

Thursday 25 March 2010

Mr Tom Livanos

Committee Secretary
Senate Standing Committee on Environment, Communication and the Arts
Parliament House
Canberra ACT 2600
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Submission to the Senate inquiry on the Green Loans Program

Dear Mr/Madam Secretary,

By way of introduction, my name is Tom Livanos. I am writing to you regarding the above-mentioned Senate inquiry into the Australian government's *Green Loans Program* ('the program'). At the time of writing, I am a registered and contracted assessor within the program.

I thank the committee for the opportunity to make this submission. My aim is to provide details of my experience within the program and provide a perspective of the program in particular, and how I see it as fitting in with sustainability in general. I also provide details of a petition which I have authored and which has been supported by well over a hundred individuals across the general community. I believe it is important that our voices be heard.

As this submission goes for several pages, I provide a summary here. I have divided the submission into three parts: the above-mentioned petition which has been signed by members of the general community, structural issues within the program and operational issues within the program.

Summary

My background

I am committed and focused to moving my life and career away from financial services towards sustainability. For this reason, I joined the program as an assessor.

Petition

- In under one month from publication, over 130 individuals in the general community have signed a petition asking that the program be investigated and re-launched so that sustainability can be promoted in the community - at the level where individuals and families have greatest control: their own home;
- In recognising the interconnectedness of sustainability on our planet, two overseas signatures were also made;
- As petition author, and in this submission to the committee, I implore everyone involved to do whatever is possible to advance the cause of sustainability.

Structural issues

- Although I have no problem with my particular training provider, training in the program itself was insufficient for those wanting to become assessors who had no prior experience in

sustainability, thermal performance, home design or any other related discipline. Training requirements should be measured in semesters and years rather than hours and days. Evidence is provided below, in the content of the submission;

- Issues connected with sustainability are extremely important. This was not given due consideration by DEWHA and ABSA in program development and implementation. Indications have already been made that improvements with respect to program implementation are required in the Department of Climate Change and Energy Efficiency;
- Attitudinal and behavioural changes rightly form a key component of the program yet the program has not been structured in such a way as to address these points.

Operational issues

- After personally having moved through the registration and contract signing process, testing of potential assessors was very minimal;
- The time it took to register as an assessor with ABSA and sign the contract with DEWHA was unacceptable and indicates that the program is poorly managed;
- Getting through to the call centre, the central operational hub of the program, was at times physically impossible and at other times subject to a minimum 90 minute wait – events without precedent in my life;
- Sweeping changes made to the program on 19 February 2010 meant that marketing material, both tailored and generic, were made redundant. The title of the program is of very minor concern in the overall scheme of things;
- The introduction of a cap of 15,000 assessments per week - given other caps also announced - is both unnecessary and deleterious to the assessor and program reputations.

Conclusion/general theme

- Sustainable development is development which allows the present generation to meet its needs without compromising the ability of our descendants to meet their needs.
- The *Green Loans Program* facilitates the transfer of knowledge to the general community on what can be done. This is at a level where each individual and family have greatest influence: their own home. This includes renters who wish to reduce their utility bills and landlords who wish to increase the value of their property. This makes a very significant, and indeed necessary step to move us towards a sustainable way of life. Given that it is our very own livelihoods which is at stake, it must be pursued at all costs.

Background

I am a 33 year old individual having resided in the Sydney metropolitan area all my life. My occupational experience thus far has been centred around the accounting and financial services profession. In large part due to a very significant event in my personal life a few years ago, a series of events has led me to move away from financial services and towards sustainability. This transition, as with any transition, is not easy. When I came across the *Green Loans Program* in late October 2009, I had a look into it and saw it as a welcome opportunity to learn and obtain some experience in this area - which lay precisely in the direction I was, and am, wishing to take my life. It is in this context that I made the decision to join the program as an assessor.

