2.1 The Program

The Program has two main components of support provided by the Australian Government:

- a subsidised Home Sustainability Assessment conducted by a suitably qualified Assessor, including a tailored Assessment Report
- access to low cost finance through a subsidised Green Loan of up to \$10,000 for a maximum of 4 years to implement changes recommended in the Assessment Report.

## Home Sustainability Assessments

The Home Sustainability Assessment contains four main activities:

- booking of the Assessment using the Phone Booking Service, the Online Booking System or directly through an Assessor who has been contracted to undertake assessments for the Program
- free home inspection and Assessment by an Assessor
- provision of initial advice to the Household by the Assessor
- receipt of an Assessment Report.

**Assessment Booking:** Eligible Households will be able to book an Assessment through the Assessor of their choice, through the Program's Online Booking System or through the Program's Phone Booking Service.

**Assessment:** The Home Sustainability Assessment is conducted by an expert Assessor, contracted by the Department to undertake Assessments for the Program. The Assessment will involve the physical inspection of major energy and water systems relating to thermal comfort, water heating, lighting, refrigeration, cooking, entertainment, water consumption, and waste management. Data about each of the energy and water systems and about how the Household interacts with those systems is collected during the Assessment and provided to the Department. The length of the Assessment will be impacted by the amount of information available, the size of the property and the number of energy and water systems to be considered. The Household may be invited to conduct a partial assessment (Self Assessment) in advance of the expert Assessment to facilitate a more efficient Assessment service. Participation in a Self Assessment process is voluntary.

**Advice:** Initial advice will be provided through a conversation between the Household and the Assessor. This conversation will help the Assessor build a picture of the Household's environmental aspirations and current practices and behaviours.

**Assessment Report:** Within approximately ten Business Days the Household should be provided with a written Assessment Report describing the Assessment findings, recommending actions, and providing details of where to get further services or information. For the purposes of seeking a subsidised Green Loan, the Assessment Report remains valid for 6 months from the Assessment Report Date.

I now am very disappointed and disillusioned with the government's management of the program and it's apparent imminent failure to meet these program objectives, outputs and outcomes.

With one of the four key objectives now removed (provide financial assistance) in the form of the interest free loan.

Has the impact of this had a negative effect on another key objective of the program to reduce GHG emissions, as this is considered a key outcome of the program?

I am in favour of the re instatement of the interest free loan if the allocation of funds is regulated with a level of accountability from all parties involved that is cost effective.

The program has achieved an industry of energy rating assessors but the inconsistent level of training that individuals received has compromised this result.

I have recorded the apparent failings of the program to date and how they could have been avoided and followed on by suggestions on the way forward.

## MY OVERVIEW OF THE PROGRAM

There is no doubt that the program (election promise) was rolled out before it had been fully thought through, with lots of flaws in the assessor training and accreditation process, followed up with an administration system that did not function efficiently or effectively and an accrediting body that were unable to efficiently manage the excessive demand on their resources.

I am a believer that great things can be achieved if the planning is great, in this case I think it lacked in the planning stage.

What were the levels of consultation and communication in development?

I would like to be made aware of which parties were involved in the pilot and how they were unaware of the programs failings at its roll out. What level of involvement do these parties now have in the program, are they going to have future involvement?

What are the measuring tools that are going to gauge the success of this program to reach the Objectives, Outputs and Outcomes?

I have invested time and money to become an assessor in the program and like many other assessors would like to see a future in this and subsequent programs.

## ASSESSOR TRAINING

I identify the unlimited RTO's with an unlimited number of places as the reason for the excessive number of assessors applying for contracts.

This should have been regulated better.

Peter Garret stated in a media release that there were 2000 accredited assessors ready to service the program in July 09 at the roll out.

I have it recorded that the figure was more like 1000.

It has since been established at senate estimates that it only needed 2000 assessors to service the program in its entirety.

With limited RTO's servicing the program at a constant rate of assessors this figure would have been met over a gradual period and allowed for effective monitoring of the RTO's.

The fact that too many RTO's producing an unlimited number of trained assessors in a short period caused a melt down of the whole system.

Too many assessors applied for accreditation in a short time frame, causing ABSA to issue a moratorium on accreditations, but this was after the event and only increased the number of last minute applications.

ABSA were not able to cope with the volume of applications without major internal and logistical changes, restricting the level of service it could provide to its members.

Unfortunately it gave RTO's an extra incentive to train as many assessors as possible over a short time frame.

## ASSESSMENTS SUPPLY AND DEMAND

Although the current capping on assessments per week and per day is not ideal for all involved, the program did need some kind of regulation given the number of assessments available.

If a regulated loan was still available and the self generated assessments capped, extra jobs could be added to this quota from households who contacted the governments hotline direct.

I am aware that there were households registered for assessments at the start of the program but this backlog was cleared almost immediately and with no promotional campaign by the government eventuating this source of assessments dried up.

With a low demand for assessments through this channel, it left high supply of independent assessors looking for other ways to find clients within the Green Loans guidelines.

They were now competing with larger companies who could provide 'in house' trained assessors with a high volume of assessments per week.

The structure of the assessment bookings being potentially a high volume turnover made it ideal for companies with access to customer databases or telemarketing expertise.

The potential for these companies to 'hijack' the program was always an issue with me, as there were a limited number of assessments and an unlimited number of assessors.

This not only took the large percentage of the work available but caused a failure in the booking system that was unable to operate an on line version, with the reason given by DEWHA as 'too much traffic'.

Assessors were left to use the phone booking service only.

Which in my case, at the height of traffic I spent 3 days constantly redialling only to get on hold and for the lines to close for the day each time.

Apparently to 'reduce this traffic' on the phone booking service the company Field Force were given a direct computer link to book in assessments.

This raised suspicion with me as the parent company of field force, UXC Ltd, had recently entered into contracts to supply RECs to energy retailers and what other deals were being done that assessors were not privy to?

The program seemed to lack transparency and accountability.

## BOOKING SYSTEM

The promised online booking system in my opinion would be the most efficient way to book in assessments; it seems less efficient to communicate via phone, where errors are made frequently.

There is a provision for invoicing automatically but this has never been functional and would no doubt improve efficiencies.

I see no reason why the 48hour notice period should apply for booking in self-generated assessments, as the assessor is in contact with the household.

## ASSESSMENT REPORTS

The software for generating the reports has failed in certain areas, and it's current viability has to be questioned.

From the point of being a tool to produce a report that would give the householder a list of items that are eligible for the Green Loan it was ok.

For giving a true and realistic breakdown of the household's energy efficiency, I found it is very inconsistent in its accuracy.

Improvements were made with a later version release but it still has it limitations.

Without the assessors being aware of the 'back end' workings of the software then it is almost impossible to 'individually ' tailor a report for the household, as there are too many fixed variables.

An upgrade and explanation to the backend working of the software would start to produce more accurate and beneficial reports.

The method of imputing data could be easier, if the offline version was synchronised with the online version, allowing data collection in the field to be directly downloaded to the online version with all data transferring seamlessly.

From my experience the reports are not getting out to households effectively and this would have definitely restricted the uptake of the Green Loans.

Kevin Foss  
Home sustainability assessor