



**Western Australian Local Government Association Submission to the
Department of Climate Change, Greenhouse and Energy Reporting
Taskforce on the Technical Guidelines for the Estimation of Greenhouse
Emissions and Energy at Facility-Level.**

Energy, Industrial Process and Waste Sectors in Australia.

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Submission on the Implications of the NGERs – Act/Scheme/Regulations – for Local Government

The Western Australian Local Government Association (WALGA) is the united voice of Local Government in Western Australia. The Association is an independent, membership-based group representing and supporting the work and interests of all 142 Local Governments in Western Australia.

The Association provides an essential voice for almost 1,400 elected members and over 12,000 employees of the 142 Local Governments in Western Australia. The Association also provides professional advice and offers services that provide financial benefits to the Local Governments and the communities they serve.

The Association assists the Australian Local Government Association (ALGA) which represents Local Government Australia wide. Through this mechanism the Association is well placed to influence the decisions made at the Council of Australian Governments (COAG), on which the President of ALGA sits. ALGA is currently developing, in conjunction with all of the State and Territory Associations, a National Policy Position on climate change.

In addition the Association works closely with both State and Federal Government Ministers and Departmental Officers to ensure Local Government has a strong voice across the political community, develops robust policy and policy projects and provides an advocacy role where necessary. The influence of the Association within the Local Government sector and on its behalf is significant and the Association has recently signed a Climate Change and Sustainability Partnership Agreement with the State Government ensuring that both Local and State bodies are working towards complementary objectives. This will be achieved through the construct of the State / Local Government Climate Change and Sustainability Council, comprising relevant State Ministers, the President of WALGA and officers of State and Local Government, as required.

While Local Government is not technically a 'corporation', section 2.5 of the Local Government Act 1995 provides that *a local government is a body corporate with perpetual succession and a common seal*. In some respects a local government is comparable to a Company incorporated pursuant to the Corporations Law, and local governments have been deemed in court judgements to be constitutional corporations. In respect of this information the Association assumes until otherwise informed that Local Governments will be under obligation to report under the NGERs.

The Association understands that, although Local Governments are not technically 'corporations', for the purpose of the reporting requirements and under the Local Government Act, our statutory responsibilities are equivalent. As a result, any breaches of the 25kT threshold by individual Local Government facilities will require reporting to the NGERs and may attract the penalties outlined in the Act should reporting not be duly administered.

Western Australian Local Governments will be predominantly affected by this reporting scheme in relation to their waste and street lighting obligations. Few of their other functions are likely to, as discrete facilities, breach the 25kT threshold for emissions production or energy usage. However, given that many Local Governments in Western Australia are significantly under-resourced and are therefore unlikely to be able to bear the costs of additional regulatory requirements passed down by the State and Federal Government, any implications of the NGERs for Local Government will need to have consideration made to appropriate resourcing, with particular focus on administrative needs and clarity on exactly which Local Government functions are likely to be affected by the regulations.

The Association has some concerns that the roles and responsibilities of Local Government are not clear within the Act or the subsequent regulations, as Local Governments exist to serve a community function and are not a profit making entity. In addition, it is not clear whether a Local Government's aggregated emissions (i.e. the emissions caused by the sum of each Local Government's functions) are likely to be reportable as a 'corporate group' under the 125kT threshold or whether discrete functions of Local Government are reportable as separate facilities (i.e. waste management, transport, street lighting, plant operation etc).

There is also a lack of clarity around the impacts on reporting requirements of Local Governments significant emissions reduction strategies. Local Governments are showing significant leadership around the country in the reduction of emissions. Clarity on what offsets can be used to mitigate the reporting requirements for Local Governments, and in particular Waste Management Facilities would be appreciated.

While the Association appreciates the difficulty inherent in ensuring that each sector is aware of and understands its specific requirements under the Act, there is a need for those entities providing essential community services, but which operate on a marginal profit, to be well informed and 'mentored' where possible through this process so that responsibilities do not become so onerous as to prevent reporting. The *Technical Guidelines* and the additional *National Greenhouse and Energy Reporting Act* and *Methodology for Estimation of Greenhouse Gas Emissions and Sinks* are complex and specific, and may prove too onerous an administrative task for untrained Local Government officers to undertake, will this then fall to Chief Executive Officers to accept penalties for non-compliance.

