

LEGISLATIVE REVIEW

Resource Efficiency & Reporting

AUGUST 2008



An analysis of Federal, State and Territory mandatory requirements relating to energy, greenhouse gas and water

NetBalance
FOUNDATION

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Introduction

Tackling the threat posed by climate change is a core priority for Australian Governments at Federal, State, Territory and local levels. To underscore this, the Federal Government has set up a Department of Climate Change within the Department of Prime Minister and Cabinet and has committed to setting up an Australian Carbon Pollution Reduction Scheme by 2010.

The heightened priority given to tackling climate change can be attributed to the urgency and seriousness of the problem. Climate change threats and associated impacts have been quantified by climate science and economic analysis, summarised in reports such as:

- The 2007 Synthesis Report by the Intergovernmental Panel on Climate Change;
- The Stern Review Report on the Economics of Climate Change; and
- The Garnaut Climate Change Review Draft Report.

The decade-long drought currently being experienced in Australia has also led to an increased awareness of the severity and potential impacts of climate change, both within Australia and globally. These factors have subsequently resulted in the Australian community taking issues such as water shortages, greenhouse gas emissions and energy issues more seriously.

This report aims to provide business with clarity around the minefield of resource efficiency and reporting requirements that currently exist or are currently being developed. It analyses Federal, State and Territory government legislation related to energy, greenhouse gas, and water. It is applicable to organisations that may trigger National Greenhouse and Energy Reporting (NGER), Energy Efficiency Opportunities (EEO), Environment and Resource Efficiency Plans (EREP) or other similar mandatory reporting and efficiency requirements. The Carbon Pollution Reduction Scheme is also investigated as well as some voluntary state-based programs.

This report is supported by an online tool, available at <http://www.netbalancemanagement.com/research.html>. The tool was developed to provide companies with a quick way to identify which Federal, State and/ or Territory mandatory resource efficiency and reporting requirements apply to them. The tool simply requires companies to enter basic information, such as annual water and energy use for a given year, and the state or territory of the company's operations.

Federal Obligations

National Greenhouse and Energy Reporting (NGER)

Sources of Information

<http://www.climatechange.gov.au/reporting/index.html> (Guidelines, Regulations and Fact Sheets can be downloaded from here)

The National Greenhouse and Energy Reporting (NGER) Office: 1800 018 831 or reporting@climatechange.gov.au

Introduction

- The NGER requirements were established to act as an information foundation for an Australian Carbon Pollution Reduction Scheme (to begin by 2010), to streamline Federal, State and Territory greenhouse gas emissions and energy use reporting requirements for business, and to provide publicly available information on business' greenhouse gas emissions, energy production and energy consumption.
- The NGER Office is part of the Department of Climate Change, which is located in the Department of Prime Minister and Cabinet.
- The NGER Act was enacted in September 2007, and the NGER (Amendment) Bill was passed in June 2008.
- The NGER Regulations and Measurement Determinations were published in July 2008.
- NGER is to be administered by the Greenhouse and Energy Data Officer (GEDO).
- The first mandatory reporting cycle will cover the 2008-2009 financial year; participants must therefore commence collecting energy and greenhouse emissions data and keeping records from July 2008. To enable this, participants should set up robust energy and greenhouse gas data collation and management systems from July 2008 if they haven't already.
- Participants can register from 1 July 2008, but must register by 31 August 2009, and report by 31 October 2009, for the first mandatory reporting financial year of 2008-2009. Early registration is encouraged to access information provision and support opportunities.

Trigger levels for emissions and energy reporting

- At the corporate-level, (i.e. for a controlling corporation with facilities under its operational control) participation thresholds will be phased in progressively over three years:
 - 2008-2009 financial year: **125 kilotonnes (kt) of carbon dioxide equivalent (CO₂-e)** of GHG emissions or **500 Terajoules (TJ)** of energy produced or consumed per financial year
 - 2009-2010 financial year: **87.5 kt CO₂-e** of GHG emissions or 350 TJ of energy produced or consumed per financial year
 - From the 2010-2011 financial year onwards: **50 kt CO₂-e** of GHG emissions or **200 TJ** of energy produced or consumed per financial year

