



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



THE SENATE

PROOF

MATTERS OF PUBLIC INTEREST

Green Loans Program

SPEECH

Wednesday, 24 February 2010

BY AUTHORITY OF THE SENATE

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Questioner
Speaker Boyce, Sen Sue

Source Senate
Proof Yes
Responder
Question No.

Senator BOYCE (Queensland) (12.55 pm)—I am a very practical person. I do not pay extra money so that I can use clean energy in contrast to dirty energy. I have the view that clean energy should, in fact, be cheaper than dirty energy, and when that happens, as it must under an emissions trading scheme, I will certainly be supporting that. But I am a very curious person and I became interested recently in what happens to all the carbon offsets that conscientious Australians pay in their use of air travel and all manner of other things. It turned out to be a very interesting tale.

On 3 February this year the Senate agreed to a motion from Senator Milne which, while it dealt principally with the government's hopelessly bungled Green Loans Program that does not have loans in it, noted with grave concern:

... the company Fieldforce has consistently received preferential treatment through the program including being allowed to book as much work as it wanted during the shutdown period, despite thousands of other assessors being forced to go without work ...

In response to this motion the Special Minister of State and Cabinet Secretary, Senator Ludwig, admitted that Fieldforce was the single largest operator under the Green Loans Program and he added that, to accommodate this, a special arrangement had been made so that their bulk bookings were processed by the environment department once a week. This was confirmed by the Minister for Climate Change and Water, Senator Wong, the following day. The coalition's sustainable cities spokesperson, Mr Bruce Billson, also raised the matter of Fieldforce on 4 February in the House of Representatives and referred to the relationship between the government and Fieldforce as 'cosy'.

According to the *Age* of 5 February, a spokesman for Mr Garrett, Minister for the Environment, Heritage and the Arts, said that Fieldforce was given a computer link to the department to streamline approvals for it to assess homes. It was and is—despite the program not being a program anymore—the only company to have this preferential treatment. The *Age* that day quoted the managing director of another firm, Melbourne based Alpha Green, Mr Fraser Clayton, as saying that he had two people who were working 12-hour shifts calling the department's hotline to get approval for assessments, and that it would usually take 15 or more

attempts to get into an automated queue and then another two-hour wait to get through to an operator. Happily, Fieldforce did not have the same problem; they had their hotline.

So just what is Fieldforce? The company commenced operations in 1993 in New South Wales supplying services to the water, gas and electrical utilities, including meter reading, meter maintenance and replacement plumbing, electrical and gasfitting. Throughout the 1990s Fieldforce expanded nationally and now has offices in every state and territory except Tasmania. In 1999 Fieldforce ventured into the environment sector, partnering a pilot water conservation program with Sydney Water to provide a residential demand management service. This proved successful to the point that Fieldforce has now retrofitted more than half a million homes. Based on the success of this program, similar demand management programs have been delivered by Fieldforce to many of the major utilities and government agencies around Australia—and they have been delivered very successfully from all reports. In 2004 Fieldforce joined the UXC group of companies. It is now fully accredited under the Department of Climate Change's Greenhouse Friendly scheme and similar government schemes in New South Wales, Victoria and South Australia. Fieldforce has done very well in recent years and, as Senator Milne's motion regarding the Green Loans Program shows, Fieldforce apparently has friends in high places.

But there is one other aspect of their remarkable success that I want to raise today, and this is the tale that my curiosity led us to discover. I refer to the voluntary carbon offset program introduced by Qantas. The program and its principles are admirable and Qantas is to be congratulated for introducing it. According to the Qantas website, all payments, other than the GST, made by customers who decide to pay the extra for the voluntary carbon offset program on their tickets are used to acquire abatement approved carbon offset projects. Qantas is of course to be commended for carrying the necessary administrative costs of this program. The Qantas website once—and I stress 'once'—stated:

In August 2008, Qantas announced that Fieldforce, a Greenhouse Friendly accredited provider, will supply the next group of carbon credits for the Qantas carbon offset program. Fieldforce operates across Australia and generates

carbon offsets by providing energy efficient light bulbs and water saving showerheads to eligible homes and businesses.

The Qantas website went on to quote at the time it was looked at:

You can register at fieldforce.net.au for a free home energy assessment and, if eligible, receive the free installation of the energy efficient light bulbs and showerheads.

On 29 January this year I wrote to the Chief Executive Officer of Qantas, Mr Alan Joyce, about his company's relationship with Fieldforce and I quoted that full two-paragraph transcript from their website. I wondered in my letter to Mr Joyce whether I was missing something, because a visit to the Qantas website did not provide a readily identifiable way of registering for that advertised alleged service. Equally, a visit to the advertised Fieldforce website failed to provide any way of registering for the same free service. Perhaps it is sheer coincidence, but the Qantas website has erased the second paragraph of the section I have just quoted from the website since I wrote that letter. This, in its own way, gives the answer to why I could not find any way to register for a free energy assessment service with free light bulbs and free showerheads from Fieldforce apparently being subsidised by Qantas carbon offsets, because it does not seem to exist.