Petition which has been signed by individuals in the community

I wish to draw the committee's attention to a petition which I wrote on 8 February 2010. It may be accessed at <http://www.gopetition.com/petitions/green-loans.html>

Within one month of its publication, over 130 signatures had been obtained. Given the proliferation of investigations which have now been launched into the program, the call to sign the petition (which, first and foremost, asked for an investigation) has, to a significant extent, been made redundant. Committee members, I implore you to listen to these individuals. A petition has been signed to advance the cause of *Green Loans* in particular and sustainability in general. I continue to return to the central point: what is being pursued here is health within the future state of the planet, the conditions which we can reasonably expect to live along with the conditions which we will leave to our descendants. While all signatures are important and note-worthy, there are two in particular I wish to draw your attention to. One is from Scotland and the other from the United States of America. I highlight them purely to illustrate that international interest is being shown in this area. This is in recognition of the fact that resource management is a globally interconnected issue. I include further details on this point in the conclusion.

Structural issues

Issue 1: Training of assessors

My first action in becoming an assessor was to investigate which training provider would provide me with the best training I could obtain. To do this, I went to the Association of Building Sustainability Assessors (ABSA) website as everyone was advising me to. My distinct impression at the time was that ABSA was the agent responsible for overseeing training organisations. Their website was the only one which listed training providers associated with the program, their telephone number was the only one provided to raise queries about training providers, they themselves took my call to query the registration status of the training providers and I was not referred to any other organisation or department to do so. **It should be noted that every individual I had contact with, across a broad range of organisations including ABSA and the Department of Environment, Water, Heritage and the Arts (DEWHA) assured me that I had a reasonable background to enter this line of work.** The training provider list contained details of which states/territories each training provider operated in. I highlighted those which operated in NSW. Of all those on the list, only one (Environment Australia) provided the following features in their training:

- Four full days worth of training from 9am to 5pm with breaks in between. This is in the vicinity of 30 hours of instruction. Two other training providers were running courses in Sydney at the time. One offered four nights of four hours (with breaks) so roughly 15 hours of instruction. The other offered a weekend with 8 hours on the Saturday and 8 hours on the Sunday (with breaks) so, again 15 hours or so of instruction.
- The class size was to be limited to 15 students. Neither of the other two schools offered this.
- Price was reasonably comparable at about \$1,400 or so for all three schools.
- The location was in the central business district of Sydney. Neither of the other schools offered this.
- The school I went to provided external verification that they were a genuine Registered Training Organisation (RTO) with the Federal Department of Education. This came from the National Training Information Service (NTIS). This is managed by the Department of Education and is accessible at www.ntis.gov.au It exists for this very purpose ie. to provide evidence to members of the general community that a training organisation has been registered with the government to provide training in a particular area - and describe what that area is. I note that a \$40,000 fee is involved as part of the registration process with the Department of Education. Neither of the other training providers gave me NTIS details.
- A deep and long term involvement in sustainability of the particular teacher who would be taking the class was demonstrated.

The school offering all these features was obviously the one I selected to do my training with. This occurred on 16-19 November, 2009. It should be noted that some of the training providers on the ABSA list were very disorganised. One had their key manager absent and was unable to provide a course, some said they were simply moving away from providing this training, telephone calls to others went to message bank with no call back. As I see it, having organisations such as these on a list being managed by ABSA shows negligence on ABSA's part. They did not perform basic monitoring of the information they were providing to potential assessors and, as the *Green Loans Program* is structured, to potential future members.

During, and at the end of the four day course, we were provided with significant and content rich information sources for follow up study. The core sources of information which were provided were as follows:

- The 'Your Home Technical Manual'. This is accessible in full at www.yourhome.gov.au Initially published in 2001, with the sponsorship of DEWHA, it is published with the intention of providing a comprehensive guide to living sustainably on the Australian continent. It is composed of over 80 fact sheets and covers a diverse range of subjects. It also references other information sources on sustainability – most of them tailored to Australian living conditions. Please note that each and every fact sheet is rich with content on living sustainably on the Australian continent.
- Fact sheets compiled by Sustainability Victoria.
- Fact sheets on the 2007 ABC TV show 'Carbon Cops' website
<http://www.abc.net.au/tv/carboncops/>
- Other reference materials collated by our teacher over several years involvement in the sustainability field.