- At the facility (i.e. activity/site) level, a set threshold of **25 kt CO₂-e** of GHG emissions or **100 TJ** of energy produced or consumed per financial year will apply.
- A 'controlling corporation' is generally the corporation at the top of the corporate hierarchy in Australia. A controlling corporation may also include subsidiaries, joint-ventures and partnerships (of which it has responsibility). Foreign corporations can be controlling corporations.
- A controlling corporation is technically defined by the NGER Guidelines as "a constitutional corporation that does not have a holding company in Australia" (National Greenhouse and Energy Reporting Guidelines, page 7). The NGER Guidelines recommends that organisations seek legal advice if they are unsure of their status as constitutional corporations. At present, it is not clear cut in some instances (such as local government authorities) whether the principle of constitutional corporation applies; in such cases organisations are recommended to register to participate in NGER and keep adequate data records, and the GEDO will indicate if participation is required. It has been indicated that local government authorities will be required to participate in the Carbon Pollution Reduction Scheme (see page 7 of this report).
- A controlling corporation has 'operational control' over a facility if it has the authority to introduce and implement operating policies, health and safety policies or environmental policies, or the Greenhouse and Energy Data Officer declares the corporation to have operational control of the facility. If uncertain, the authority to implement operating and environmental policies will take precedence.
- Only one corporation can have operational control over a facility at any time.
- Corporations are sometimes confused over the application of 'operational control' with respect to third party managers or operators; and/ or building tenancy arrangements. Nevertheless, the specific contractual relationship between the parties will outline which party has the greatest authority to introduce operating and environmental policies over the facility; this should be used to guide which party is deemed to have operational control over the facility.
- The controlling corporation has operational control over the greenhouse gas emissions and energy used/ produced by contractors and sub-contractors associated with its facilities; such data must be collected and reported under NGER by the controlling corporation.
- Facilities generally refer to sites at specific physical locations. Some facilities, namely networks (such as electricity, gas, water, sewerage or telecommunication networks) and transportation, cover large physical areas but are still defined as constituting a single facility if attributable to a single industry sector.
- Fact sheets and the NGER Guidelines to determine whether a company has 'operational control' and the application of 'facility' and 'controlling corporation' definitions can be downloaded [here](#). Net Balance can also assist in this if requested.
- An online Calculator has been developed to enable companies to determine if they will exceed the reporting thresholds, and therefore if it is likely that they will be required to participate in NGER. This calculator can be accessed [here](#).
- The NGER (Measurement) Technical Guidelines outline the accepted methodologies for calculating greenhouse gas emissions; they are predominately based on those used for the National Greenhouse Accounts.
- Meeting one threshold level will require reporting for all three (i.e. greenhouse gas emissions, energy consumption and energy production).

- Gross energy use/ greenhouse gas emissions will influence whether a company reaches the threshold level for mandatory reporting; purchased offsets cannot be included in threshold level calculations.

Reporting requirements

- Organisations are required to report on six Kyoto Greenhouse gas emissions: carbon dioxide, methane, nitrous oxide, perfluorocarbons, hydrofluorocarbons and sulphur hexafluoride.
- Greenhouse gas emissions will be reportable in terms of amount of carbon dioxide equivalent.
- It is proposed that greenhouse gas emissions to be reported will include both direct releases of greenhouse gases within the facility and/or controlling corporation boundary (i.e. **Scope 1 emissions**) and indirect releases of greenhouse gases from the consumption or production of electricity, heat or steam (i.e. **Scope 2 emissions**). Scope 1 and 2 emissions are to be reported separately.
- Participants can voluntarily report other indirect emissions ('scope 3' emissions).
- Mandatory participants must register with the Greenhouse and Energy Data Officer by 31 August, and report by 31 October, following the financial year in which they meet a threshold. Data will be made publicly available by the Greenhouse and Energy Data Officer by 28 February the following year.
- A single online entry point for reporting will be used; the Online System for Comprehensive Activity Reporting (OSCAR). This reporting system was also used for the Greenhouse Challenge Plus program and is currently being updated. The Department of Climate Change plans to have completed the modifications of OSCAR to be used for NGER requirements by December 2008.
- The Federal government intends to design OSCAR to allow data in the future to be automatically forwarded to State and Territory Governments to fulfil their greenhouse gas and energy reporting requirements, reducing the reporting burden on businesses.
- Facilities that emit more than 3 kilotonnes of CO₂-e and/ or produce or consume more than 15 terajoules of energy are to be reported separately at the State and Territory level.
- Energy and greenhouse gas emissions must be attributed to an industry activity and reported based on the industry classifications and codes listed in the 2006 Australian New Zealand Standard Industry Classification (ANZSIC).

Exemptions and verification

- NGER reporting via OSCAR will also fulfill the energy use data reporting requirements for the Energy Opportunities (EEO) program. However additional requirements of the EEO program outside of the NGER requirements (such as the identification of energy efficiency opportunities) will continue to be required.
- The Federal government is continuing to work with State and Territory governments via the Council of Australian Governments (COAG) to enable NGER to be the single point of greenhouse gas emissions and energy data reporting for all Federal, State and Territory government requirements. COAG plans to have this finalised by the deadline of the first NGER reporting period.

- Non-energy greenhouse gas emissions from the agriculture, land use, land use change and forestry industries are exempt from reporting until sufficient greenhouse gas calculations methodologies are developed.
- External verification will not be required for reporting purposes; participants will only be audited upon suspicion of non-compliance and/ or at the discretion of the GEDO.
- A public disclosure working group will finalise aspects of public reporting during 2008. It is possible that one of the outcomes of this work will be that corporations can apply for exemption from public disclosure due to commercial confidentiality concerns. Data ranges (rather than specific data information) may be publicly reported instead.
- The Greenhouse Energy and Data Officer will monitor compliance with NGER. The penalty for failure to apply for registration is 2,000 penalty units, which as at 1 July 2008 equates to \$220,000. Additional penalties may also occur for each day that a controlling corporation fails to apply for registration (i.e. each day after after 31 August).

Carbon Pollution Reduction Scheme

Sources of Information

<http://www.climatechange.gov.au/emissionstrading/index.html> (The Green Paper, Fact Sheets and related reports can be downloaded from this website).