Prior to writing to Qantas on 29 January and failing to have had any success on either the Qantas or Fieldforce websites about how to arrange for the free inspection, a member of my staff telephoned the Brisbane office of Fieldforce to be told that the way to make the arrangement was to call the free number 132040. This is actually the freecall number of the Queensland government's Climate Smart Home Service. The operator there advised that this service was in fact provided by Fieldforce and was paid for under contract by the Queensland government. Thus it would seem that environmentally conscious Qantas passengers are happily paying the voluntary carbon offset when they purchase their tickets and that money is ultimately being channelled to a commercial operation which, in Queensland at least, is being paid by the state government for providing this service. This Queensland government service, unlike the elusive one once allegedly provided free of charge by Fieldforce, according to the Qantas website, costs homeowners \$50. The Qantas 2009 annual report stated:

The voluntary carbon offset program was integrated in the qantas.com booking process, also enabling customers to use Frequent Flyer points to offset their share of emissions when booking a Classic or Any Seat award flight. Qantas and Jetstar customers paid to offset almost 250,000 tonnes of CO₂-e.

There is no mention at all of Fieldforce, as far as I have been able to discover, in the Qantas annual report.

The Fieldforce website provides an excellent profile of the company, which, as I noted earlier, has been a part of the UXC Ltd group of companies since 2004. However, the Fieldforce website makes no mention of the company's relationship with Qantas. It would seem to me that a reasonable assumption would be that it is proud of this association and the success it is having with greenhouse gas abatement work on behalf of the generous and public-spirited Qantas passengers. What the website did say was that when Fieldforce joined the UXC Ltd it was offered:

... considerable financial support and this support allowed us to invest in the company's future, which in turn, propelled us into the realm of the Greenhouse Gas abatement sector. Today, we are the leading supplier of energy efficiency and carbon offset services in Australia.

According to the Executive Chairman of UXC Ltd, Mr Geoff Lord, in his AGM address in November last year, the company has a 'successful record of creating shareholder wealth and dividends over an extended period'. It has an annual revenue approaching \$800 million and has about 3,600 employees. UXC Ltd is obviously a great Australian success story and all associated with it should be proud of that success.

But my concern is that Qantas customers who are voluntarily paying the extra for the carbon offset program may not be aware—as I certainly was not until I conducted this inquiry—where their money is going. Until my discoveries I had presumed—obviously quite naively—that these funds would be going to not-for-profit community based organisations with volunteers doing selfless, practical, useful on-the-ground environmental work.

In my 29 January letter to Mr Alan Joyce I asked him why Fieldforce had been chosen in August 2008 to receive these funds from Qantas, how much has been paid to them in that period and how long it was intended to keep Fieldforce as the paid supplier of carbon credits for the program. I have had no reply to that letter and I have since written to Mr Joyce, on 23 February, asking him why the second paragraph of that information about the free Fieldforce service that was on their website in January was no longer there. I had asked him in my first letter how people could register with Fieldforce to get the 'free home energy assessment' proudly advertised on the Qantas website, what the eligibility criteria were and who decided. Quite obviously, from my investigations, there appears to be no way of registering for such a service because the service does not exist now, if ever it did exist.

Qantas has removed all reference to any allegedly free service provided by Fieldforce—a prudent if yet unexplained decision. The government seems to continue to be under the impression that Fieldforce still

provides a free service. The Department of Climate Change lists Fieldforce Services Pty Ltd in its list of abatement providers as providing what is called an 'enviro saver program', which provides:

Free of charge residential CFL and low flow showerhead installation/giveaways ...

But, as I have noted previously, it is nonexistent, at least as far as Queensland is concerned—and, apparently, also as far as Qantas is concerned.

I also wrote to Fieldforce, using the contact details available on the Department of Climate Change website—to Mr Wayne Blanch, the financial controller of the company. In that letter I asked him exactly what the relationship between Fieldforce and Qantas was, what funds had been remitted to Fieldforce by Qantas from its environmentally conscious passengers and what free services had been provided by these funds. I asked Mr Blanch to let me know what free services were available under its enviro saver program listed on the Department of Climate Change website, and how they could be accessed. I have yet to receive a reply.

In my second letter to the Qantas CEO I drew his attention to the statement on the website of the Department of Climate Change. I pointed out that if the Department of Climate Change was under the impression Fieldforce was an altruistic company providing a free service, why had Qantas chosen to take away this reference to this apparently free service? Who is right about Fieldforce? Is it the Department of Climate Change or Qantas? Is it the receptionist in Brisbane who thinks that all these services must be paid for?

In any case, why is Qantas channelling money from its passengers who generously pay the carbon offset payment to a company which in the last financial year had annual revenue of almost \$800 million? How much money from Qantas passengers has been given to Fieldforce? Why is its relationship with Qantas being kept so deliberately low key—and by both parties? I would like to add that I do not believe that Qantas is acting in bad faith here; I am suggesting that in fact there has been a lack of due diligence. In my view, both Qantas and Fieldforce have some serious questions to answer.