Since the conclusion of the course, I have taken to the task of studying this material so that I may deepen my knowledge in this area. In order to make an important point, I wish to provide some of my educational experience. During my time in financial services, I have completed a Bachelor of Accounting degree with Macquarie University, a Graduate Diploma of Applied Finance and Investment with decades long-standing professional body Financial Services Institute of Australasia (FINSIA) and a Diploma of Financial Planning - with the educational component coming from Deakin University. **In my estimation, the time required to learn the content in the 'Your Home Technical Manual' alone would be one year, preferably two. This is teacher/student interaction with the opportunity to discuss the issues raised.**

In the more recent few weeks, another question has entered my mind. **Please note that I include this paragraph to provide a perspective on the *training* aspects associated with the program.** Professionals in the architecture, engineering, surveying and similar fields require many years of education before they enter their respective professions. I then took the step of researching graduate salaries in these professions. According to the most recent AC People (<http://www.acpeople.com.au/salary/>) and Hays recruitment (<http://www.hays.com.au/salary/default.aspx>) salary surveys, graduates in these fields earn approximately \$1,000/wk. More broadly, these salary surveys are also in alignment with my experience in financial services. As a home sustainability assessor, I earn \$200/assessment. Even with the cap of five assessments per week, that is \$1,000/wk. In addition, even when travelling to and from a residence and the data input times are factored in, an assessment as it is currently structured would not take longer than five or even six hours, at the very most. With five assessments, that is an absolute maximum of 30 hours per week. The standard work week for an architecture graduate would be at least 35 hours per week – without including travelling time and unpaid overtime. Costs in terms of education expenses for university degrees are higher than what it is to train as a Home Sustainability Assessor. HECS debts must be repaid and travelling costs must

also be incurred by professionals in these other fields. **It is absolutely crucial to note that this information is being included to reference the importance of *educational standards* in the sustainability field. May I also ask that the committee not take the above component of the submission in isolation. There is a broader picture which I wish to portray.**

Issue 2: An apparent lack of recognition of the importance of the issues being dealt with here.

It is my aim in including the above facts in this submission that the committee engage staff members who are involved in the establishment and running of programs like these. That all individuals involved, staff and otherwise, reflect more deeply on what sustainability is and how it may be advanced effectively within the general community. The *Green Loans Program* is a brilliant idea in that it facilitates the transfer of knowledge to the general community on how sustainability may be achieved. In addition, it is done at the level where each person has the greatest influence: their own home. The following then, continues this analysis and connects the program to sustainability. Sustainability, as I see it, includes (but is not limited to) the following components:

- Maintaining clean water;
- Maintaining clean air;
- Keeping soils healthy so that food may continue to be grown to feed ourselves and our descendants in a way which is healthy;
- Matching the rate at which resources are consumed with the rate at which the sun, geological processes and biological processes provide them to us. It is in this area that the *Green Loans Program* has particular application. In order for this point to be addressed with sufficient robustness, a very deep and intimate understanding is required of how we live and how this impacts on the consumption of resources on the planet. As I see it, the implementation of *Green Loans* has failed to, thus far, successfully address this point;
- That we utilise materials in our production processes which are beneficial, or at the very least non-toxic, to our health and the health of other living organisms on which the web of life depends; and
- Maintaining the biodiversity of life on the planet.

I draw the attention of the committee to comments made by Senator Birmingham (Liberal, South Australia) in the Senate chamber on Wednesday 10 March 2010. Specifically these comments as they are recorded on page 44 of the Senate Hansard

- see <http://www.aph.gov.au/Hansard/senate/dailys/ds100310.pdf>:

“Lastly, we had a burst of honesty last Friday from Dr Parkinson, the head of the Department of Climate Change. When briefing staff, he acknowledged that his department has no more skills in program delivery than the department of environment, which has just been stripped of this program. I am pleased to hear the minister say that she has instructed the department to commit extra staff resources.....”