Carbon Pollution Reduction Scheme Email: emissionstrading@climatechange.gov.au

Introduction

- The Federal government has commenced the development of an Australian 'Cap and Trade' Emissions Trading Scheme, to commence in 2010.
- 'Cap and trade' emissions trading involves governments making it illegal to emit greenhouse gas emissions without an emissions permit. Each permit allows a specified amount of greenhouse gas emissions to be emitted. The government limits the amount of emissions permits available for business by setting an overall emissions 'cap'. As the number of permits available is capped at a level that is below 'business as usual' emissions, a market for permits is created.
- Governments do not set the price of permits; supply and demand forces determine it at any one time. Such a market-based mechanism is preferred because it encourages least cost sources of emissions abatement to be utilised. In many cases it will be cheaper for a business to reduce emissions, rather than purchase a permit. It also incentivises the market to develop low-emissions technological solutions. This results in a least cost emissions abatement outcome for the economy overall.
- The Australian Emissions Trading Scheme has been re-named the 'Carbon Pollution Reduction Scheme' ('the Scheme').
- It is the Federal government's intention to commence the scheme in 2010.

The 'Cap' and 'Trade' Components

- There are two important aspects of a 'cap and trade' scheme that the government must determine: the 'cap' and the 'trade'.
- The 'trade' aspect refers to the design features of the scheme.
- The Federal government has recently released its Carbon Pollution Reduction Scheme Green Paper, outlining its preferred design features of the scheme. The Green Paper can be downloaded [here](#).
- The 'cap' aspect refers to the greenhouse gas emissions limit that the government will impose and the Scheme will subsequently facilitate, which is to be below 'business as usual'.
- The Scheme emissions 'cap' is important because it will control the scarcity of emissions permits, thereby determining their price. This will subsequently influence the cost to business of paying for their greenhouse gas emissions.
- The Federal government will indicate by the end of 2008, its chosen medium-term national emissions reduction target range. This will inform the proposed Scheme caps. However, while related, the national emissions reduction target and the Scheme's cap are not the same because the Scheme will not cover all of Australia's emissions.
- The medium-term emissions reduction target by the year 2020 will sit under the long-term emissions reduction target that the Federal government has already committed to: 60% reduction of emissions (based on 2000 emission levels) by 2050.

Planned Timelines

- The Federal government has recently released its Carbon Pollution Reduction Scheme Green Paper, outlining its preferred design and features of the scheme. The Green Paper can be downloaded [here](#).
- The Federal government is currently seeking stakeholder input into the design of the Carbon Pollution Reduction Scheme. Interested parties are invited to make a submission by 10 September 2008. Further information is available [here](#).
- The Federal government will release its Carbon Pollution Reduction Scheme White Paper in December 2008, which will outline the finalised design features of the Scheme.
- The Garnaut Review will release its Supplementary Draft Report in August 2008, which will use sophisticated Treasury modelling to quantify the costs and benefits to the Australian economy of varying levels of global mitigation. The Final Report of the Garnaut Review will also be released by 30 September 2008. These reports will be significant inputs into the medium-term greenhouse gas emission reduction target ranges that the Federal government will indicate by the end of 2008.
- Further public consultation will occur through to February 2009 with respect to the medium-term greenhouse gas emissions reduction target that the Federal government sets.

- The Federal government plans to introduce the Carbon Pollution Reduction Scheme legislation into the Parliament in March 2009, and to achieve full passage of the Bill by mid-2009. This will be reliant on the Senate passing the Bill. However, as the Rudd Federal government does not have a majority in the Senate, it is possible that the Coalition and other Senators may join efforts to block the legislation.
- If passed through the Senate as per the planning timeline, the Carbon Pollution Reduction Scheme Act will come into force during the third quarter of 2009 and the independent Scheme Regulator will then be established.
- The Carbon Pollution Reduction Scheme will commence in 2010.

The Green Paper

- As discussed, the Federal government has recently released its Carbon Pollution Reduction Scheme Green Paper, outlining its preferred design and features of the scheme. The Green Paper can be downloaded [here](#). This section will discuss the Federal government's preferred design components of the Carbon Pollution Reduction Scheme proposed in the Green Paper, covering pivotal aspects such as Scheme coverage, Scheme threshold levels for participation, permit allocation methods and Scheme caps.

Coverage

- Inclusion of the six greenhouse gases covered under the Kyoto Protocol: carbon dioxide, methane, nitrous oxide, sulphur hexafluoride, hydrofluorocarbons and perfluorocarbons.
- Stationary energy, transport, fugitive emissions, industrial processes, waste and forestry sectors to be covered by the Scheme, equating to approximately 75% of Australia's total greenhouse gas emissions.
- There will be limited scope for the provision of 'offsets'.
- Agriculture will be initially excluded from the Scheme. If adequate greenhouse gas calculation methodologies have been developed, agriculture may be included from 2015. The government to make a decision about the inclusion of agriculture in 2013.
- The liability to purchase carbon pollution permits for transport emissions will lie with upstream fuel suppliers.
- While transport is proposed to be included in the Scheme, the Federal government intends to cut fuel taxes on a cent for cent basis to offset the initial price impact on fuel due to the Scheme. The government will review this in 2013 for petrol and in 2011 for heavy vehicle users.
- Fuel exemptions will also apply to: exported fuel, fuel that is used for international transport, fuel that is sequestered in plastics and fuel supplied to visiting defence forces and consular vehicles.
- Forestry (i.e. reforestation) will only be included in the Scheme on an 'opt-in' basis initially. De-forestation will not be included in the Scheme.

