



Australian Government

Green Loans

Green Loans Update

December 2008

Thank you for your interest in the Green Loans Program.

This update from the Department of Environment, Water, Heritage and the Arts provides an overview of how the Green Loans Program will work, the likely eligibility criteria and answers to some frequently asked questions.

Apart from sending you regular Green Loans updates, further information is available at: www.environment.gov.au/greenloans.

Program Overview

Green Loans is a new Australian Government initiative to help Australians tackle climate change. With significant progress made on the program's design, the official guidelines, timeframes and details of how the loan subsidy will work are due to be released in early 2009.

Household Sustainability Assessments are expected to be available nationally from mid 2009, following a regional pilot commencing in April 2009 which will test the assessment process.

This innovative program will help an estimated 200,000 households to reduce our nation's annual greenhouse gas emissions by around 600,000 tonnes of carbon dioxide equivalent per year by 2020. The program will also encourage an estimated \$2 billion in green-inspired investment, directly benefiting the small business sector.

Green Loans has two main components of support from the Australian Government:

- } A free Household Sustainability Assessment and report (valued at over \$250) which includes providing a green renovation pack; and
- } Access to low cost finance through a subsidy provided to financial institutions for borrowings of up to \$10,000 to implement changes recommended in the assessment report.

Free Household Sustainability Assessments

Households are often overwhelmed by the amount of information available describing the best actions to save energy and water and to reduce greenhouse gases. It can be difficult to decide what action to take.

Through the Green Loans program, householders can access a free, comprehensive Household Sustainability Assessment to reduce their energy and water bills, increase the comfort of their home and help reduce damaging carbon pollution. This independent assessment by a qualified expert assessor will provide advice from the smallest behaviour change to major investments such as a solar hot water system or photovoltaic panels. From this assessment, householders will get a tailored, expert report listing the most effective changes for their home.

The assessment will involve the physical inspection of major energy and water systems relating to thermal comfort, water heating, lighting, refrigeration, cooking, entertainment, water efficiency and outdoor consumption, and waste management. The data will be entered into a sophisticated assessment software tool to allow environmental impact calculations. The length of the inspection will be influenced by the amount of information readily available, the size of the property and the number of energy and water systems to be considered. Each assessment should take around 1.5 hours to complete.

The four steps to participate in a Green Loans Home Sustainability Assessment: are

1. **Book** a Household Sustainability Assessment via the Green Loans internet booking service, or through the Green Loans 1800 phone booking service. (Note: these services are not yet available).
2. A registered assessor who has been contracted by the Australian Government to undertake **Household Sustainability Assessments** will arrive at the booked time and conduct the assessment.
3. At the end of the inspection, the assessor will sit down with the household, have a discussion about reducing energy and water consumption and provide some **initial advice**. This will help the assessor build a picture of the household's environmental aspirations and current practices and behaviours.
4. Within 10 working days, the household will receive a written **Household Sustainability Assessment Report** describing the assessment findings, recommending actions including loan subsidy-eligible actions and providing details of where to get further services or information.

National Standard for Household Sustainability Assessments

To ensure Household Sustainability Assessments are of a consistent high standard and are positive experiences for households, the Australian Government is setting up a new training and registration scheme for Household Sustainability Assessors.

A comprehensive training course has been developed to ensure the quality and consistency of assessments and assessors. Assessors will also be required to comply with the Assessor Code of Professional Practice and to undergo a police check before they can conduct government-funded assessments.

An independent auditor will conduct quality checks of assessment services to ensure that the assessments are of the highest standard. Only assessors who meet this

new training and registration standard will be contracted by the Australian Government to conduct assessments for the Green Loans Program.

More information on the assessor training and registration scheme is at <http://www.environment.gov.au/greenloans/assessors.html>

Green Loans Subsidy

Many households who take up a Household Sustainability Assessment may be interested in taking out a loan to undertake the home improvements suggested in the assessment report. To assist these households, the Australian Government will lower the cost of finance by providing a loan subsidy to participating financial institutions.