It is my hope that Dr Parkinson's comments were made in the context of improving the capability that the Department of Climate Change has to effectively deliver positive programs such as the *Green Loans Program*. I am writing to you to do whatever is in your power to make this a priority within the Department and wherever else is possible. What we are talking about here is sustainability. By definition, that is our ability to continue living healthy lives - for ourselves and our descendants. I refer to the oft-quoted definition provided in the 1987 United Nations report 'Our Common Future' (also known as 'The Brundtland Report'). Sustainable development is defined as:

“development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

This is something which must be addressed in the 21st century as a matter of priority. I do believe

that a properly functioning *Green Loans Program* fits into this framework – especially, as mentioned, with matching resource use with the rate at which resources are provided to us. Inquiries such as this one provide an opportunity to pause and reflect on current shortcomings so that advancements, in program delivery, program development and community consultation can be overcome. I am asking that a process be initiated whereby members of this inquiry, Departments, Ministers, shadow Ministers, all parliamentarians, various bodies/groups thus far involved in transitioning to sustainability - and indeed members of the general public - reflect on what it is that we are addressing here and how we can move our way towards it. What is health? How may it be achieved and sustained indefinitely?

Issue 3: Behavioural changes are correctly included within the scope of the program. It appears however that there is insufficient knowledge being applied on how they may be effected.

Allow me to quote from the website of the Institute of Sustainable Futures, which lies within the University of Technology, Sydney. The quote was accessed on 24 March 2010 from the following web page: <http://datasearch.uts.edu.au/isf/research-areas/social.cfm> It is as follows:

“Sustainability is commonly recognised as having three dimensions: economic, ecological and social. However, the social dimension often receives less attention than the other two dimensions.”

I agree with the statement presented and go further in saying that it may well be the resistance to attitudinal change which is the most significant inhibitor to moving towards sustainability. I deeply question whether a two to three hour engagement by an assessor with a householder is sufficient to create the understanding and willingness to move towards sustainability over the many years and decades it takes to make such a transition. In the first place, there is a lot to learn. In the second place, there are many decisions which occur over long time spans which have significant impacts on resource consumption. Thirdly, it takes time to make the impacts of our actions visible (both positive and negative) in a way which is not psychologically damaging. It is necessary for governments and bureaucracies to recognise these issues so that programs can be implemented which effectively facilitate the transition to a sustainable future.

Operational issues

Issue 1: A 19 question external examination was the only educational standard set by ABSA to qualify for registration as a Home Sustainability Assessor. No further monitoring or any sort of professional standards have since been applied.

In the time that I have continued to study and deepen my knowledge on sustainability, I have also been negotiating my way through the registration and contract signing process. The following documentation is required to register and qualify as a fully certified Home Sustainability Assessor with ABSA:

– A certificate showing that the requisite education course has been completed. It must be noted here that **only a 19 question external examination was set with a dry run assessment of one's own home as the requirements to successfully complete the course. I could see no evidence of any ABSA or DEWHA monitoring taking place on how the training was being delivered or to what quality it was being given.** Subsequently, no checking has been undertaken to measure my knowledge. This does not provide me with confidence that the challenge of moving towards sustainability can be accomplished by newcomers into this field. It is for this reason that I have taken on my own additional private study. I query the level of commitment which ABSA and DEWHA have towards advancing the transition to sustainability. My experience with the Financial Planning Association and the Financial Services Institute of Australasia is that far more rigorous testing is required before entry is accepted to their membership. A year's worth of instruction, with

many modules, is required. Each module is subject to an extensive examination and assignment regime. Indeed, many fail on the first attempt. Maintaining rigorous standards is, I would have thought, a fundamental reason for any professional body to justify its existence. It is equally unusual that a department of a national government did not go about setting robust education standards for individuals wishing to sign its contracts;

- An insurance certificate of currency showing that the requisite amounts of professional indemnity and public liability insurance has been purchased;
- A police check showing that applicants had not been convicted of certain crimes;
- Two passport sized photographs verified as true and correct by an authorised individual;
- Payment of a \$660 annual fee to ABSA; and
- A completed application form to become a Home Sustainability Assessor.