Threshold levels

- In general, the threshold level for the purchase of carbon pollution permits will be: Companies that have facilities under their operational control that emit more than **25 kilotonnes of carbon dioxide-equivalent**. 'Operational control' is defined in the NGER Regulations Report (refer to page 4 of this report for a link to the NGER Regulations Report). Companies with operational control are liable for their **Scope 1 emissions only**.
- However, different thresholds may apply to the waste sector and synthetic gases.
- The government predicts that approximately 1,000 Australian companies will be liable to purchase permits under the Scheme.
- Participants will be required to surrender carbon pollution permits to cover the amount of greenhouse gas emissions that they emit.

Permit Allocation

- The Federal government proposes to auction the majority of permits. However, some industries will get special consideration, namely 'emissions-intensive trade-exposed' industries and 'strongly affected' industries, such as coal-fired electricity generators.
- Approximately 30% of the permits will be given to emissions-intensive trade-exposed industries, and strongly affected industries will receive some financial assistance as provided through a new scheme called the Electricity Sector Adjustment Scheme (ESAS).
- It is proposed that free permits to emissions-intensive trade-exposed industries will be based on emissions levels over the 2005/06 or 2006/07 time periods.
- Assistance will only be given to coal-fired electricity generators with assets in existence as at 3 June 2007.
- The Federal government intends to progress to 100% auctioning of permits over time.
- Auctions of permits would occur four times each financial year.
- A program for allocating emissions credits for early action before 2010 will not be established. This is because companies have a clear incentive to reduce their emissions as much as possible before 2010. The timeline also allows for sufficient time to reduce their liability under the Scheme and/ or to limit cost increases that will occur as a result of the Scheme (e.g. increased electricity bills).

Scheme Caps

- Scheme 'caps' will be set at least five years in advance and will provide the market with transparent signals as to the emissions-reduction trajectory to be facilitated by the Scheme. To further improve transparency and market signalling, 'gateways' will also be set beyond five years of the caps (e.g. 10 years beyond the current Scheme caps).
- Therefore, in 2010 the Federal government is proposing to provide Scheme caps for every year until 2015 and gateway cap ranges for the years 2020 and 2025.

- It is proposed that a permit price limit will be implemented for the first five years of the Scheme in order to allow the Scheme to ramp up slowly. After five years, market forces will determine the permit price. Economic modelling will determine the price limit that will be set for the first five years, with \$20/ tonne a likely figure.

Additional Information

- Where possible, the NGER system will underpin the calculation methodologies, monitoring, reporting and assurance of emissions under the Scheme. A single report to be submitted by 31 October each year will fulfil the reporting obligations of participants under NGER and the Carbon Pollution Reduction Scheme.
- It is proposed that large emitters (greater than 125 kilotonnes of carbon dioxide-equivalent) will be required to have their emissions calculations assured by a third party.
- A Climate Change Action Fund will be established to provide funding for businesses. The fund will allow for investment in low-emission capital, energy efficiency projects and to assist the provision of best practice information to small to medium enterprises (SMEs).
- The Carbon Pollution Reduction Scheme will cause the termination of state-based emissions reduction schemes, such as the Greenhouse Gas Reduction Scheme (GGAS) in NSW and the ACT.

Energy Efficiency Opportunities (EEO)

Sources of Information

Energy Efficiency Opportunities Helpdesk – 1300 799 186 or
energyefficiencyopportunities@ret.gov.au

www.energyefficiencyopportunities.gov.au

Department of Industry, Tourism and Resources (2007) *Industry Guidelines: Energy Efficiency Opportunities*. Canberra: Australian Government.

Energy Efficiency Opportunities Act 2006

Energy Efficiency Opportunities Regulations

Introduction

- Developed and administered by the former Department of Industry, Tourism and Resources. The new Department of Resources, Energy and Tourism ('the Department') will continue to administer the program.
- Established to guide Australia's largest energy-using businesses in identifying and implementing energy savings opportunities with a payback period of four years or less.
- Participants are obliged to identify and publicly report on energy savings opportunities, but they are not required to implement any identified opportunities.
- The Federal government has indicated that it plans to continue the program in conjunction with NGER, in order to prepare large energy using businesses for the Carbon Pollution Reduction Scheme.

- The EEO Regulations were amended by the Federal government. These changes will take effect from 1 July 2008 and will streamline energy use reporting requirements with NGER.
- The Department is also developing an Energy Efficiency Opportunities reporting module in the Online System for Comprehensive Activity Reporting (OSCAR), which will be used for NGER requirements. This will enable participants in both EEO and NGER to complete both program energy reporting requirements via a single online portal. The Department plans to have the EEO module in place by the first EEO assessment reporting deadline of 31 December 2008.
- A transitional period for the first five year assessment cycle will apply. This transitional period will allow companies to continue with existing EEO methodologies and systems if preferred. However, in this case, companies will be required to complete their NGER reporting requirements separately.