Some of the specific concerns of the Association are as follows:

- **Landfills:** As the larger WA landfills are owned and overseen by groups of Local Governments (Regional Councils) acting as one entity, will they be required to report emissions as a 'corporate group'? While the facility itself may breach the threshold (i.e. a large landfill site), the disaggregated emissions when shared over the individual Councils may not. Should LG's be required to report on 'shared' landfill sites which LG will report on behalf of the group – or will the Regional Council be expected to assume this administrative burden?
- **Street lighting:** The Association has been informed that Western Australian State Departments will not be required to report (with the exception of State owned infrastructure and services i.e. Western Power and Water Corporation). The Association sees some of the street lighting functions of Local Government (in particular the ownership and maintenance of street lighting infrastructure) as 'devolved' by the State Government to Local Governments on the pretext of convenience. These functions are 'funded' by Local Governments through ratepayers and the costs of maintaining this infrastructure are directed into the State Government purse. Essentially Local Government is paying for a service that the State Government should be providing as part of its civic obligation and may also have to report to the NGERs on the energy usage of street lighting in Local Government road reserves, thus creating a double handling of an administrative function that should not sit with Local Governments.
- **Plant and Equipment:** Are any of Local Government's heavy infrastructure likely to breach the threshold (i.e. gas capture plants at landfill sites)? And is this then offset by the fact that the site is often powered by the energy generated by the plant and is therefore generating 'renewable' energy?
- **Transport:** Are any large LG vehicle fleets likely to breach the threshold? Information on the threshold 'equivalent' would be of use to Local Government when determining whether or not their vehicle fleets breach the threshold (i.e. an approximation of how many V6 cars equals 25kT etc). This would also be helpful for other facilities of Local Government (i.e. street lighting).
- **Aggregated Reporting:** The Association assumes that Local Government will have to report (if indeed they do at all) as independent entities and not as a sector. Collecting sector wide data for emissions production and energy use on the many Local Government functions would be deemed an almost impossible task. Will Local Government itself be seen as a series of 142 discrete entities or a corporate group and if emissions/energy are aggregated, who will be required to report.
- **Administrative Burden:** Local Governments are required to report many of these things to the state government currently. If state govt holds the aggregated information, would they not

be better placed to be delivering this reporting? How will the significant administrative burden of reporting be supported by the Federal govt?

- **Offsets:** To what degree can carbon offsets projects reduce emissions profiles and does that negate the need for reporting?
- **Responsibilities:** The Association is given to understand that should a Local Government 'trip' the threshold with its Sector 1 emissions (i.e. from a Landfill site) it will be required to report all of its Sector 2 emissions also. The breadth of Local Government business encompasses a large range of essential services, many of which have the capacity to emit greenhouse gases in varying quantities. To aggregate these emissions would present an onerous responsibility for Local Government.

While the Association understands that many of these comments may not be captured on behalf of a specific sector within the Technical Guidelines, it seemed opportune to mention that there are many factors for Local Government to deal with within this sphere and little communication on how these expectations are likely to be resourced. The obligations outlined in this document, the Act and the Methodology are complex and technical, and few Local Governments are likely to be resourced to meet them. The Association would appreciate information on how the Federal Government plans to assist Local Governments to meet these reporting requirements.

The Association also understands that reporting to the NGERs is a valuable tool and will prepare covered sectors for the implementation of a National Emissions Trading System (NETS). Having said that, two issues for further clarification for the Local Government sector arise from a lack of information on whether or not the sector will be required to report given its constitutional status and whether or not the sector will be covered or uncovered within the upcoming NETS. While neither the Technical Guidelines nor the Act will specifically cover these issues it's important to acknowledge that both of these factors will influence the decisions of Local Governments as to whether or not to participate in the NGERs at this stage.

The Association would also recommend that each State be provided adequate local resources (i.e. dedicated officers seated within each state Environment Department), who will be able to mentor those sectors or individual entities struggling with reporting requirements through the process.

Western Australian Local Government Association Recommendations:

To ensure local government is apprised of its liabilities and obligations the WA Local Government Association has identified the following areas of activity for the Department of Climate Change.

- That before the reporting deadline, Local Governments are informed about their specific legal requirements under the Act and Technical Guidelines.
- That before the reporting deadline, Regional Councils (which operate as Local Governments under the *Local Government Act*) are informed about their specific legal requirements under the Act and Technical Guidelines.
- That before the reporting deadline, Local Governments are informed as to whether a sector-wide aggregation of emissions/energy use will be necessary.
- That before the reporting deadline, Local Governments are informed as to what mechanisms for support (i.e. state housed mentoring/monitoring officers) will be provided to Local Government to assist with the transition.
- That given the breadth of Local Government operations the timeframe for reporting for Local Governments should be re-evaluated.
- That an external auditor/mentor be contracted (at Federal cost) to ensure validity of data.

This submission covers the many Local Government policy concerns. The technical concerns of the sector are largely covered by the submission penned by the Municipal Waste Association Carbon Committee also submitted to the Taskforce and the Association endorses this position as held by the waste industry in this instance.