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NCSI Certified Quality System ISO 9001

Our reference: Capability Au.A802CAP-05/LT_7315/AS/fr

12 February 2008

Greenhouse and Energy Reporting Taskforce

Dear Sir/Madam,

National Greenhouse and Energy Reporting System Discussion Paper: Technical Guidelines for the Estimation of Greenhouse Emissions and Energy at Facility Level

On behalf of PB, I submit the following comments on the above Discussion Paper.

The document provides a detailed review of the issues relating to greenhouse gas generation from the nominated IPCC sectors in Australia. As such, it integrates methodologies previously held separate in a way that is logical and provides guidance to users, and is to be commended for providing this technical detail with sufficient clarity. Variations, for example updates to emissions factors, need to be clearly identified so that users can assess the year-on-year significance of their results.

The consistency with international reporting and systems, particularly the IPCC and WRI/WBCSD documents, is likely to be of great benefit to Australian organisations. PB acknowledges the support this provides to potentially be involved in UNFCCC CDM projects.

While supportive of actions that reduce Australia's contribution to climate change, PB is concerned that this system may add unnecessary workload to business and industry. The scheme overlaps with other national and state initiatives in ways that could be optimised. In particular:

- the National Pollutant Industry (NPI) reporting scheme already requires facilities to assess their energy (fuel and electricity) usage
- the NPI scheme requires facilities to report 'transfers', which includes aspects of waste to landfill and sewage; numerous other state and federal schemes also require documentation and reporting on various waste aspects, such as transport, treatment and disposal
- the Commonwealth Energy Efficiency Opportunities legislation requires reporting and actions, which would align for corporations for the first reporting year, but would gradually vary as the NGER threshold is reduced to 200 TJ in the future
- thresholds for the EEO and NGER schemes are identified as PJ/TJ, however the NPI is reported in MWh/tonnes of fuel consumed, and GGAS large users are defined through GWh of consumption
- it is unclear how this scheme integrates with the NSW Greenhouse Gas Abatement Scheme, Greenhouse Friendly, the Generator Efficiency Standards and other schemes that issue abatement or offset certificates, as companies are likely to wish to report their work in this area. Integrated reporting would also minimise administrative burdens and improve efficiency.



While the real-life imperatives of a phased approach are appreciated, there appears to be a discrepancy, where managed plantations currently claim tradeable carbon rights for their actions. However, the forestry, agriculture and fisheries sectors are excluded from reporting emissions. This appears to provide incentives to these sectors to emit greenhouse gases in the short-term so that they can maximise their net carbon sink effect in future years.

The reporting mechanism is appropriate for existing organisations to bring them in line with the new requirements. PB recommends that specific guidance is provided for new organisations, particularly where their part-year totals may not trigger reporting requirements, and where establishing a suitably robust data collection and management system may require numerous annual iterations.

Finally, once the calculations have been undertaken by facilities, no validation or certification requirements have been identified. From experience with the NPI, the use of equations based partly on externally provided emissions factors provides significant room for variation in the outcomes, even where there is limited 'real-life' change. While this is appropriate for the purpose of the NPI in encouraging cleaner production, it does not seem a suitable approach for the NGER scheme, as such, PB would support more rigorous oversight to be provided to the industry.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Arek Sinanian', written over a light blue horizontal line.

Arek Sinanian

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