Trigger level for participation

- Corporations with controlling groups that use more than **500 TJ¹** of energy per financial year. A controlling group includes the controlling operation, its subsidiaries and joint ventures (if the company in question is deemed the responsible entity).
- Energy is defined as electricity, steam, compressed air and the oxidation and combustion of materials for energy use. Oxygen is included in the Industry Guidelines as an energy source, however this is an error.
- Energy must be counted only if it has been both acquired or purchased and used as an energy source by the participant.²

Program obligations

- Can be summarised as Five Steps and covers a cycle time period of five years:
 1. Determine Participation
 2. Register with the Department
 - o Within nine months of the end of the trigger year (i.e. the financial year that a 0.5 PJ of energy use threshold was reached).
 3. Prepare and submit an assessment and reporting schedule
 - o Within 18 months of the end of the trigger year.
 - o Must include information on corporate structure, existing energy use and energy savings projects, an assessment schedule (explaining how, where and when assessments will occur) and a reporting schedule (outlining how, where and when reporting will occur to the public and the Department).

¹ Equivalent to approximately 139,000 MWh of energy; 10,000 tonnes of LPG; 13 megalitres of diesel, or spending \$5-10 million on electricity

² Therefore organisations do not need to include in energy calculations energy that is stored and has not yet been converted to energy, materials that could be used as energy sources but are disposed of as waste, materials that could be used as energy sources but are instead used as a feedstock, reductants used in endothermic reactions and energy and energy sources that are on-sold. In relation to tenants and contractors, the purchaser of energy is deemed the responsible entity.

- o Participants must report energy use for the group as a whole and also separately in terms of group members, business units or key activities, and be provided as annual energy use by energy type, and energy use relative to a unit of production (eg. energy use per tonne of product).
- o Conversion factors to determine energy content are provided in the Energy Efficiency Opportunities Industry Guidelines and on the Australian Bureau of Agricultural and Resource Economics (ABARE) website, although alternate conversion factors may be accepted if accuracy can be proven.

4. Conduct energy use assessments and identify energy savings opportunities

- o The 'coverage rule' applies to assessments and is made up of three principals: at least 80% of the corporate group must be assessed, all sites that use over 0.5 PJ must be assessed and site assessments must include the energy use of the entire site (although they can exclude areas using 0.01 PJ of energy or less for sites exceeding 0.5 PJ of energy).
- o Key elements of an Assessment Framework must be demonstrated via evidence. These are:
 - Leadership support
 - Widespread involvement of relevant employees
 - Robust data and analysis
 - An opportunity identification and evaluation process
 - Business decision making in response to opportunities
 - Commitment to communicate the outcomes to key stakeholders (eg. employees and the public)

The Energy Efficiency Opportunities Industry Guidelines and an Assessment Handbook provide a guideline for business as to the requirements of each key element and the evidence required to demonstrate compliance.

5. Report on assessment outcomes and business response:

- o To the Department: before the first public report and a final report must also be provided within six months of the end of the five year assessment cycle.
- o To the public: within two and a half years of the end of the trigger year, or within 15 months of the completion by the participant of the requirements of the first five components of the Assessment Framework, whichever is earlier, followed by annual updates of subsequent assessments and business decisions until the end of the five year cycle. It is advised that public reporting of energy efficiency opportunities occurs in sustainability reports.

Exemptions

- The EEO Regulations were amended to take effect from 1 July 2008. The amendments will allow companies to collect and report on one set of energy use data via OSCAR to fulfill the energy reporting requirements of both the EEO and NGER programs. Nevertheless, additional requirements specific to either programs will still need to also be completed. More information on the changes is available [here](#).
- The Department will not grant exemptions from EEO based on participation in similar programs (e.g. NSW DEUS ESAP). However, previous or current energy assessments and energy efficiency projects can be utilised or modified to meet the requirements of the EEO program. For example, assessments that meet the criteria of the Assessment Framework can be submitted in the assessment schedule and opportunities identified can be reported as assessment outcomes.
- If a corporation normally uses less than 0.5 PJ of energy per year, but exceeds this threshold in a single year, it can apply for an exemption to the program. Applications for exemptions must be made to the Department within six months of the end of the financial year where the 0.5 PJ threshold was reached.
- Corporations, whose main business is to generate electricity or transmit/distribute electricity or natural gas, are except from EEO until 2009.
- A new acquisition that is made up to 18 months before the end of the five year assessment cycle may not need to be assessed within the current cycle.

Verification

- External verification is not required, but it is recommended. Net Balance can provide assurance that the requirements of the EEO program have been met by verifying data that will be publicly reported.
- The Department will monitor and verify compliance.

Victorian Obligations

Environment and Resource Efficiency Plans (EREP) Program

Sources of Information

erep@epa.vic.gov.au

<http://www.epa.vic.gov.au/bus/erep/default.asp>

Environmental Protection (Environment and Resource Efficiency Plans) Regulations 2007

EREP Regulations, EREP Guidelines, EREP Modules 1 – 5, 'EREP and waterMAP Fact Sheet' and 'EREP and EEO Fact Sheet' are available to download by clicking [here](#).