The household can choose which participating bank, credit union or building society they wish to apply for a loan with. Participating financial institutions will have to agree to national requirements for passing on the subsidy. This agreement will include safeguards to ensure that the full subsidy is passed on to the household through reduced cost finance.

The department is currently consulting the finance sector on the final arrangements. It is hoped that an interest free period of up to four years on eligible borrowing can be negotiated. Further details about the loan subsidy will be available in 2009.

Expected Program Eligibility

Note this is the expected eligibility criteria as at December 2008. The official guidelines, to be released in early 2009, will set out the final eligibility criteria.

Eligibility for Household Sustainability Assessments

- } Applicants are eligible for a free Household Sustainability Assessment according to the following conditions:
- } The applicant must be an Australian citizen, permanent resident and/or an Australian registered charity.
- } The applicant must be aged 18 or over.
- } A person applying on behalf of a registered charity must have legal delegation to make the application on the organisation's behalf.
- } The applicant must be either the owner of the dwelling, a trustee of the dwelling (as shown on current title) or listed on the current lease.
- } The dwelling being assessed must be in Australia or its territories.
- } New dwellings or dwellings under construction are not eligible for support under this program. The dwelling being assessed must have been completed and occupied for at least 12 months (not necessarily by the applicant). Suitable proof may include a certificate of occupancy or similar issued by a local or state government agency.
- } The applicant must give the Commonwealth permission to access (through their energy and water suppliers) water and energy use information for a

period of up to 12 months preceding the assessment, and up to 24 months afterwards (the data is an extremely important part of the program for environmental impact analysis and program evaluation).

- } While all reasonable effort will be made to make Household Sustainability Assessments available in all regions of Australia, some remote areas may not have accredited expert assessors available at all times. Households will be advised at the time of booking if an assessment service is not available and will be provided with an alternative process to be eligible for the loan subsidy.
- } Only one free Household Sustainability Assessment will be available per applicant at a given address.

Applicants/Dwellings NOT eligible for a Household Sustainability Assessment

- } Australian, state or local government-owned dwellings.
- } New dwellings under construction.
- } New dwellings completed within the past 12 months
- } Body Corporate organisations and private companies.

Eligibility for the Green Loan Subsidy

Applicants are eligible for a Green Loan subsidy according to the following conditions:

- } The applicant must be either the owner of the dwelling, a trustee of the dwelling (as shown on current title) or listed on the current lease of the dwelling at the time of applying for the Green Loan subsidy.
- } The household of the applicant must have a taxable income no greater than \$250,000. Suitable evidence of income may be required from the applicant and may include the most recent Notice of Assessment produced by the Australian Taxation Office.
- } The applicant must satisfy the lending criteria of a participating Green Loans program financial provider.
- } Only actions recommended as loan subsidy eligible actions on a valid Household Sustainability Assessment Report will be eligible for support and only for the dwelling listed on the report. The report remains valid for six months from the date of issue.
- } The Green Loans Program provides a cost subsidy for a maximum loan amount of \$10,000. The applicant may receive only one subsidised loan per Household Sustainability Assessment Report. The subsidised loan must be approved by a participating Green Loans Program financial provider within six months of the date of issue of the report.
- } Removable appliances (e.g. washing machines and refrigerators) will only be eligible for the loan subsidy once per applicant.
- } Eligibility for the loan subsidy is not affected by other available subsidies and incentives for the same items or actions.

- } Please note: Where the applicant does not own the property, they must adhere to their lease agreement in seeking permission from the owner before undertaking any amendments to the property.

Actions NOT eligible for the Green Loan Subsidy

- } Actions not listed as Green Loan subsidy-eligible actions on a valid Household Sustainability Assessment Report.
- } Any renovation activity undertaken prior to the Household Sustainability Assessment Report.
- } Actions being undertaken during the construction of a new home or during the first 12 months following completion of construction.

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