The main reason in raising this issue is to make the point that, in a practical sense, little was done to ensure robust standards were set in accepting Home Sustainability Assessors to the program.

The description of the additional requirements, insurance, criminal history check etc. provides context for the next issue.

Issue 2: Poor timeliness by DEWHA and ABSA and, as far as is detectable by myself, a lack of verification of standards.

I sent in the above paperwork on 30 November 2009. On 1 December 2009, I received notification that the paperwork had been received. It wasn't until 23 December 2009 that my registration was confirmed and I was supplied with my ABSA registration/membership number. In that time, no phone calls were made to myself.

Today, I made a call to my insurance broker and was informed that no follow up checks were done in regards to the currency or anything else associated with my insurance policy. In addition, the individual responsible for handling Home Sustainability Assessor insurance applications informed me that no phone calls whatsoever were made by ABSA to check any details connected with these insurance policies. My broker was one of four insurance providers listed last year on the ABSA website offering this type of insurance.

I have also today made a call to the NSW Police Force Criminal Records Section (Ph: 02 8835 7888). They informed me that it was not possible for a third party to make inquiries regarding the National Criminal History Record Check. That doing so would amount to a breaking the law.

My training provider also informs me that no additional checks were made by ABSA on my training. My training provider quite rightly pointed out that there may not be a need to do so as, in their case, they are a genuine Registered Training Organisation.

The point being made here: why did it take ABSA 16 business days/22 calendar days to register my application? As far as I am aware, the registration was more akin to a rubber stamping process and a collection of money than a check to ensure all members of the Association comply to a minimum standard.

With my registration number, I was able to send in my contract to DEWHA. They were closed over the Christmas and New Year break. The contract was received by them on 5 January 2010. I was not made aware of this until I received the duplicate copy of my contract on 4 March 2010. Until then, I could not be 100% certain that I had been contracted by DEWHA to undertake work. I made a phone call to DEWHA on January 19, 2010 – one day after ABSA sent through my ID badge. DEWHA, after I called them, verbally assured me that I could commence working in the program. I

consider these time frames to be indicative of poor management of the program by ABSA and DEWHA.

Issue 3: Unprecedented failures at the central call centre level to service basic requirements.

The next step was to register the postcodes I was willing to work in and the times I was willing to work. I called the 1800 895 076 central number. This is the number which forms the central hub of the program. It is where householders and assessors alike are able to book assessments and make changes to individual details. I was greeted with a message that the call centre had reached its maximum capacity, that I should call again at another time and the call then proceeded to an engaged tone. This is an event which is without precedent in my life. It occurred repeatedly. When I did get through, it took over 90 minutes to speak to a call centre consultant. This, once again, is without precedent in my life. It betrays a severe lack of understanding in how to ensure that critical components of a system are working properly.

Issue 4: Delays in the approval of marketing material and sweeping changes announced on the 19th of February, 2010.

Once I had my hours of availability registered, I went about creating marketing material to distribute within my local area. This needed approval from within DEWHA. It sat within the Department for three weeks without action. This delay turned out to be rather fortuitous in one respect because on 19 February, former Minister Garrett announced sweeping changes which altered the scope of different aspects of the program in various ways. One item was the cancellation of the Green Loans.

Side note: I wish to make a note regarding the *Green Loans Program* having no more Green Loans. There are many facets which contribute to the sustainability or otherwise of a residence. Which rooms face north, east, west and south. Which materials have been used in the construction of a home. Where doors and windows are located and how well they are sealed around the edges, the shading which exists on the north, south, east and west faces (both artificial and plant based), the location of doors for taking advantage of common wind movements, balancing the energy required to make a new white good vs the energy saving of upgrading to a more energy and/or water efficient appliance. The installation of lighting and overlaps with insulation installation is also considered. Filling a kettle only half way when a full kettle is not needed, opening and closing windows at appropriate times of the day, putting a jumper on instead of igniting a heater.