Introduction

- The Environment Protection Authority (EPA) Victoria has developed the EREP program and will be administering it.
- Commenced 1 January 2008; participants in the first year are required to register by March 31 2008 and submit their EREP to EPA Victoria by 31 December 2008.
- Built from the EPA's Industry Greenhouse Program (IGP), which applied to sites that held a license from EPA Victoria and commenced in 2002.
- Requires industrial and commercial sites to identify and implement energy, water and waste efficiency actions with a three year payback period or less. The EREP program is intended to deliver a win-win outcome: financial benefits for industry and environmental benefits for wider society.

Trigger levels

- All Victorian commercial and industrial sites that use **more than 100 TJ³ of energy and/ or 120 ML of water** per year
- Meeting either threshold (i.e. water use or energy use) will require participation in all aspects of the program (i.e. energy, waste and water plans).
- Voluntary participation (i.e. sites that do not meet the trigger levels) in the program is encouraged.
- Energy definition and inclusion for threshold calculations is consistent with the EEO program: includes imported energy (e.g. electricity and steam), energy used in electrolytic or metallurgic processes, and energy used by site equipment (both stationary and mobile).⁴
- However, while the EEO program allows companies to report energy data at a key activity, business unit or site level, the EREP program requires companies to report energy use data at the site level.

³ 100 TJ is approximately equivalent to 27,000 MWh of electricity or 2,700 kilolitres of industrial diesel or 3,900 kilolitres of LPG.

⁴ Exclusions include energy not used on site and potential energy sources that are instead disposed of as waste or used for another purpose

- Water to be included in threshold calculations is not completely consistent with the waterMAP program. Water sources that are to be included in EREP threshold calculations are provided by an urban water corporation (excluding recycled water), by a ground water licence and/or a bulk entitlement.
- However, a plan identifying water savings actions must include all forms of water, including that provided by a water corporation, recycled water and/ or stormwater. Again, this is not consistent with the waterMAP requirements, which did not require companies to include excluded water sources (such as recycled and/ or stormwater) in water savings investigations.

Program Obligations

- The EREP program will require companies to self-assess resource use, register with the EPA if thresholds are met, conduct resource use assessments, develop a resource reduction plan. In addition, companies will be required to implement actions that have a payback period of three years or less and annually report on the outcomes. At the end of the EREP cycle, the companies will also be required to provide the EPA with a final report.
- Resource use data and reporting will not be publicly disclosed.
- The first threshold year will be the 2006-07 financial year.
- All sites that exceed the thresholds for the first threshold year were required to register with the EPA by March 31 2008 and are required to submit an EREP by 31 December 2008.
- Online self-assessment and registration is available [here](#).
- A register of EREP participants is made publicly available, although specific water and energy use data is not. A list of participating companies who registered in the first EREP reporting cycle is currently available [here](#).
- After the first year of the EREP program (2008), sites must register within 3 months and submit an EREP within 12 months of meeting the trigger level. An action implementation schedule and the elected cycle time period must be included in the EREP that is then submitted to the EPA.
- Reporting years can cover either the financial year or any other 12 month time period approved by the EPA. This is to enable companies to provide reports at the same time as that required for other programs, such as EEO and/ or waterMAP.
- Corporations with multiple sites that meet one or more of the EREP thresholds have the option of submitting a single registration, plan and report. However, a generic plan will not be accepted; specific actions for each site must be included.
- EREPs must include baseline data for energy, water use and waste generation; an assessment of activities that use resources and generate waste; actions to reduce energy, water and waste use; the expected costs, cost savings and efficiency savings from each action; the calculated payback period of each action; timeframes and responsibilities for implementing actions; and the monitoring, reporting and review of procedures

Exemptions

- Exemption applications must be made by the close of the registration period.
- Partial or full exemptions may be granted for: existing or planned resource efficiency actions (for example under the EEO or waterMAP programs); unusually high resource use in a single trigger year; site closure or activity changes and resource efficiency projects that are currently under works approval. The EPA will grant exemptions on a case by case basis after discussion with the participant.
- Sites primarily used for agricultural primary production and residential housing are exempt. However, intensive agriculture such as feedlots, piggeries or poultry farms, are not.
- EREP extensions of up to 12 months may be granted if a site uses between 100 – 250 TJ of energy or/ and between 120 – 150 MJ of water in a reporting year. Extension applications must be made before the end of the registration period.

Verification

- External verification is not required for reporting.
- Assessments can be completed internally by staff with appropriate expertise. EPA Victoria consultants can also help with assessments.
- The EPA will monitor compliance.

waterManagement Action Plan (waterMAP)

Sources of Information

www.watermap.com.au

Websites of urban water corporations:

<http://www.yvw.com.au/yvw/YourBusiness/WaterConservation/waterMAP.htm>

http://www.citywestwater.com.au/business/watermap_program.htm

<http://www.southeastwater.com.au/solutionsfor/business/waterMAP/Pages/default.aspx>

The waterMAP Booklet can be downloaded [here](#) and the waterMAP Handbook can be downloaded [here](#).

