

To: Senate Standing Committee on Environment, Communications and the Arts

Re: Green Loans Program - Submission by a HSAS Accredited Assessor

Date: 8th April 2010

Dear Sir/Ms,

I take this opportunity to introduce myself, provide background and voice my opinion on the impacts of the recent changes to the Green Loans program. I hope by doing so that policy makers and administrators of the scheme will be supported and empowered to make the necessary changes to re-align what I always believed was an excellent concept.

I am a qualified and experienced mechanical engineer in my early 50's who took notice of the scheme plan announcement in late 2008. I made the decision to be involved, undertook accredited training at an interstate service provider then registered my own private business for this activity. I did this completely in my own time from my own pocket, whilst continuing working full time as an engineer in a large organization. The company (unrelated to green industry) for which I was working was downsizing, so I accepted a separation package from them and dedicated myself to the "Green Industry" business – which has always been my passion and desire. As such I was in the first group of South Australian trained assessors and was chosen to assist with the Pilot Scheme (beta trials) in the 2nd quarter of 2009, just prior to the public rollout on 1st July 2009.

Since early/mid 2009, I have conducted approximately 30 residential assessments as a sole operator. This has given me a good idea of what the client (residential taxpayer) environmental sustainability problems are and how their money should be spent. My technical competence and enthusiasm was being put to good use!

Unfortunately assessments have dwindled to an almost zero rate in recent months following the withdrawal of low interest loans and failure of the electronic diary/booking system. It is extremely difficult to administrate my bookings, with DEWHA phone lines jammed. To add insult to injury, I have been contacted several times by Assessor Businesses attempting to "on-sell" their long list of pre-booked customers at a premium.

I have outlaid over \$6000 to date establishing credentials and set-up costs such as administrative and insurance requirements. My business is no longer viable and I may be forced to exit this industry. This is hurting me and my family.

My learning's from involvement in the program thus far could be summarized:-

- Joe public (resident and taxpayer) is indeed naïve about simple measures to reduce resource wastage around the home. (ie the Green Loans scheme was well targeted!) and does need individualized advice on countermeasures.
- The time needed to conduct an average onsite household assessment is minimum 3 hours. A further one hour is required for data entry. 4 hours total for \$200 fee.

Anything shorter does not do justice with resulting reports being of dubious, if not misleading quality.

- There is excessive thermal energy wastage in all homes, (windows, draughts, insulation, heating/cooling unit choice) and individualized consultation would seem to me to be the biggest need within the community if we are to get serious.
- The booking system operated by DEWHA worked fine in the earlier stages, and I would say that admin resourcing levels at DEWHA were insufficient to cater for the scheme as it gained momentum. This would explain the tumble and breakdown.
- There are now too many assessors, a majority with credentials unsuited to the job at hand. The scheme is better served with people of a technical background who can offer the resident sound advice based on good science.
- DEWHA contract has too many openings for “fly-by-nighter” businesses who monopolize and overrun DEWHA with bookings that they cannot possibly do themselves. They have “gouged” the scheme by using call centre services to book the jobs, on-selling their bookings at a premium \$40 per assessment. This reduces the assessor before tax earnings from around \$50 to \$40 per hour.

It is disappointing that my talent and enthusiasm is being wasted for what was a terrific idea – both for government in reduction of water/energy infrastructure investment – and the proposed new “Green Jobs” industry. There is still a chance to resurrect this program and I say with specific attention to Terms of Reference that:

(B) regulation of Home Sustainability Assessment practices, including the promotion of assessments.

All Assessor businesses must conduct their assessments within a set period of time – no exceptions. Use of call centers to lobby the public for assessment should be banned.

(C) Accreditation of Home Sustainability Assessors,

Assessors are screened for minimum technical competency standard, which is higher than currently set.

(D) ensuring value for money for taxpayers.

Have a summary text entry section in the report that the assessor personally authors of, say, minimum 150 words describing the customer problems and solutions thought to best suit the particular residence. ABSA then needs more “teeth” to weed out the incompetent operators.

(E) waste, inefficiency and mismanagement within the program.

Reduce the number of chiefs – have more cooks on the job. People who answer assessor and Joe public phone calls.

(A) employment and investment in Home Sustainability Assessments resulting from the program, including that resulting from Government statements regarding the number of accredited assessors.

Increase competency level of and have fewer assessors, by screening current number through test program. There will be a forced attrition.

(B) the effectiveness of the booking system,

More people to answer phones at DEWHA and/or more IT support to internet booking.

(C) the effectiveness and timeliness of Home Sustainability Assessment reports being provided,

More IT support and infrastructure at DEWHA. Reports are taking too long to get to the customer - I know of 3 and 4 month delays, having received calls from previous clients annoyed at the delay.

(D) the early reduction by the Government in the number of Green Loans to be offered, and subsequent discontinuation of the loans, including by financial institutions in advance of the Government's announced date of discontinuation,

This has reduced resident motivation in the scheme, though my experience is that many would still like the assessment, provided that they do get good quality advice from the assessor. (ie don't waste their time). This comes back to assessor competency.

(E) homeowner actions for which Green Loans have been sought and approved,

Should be less rigorous. For instance, support people who wish to extend their water self-sufficiency levels over other items reported from DEWHA.

In summary I would support an ongoing scheme, with the changes that I believe are reasonable to implement. I would be happy to provide more detailed information to government which supports my proposals.

Please maintain privacy (from public) of my name/contact details in reviewing this submission.