Some of these items are relevant when renovating and/or building, others can be applied with little financial expenditure. None require a Green Loan to implement for the vast majority of people. Behavioural changes and many other aspects associated with sustainability have no financial cost whatsoever.

Having said this, it is important to also note that assessment reports, Green Loans and items such as the \$50 Rewards card have the potential to be excellent tools by which householders can make changes towards sustainability. They are, of course, to be welcomed. Effectiveness however, is also dependent on knowledge levels, behavioural changes as well as access to suitably qualified professionals in the field. Green Loans are now a thing of the past. I am not able to provide direct evidence on the delivery of assessment reports however observe from many, many sources that it has simply been delay after delay after delay. This, once again and like the call centre, is for a critical part of the program. None of the \$50 Rewards cards have been handed out according to evidence given in Senate Estimates Hearings. This is a program operating more on a theoretical level than a practical one. The actual naming of

the program is in my view of very minor relevance and only a cosmetic issue.

The termination of the loans meant that my marketing material needed to be altered and re-approved. It also meant that marketing material which was issued by the Department was now redundant. On one level, I consider myself fortunate that I had not as yet incurred the printing costs however it does betray a (now former) Minister and possibly a Department which is isolated from the landscape in which it is operating. As already stated, my hope is that the Department of Climate Change is working on improving its program delivery. It is my view that all government Departments would be well advised to more intimately familiarise themselves with the community they are there to service. Consultation and listening are the order of the day here, from assessors as well.

Issue 5: Current problems with the caps announced on 19 February 2010.

Given the magnitude of the problems already identified, the following issue is rather smaller however it is still important and needs to be raised. The 19 February 2010 changes announced by former Minister Garrett included a 15,000 cap on the number of total assessments which could be booked by the call centre in a week. At the same time, it was announced that a limit of 5,000 assessors will be accepted to operate in the program with each being able to do five assessments per week. On that level, 25,000 assessments can be completed. The 15,000 cap therefore undercuts my ability as an assessor to book five assessments. Will I make the 15,000 cap or won't I? Not being able to answer this question week after week stresses my business and endangers the reputation of the program in the eyes of the general community. I, for one, am unable to see the purpose which the 15,000 weekly cap serves – given the other caps. I suggest it be removed as soon as possible.

I wish to note to the committee that by far the central thrust of my submission is yes, to identify the problems which have been experienced in the program however, far more important is that these be rectified and that **measures be put in place to consider how sustainability may be implemented across the general community. Please note the important word here: consideration.** With it, and with consultation with experienced members in the community who take sustainability seriously, the challenge of transitioning to a sustainable future is possible. Also critical is to implement robust education measures for those wishing to enter this line of work, to provide them with a reasonable opportunity to work in this field over the long term. This last point requires patient and sustained engagement with the general community on the importance of sustainability.

Conclusion

I wish to thank the committee for the opportunity to make this submission. I am passionate about sustainability. It is my hope that I have provided material which is useful to the inquiry and which may be used to further the transition which, as a matter of necessity, must be made towards sustainably living our lives.

The following may help to illustrate this point. If resources are managed sustainably in one part of the world, the need to extract resources from other parts of the world is reduced. This feeds directly into the ability of the present and future generations to meet their needs. In addition, air, water (both in ocean currents and via the water cycle/cloud movement), insects/plant pollination, ocean life and many other natural processes connect each and every part of the world. This connection is indeed the case with every aspect of sustainability. It is something which simply must start to be taken seriously by populations, government bureaucrats and politicians here and abroad. Myself, as well as others such as the signatories to the petition (even though I do not personally know them), deserve to be heard. The longer the issue is not addressed, the more pressing the calls will be to have it addressed. This is because of the simple fact that it is our own livelihoods that are at stake.

I wish the committee all the best in its inquiry and look forward to both observing outcomes and participating in programs which reflect the importance which sustainability has in our lives.

Sincerely,

Tom Livanos.

Green Loans Program assessor.