Introduction

- The waterMAP (water Management Action Plan) program commenced in September 2007 to encourage and support non-residential users to reduce water use in order to relieve pressure on water supplies.
- Administered by the relevant water retailers in relation to the location of the site: for example City West Water, Yarra Valley Water, South East Water and Lower Murray Water

Trigger Levels

- Participation in the program is compulsory for all non-residential sites that use over **10 ML of drinking quality** water per year obtained from a Victorian urban water supply.
- Users (both new and existing) that expect to use over 10 ML in the future are also required to participate. New users that expect to use over 10 ML of water will be required to register before being connected to the water supply and to submit a waterMAP within 3 months.
- Recycled water and water obtained from bulk water entitlements do not need to be included in trigger level calculations for participation in the program. However, including these water sources into the development of the waterMAP is encouraged.

Program Obligations

- Participants must register with their relevant water corporation, complete and submit a waterMAP, implement actions from the waterMAP and annually report to the relevant water corporation of the progress and outcomes of the implementation of the site's waterMAP.
- Step by step guidance on how to develop a waterMAP is provided in the waterMAP handbook (see weblink provided under 'Sources of Information').
- In total, seven templates must be submitted for each participating site: template 1 constitutes initial registration, templates 2 – 5 constitute the waterMAP and templates 6 - 7 constitute the annual reporting. Templates can be submitted online, through the website of the relevant water corporation.
- waterMAPs must be developed and submitted separately for each participating site.
- Participants are not required to implement cost-effective water savings opportunities that they identify.
- Water use data will not be publicly disclosed.
- The program commenced in September 2007. Current participants in the program have registered (by 28th September 2007) and submitted their waterMAPs (by 31st December 2007) to their relevant water corporation. In 2008-2009, participants are encouraged to implement the actions identified in their waterMAP and report annually on their progress to their water corporation.
- The program is still available to new participants and new or existing sites that expect to exceed 10 ML of water use per year are required to register and submit a waterMAP.

Exemptions

- Use of recycled water and water from bulk water entitlements does not need to be included in waterMAPs.
- Action plans developed under other programs, such as Save Water Efficiency Service, Water Conservation Solutions Program, Sustainable Water Use Plans for Local Government, and Resource Management Plans relating to trade waste, may be accepted as waterMAPs if they meet the relevant criteria and are site specific. This will be decided on a case by case basis by the relevant water corporation.

Verification

- External verification is not required.
- Water corporations maintain a list of specialists that can help with the water assessments and water savings implementations if requested. However, it is strongly advised that internal staff develop the waterMAP.

Victorian Energy Efficiency Target (VEET) scheme

- The Victorian Energy Efficiency Target (VEET) scheme is currently being developed; it is due to commence on 1st January 2009 and run until 2011.
- There is the potential to harmonise VEET with the proposed New South Wales Energy Efficiency Target (NEET) and the South Australian Residential Energy Efficiency Scheme or to develop a National Energy Efficiency Scheme.
- The scheme is intended to encourage households to reduce greenhouse gas emissions through energy efficiency measures and will support the Victorian Government's target of reducing emissions from households by 10% by 2010.
- It will operate as a market based scheme; all energy retailers will be obliged to meet energy efficiency targets in proportion to their acquisition of energy.
- It is intended that Energy Efficiency Certificates (VEECs) will be generated by accredited persons undertaking energy savings measures at the residential level. It is proposed that companies selling and providing energy saving opportunities (such as appliances and fittings) will be able to generate VEECs. Energy retailers will be required to annually purchase and surrender VEECs representing a total of 8.1 million tonnes of greenhouse gas saved over the three years of the VEET scheme.
- The scheme is underpinned by legislation - the Victoria Energy Efficiency Target Act 2007 - and will be administered by the Essential Services Commission (ESC). Regulations are expected to be released in 2008.
- There is potential for the scheme to expand outside the residential sector after 2011 to include commercial, industrial and Government sectors.
- Click [here](#) for further information on the scheme.

Grow Me the Money

- A free and voluntary program designed to target Victorian small to medium sized businesses that wish to implement 'greener' business systems and practices.
- Run by the Victorian Employers' Chamber of Commerce and Industry (VECCI) and the Environment Protection Authority Victoria (EPA), with funding from the Victorian State Government.
- Upon registering, online resources will be made available to participants to enable reductions in water use, energy use and waste generation.
- This pursues a 'win-win' outcome: environmental benefits and cost savings.
- More information can be accessed [here](#).

New South Wales Obligations

NSW Energy and Water Savings Action Plans (ESAP and WSAP)

Sources of Information

Click [here](#) for information on the NSW ESAP and WSAP.

Click [here](#) to download the Energy Savings Action Plan Guidelines and click [here](#) to download the Water Savings Action Plan Guidelines.

Introduction

- Commenced in 2005 in order to reduce electricity and water use. This was intended to provide peak electricity load, greenhouse gas and water supply benefits.
- The NSW Department of Environment and Climate Change, formerly the NSW Department of Energy, Utilities and Sustainability, administers the program.

Trigger Levels

- Energy Savings Action Plan: Businesses and NSW Government agencies that use more than **10 GWh per year at a site**, or **local councils** that service cities with populations larger than **50,000 people**.
- Water Savings Action Plan: Sites of businesses and NSW Government agencies that use **50 ML or more of water** in a year that is provided by Sydney Water (i.e. sites located in Sydney, Blue Mountains and Illawarra), or **all local councils** located in **Sydney Water's area of operation**.
- Trigger level calculations should include: imported energy (such as electricity or steam), energy that is consumed by stationary equipment and energy used as a direct input to electrolytic or metallurgical processes.
- Note: energy consumed by mobile equipment (such as trucks) and energy used as a direct input to the production process is not required to be included; however it is encouraged.
- Yearly energy and water use data can be collected for either the most recent calendar or financial year or the most immediate 12 month period prior to starting collecting the information.

Program Obligations

- Organisations participating in both programs can complete a combined Energy and Water Savings Action Plan.
- Participants are required to determine their baseline energy and/ or water use, plan at the management level, complete a technical energy and/or water site assessment, identify energy and/or water savings opportunities, prepare an Energy and/or Water Savings Action Plan, implement the Savings Action Plan and report annually on progress to the Department.
- Step by step guidance and templates for how to do this can be found in the Guidelines for Energy Savings Action Plans and Guidelines for Water Savings Action Plans (see link under Sources of Information to download).

- Baseline energy and/or water use must be submitted to the Department as a total yearly amount as well as in terms of Business Activity Indicators. For example, for a business in the manufacturing industry, Business Activity Indicators may be the amount of energy used per tonne of production.
- Plans must be reviewed every four years.
- It was announced in December 2007 that the top 200 energy users participating in the program will be contacted by the DECC. Organisations will be informed that they are required to implement all cost effective energy savings measures identified in their Energy Savings Action Plans. These participants will not be made public.
- It has not been announced if the top water users will be similarly required to implement cost effective actions

Exemptions

- Energy consumed by mobile equipment (such as trucks) and energy used as a direct input to the production process is not required to be included in trigger level calculations.
- A site within a business may be granted an exemption from undergoing a technical review if its energy and/ or water use profile and operational processes are similar to another site nominated for review.
- If a technical review of water or energy use has been recently completed for a site (for example under a voluntary program) and it was completed at a level of detail that is sufficient to meet the requirements of the program, it may be possible to submit it as the technical review component of the program.

Verification

- Assessments can be completed by either internal or external assessors.

Greenhouse Gas Reduction Scheme (GGAS)

Sources of Information

<http://www.greenhousegas.nsw.gov.au>

Click [here](#) to download 'Introduction to GGAS' and click [here](#) to download the 'Fact Sheet on GGAS'.

Introduction

- Commenced on 1 January 2003 in NSW and 1 January 2005 in the ACT (formerly the Greenhouse Gas Abatement Scheme).
- One of the first mandatory greenhouse gas emissions trading schemes in the world, and is the second largest in the world (after the EU Trading Scheme).

- The Independent Pricing and Regulatory Tribunal (IPART) of NSW acts as both the GGAS scheme administrator (for both NSW and ACT) and compliance regulator (for NSW). The Independent Competition and Regulatory Commission (ICRC) acts as the compliance regulator for the ACT.
- Established to reduce greenhouse gas emissions from electricity production and use, and to support activities that offset greenhouse gas emissions.
- The non-energy efficiency component of GGAS will be terminated upon commencement of the Carbon Pollution Reduction Scheme in 2010. However, the energy efficiency component of GGAS will be revitalised and re-named the NSW Energy Efficiency Trading Scheme, commencing from January 1 2009. For more information, see the 'NSW Energy Efficiency Trading Scheme' section.

Mandatory participants

- Mandatory participants in the program are: NSW and ACT electricity retail suppliers; ACT and NSW customers who receive electricity directly from the National Electricity Market; and NSW and ACT electricity generators that supply directly to retail customers that have been specified by the regulations. Mandatory participants are termed 'benchmark participants'.

Obligations

- Benchmark participants are required to reduce GHG emissions in line with yearly reduction targets. From 2007 until at least 2012, the State-wide emissions target for benchmark participants has been set as 7.27 tonnes CO₂-e per capita; benchmark participants are required to meet their share of this target yearly. The GGAS outlines methodologies for converting State-wide targets into individual targets for benchmark participants.
- Benchmark participants can meet their targets by offsetting their GHG emissions via the purchase and surrender of greenhouse abatement certificates (NGACs). Surrendered certificates are recorded on the GGAS Registry.
- In order to be valid, NGACs must be accredited and registered on the GGAS Registry (www.ggas-registry.nsw.gov.au) and can be generated via GHG emission intensity reduction of electricity generation, demand side abatement, forest carbon sequestration and on-site GHG emission reductions from non-electricity related processes ('Large User Abatement'). Certificates generated via large user abatement can be surrendered in order to meet the target, but are not tradeable. Renewable Energy Certificates (RECs) generated under the Commonwealth's Mandatory Renewable Energy Target (MRET) can also be surrendered to meet the GHG emissions target.
- If benchmark participants do not meet their yearly GHG reduction targets, they must pay a shortfall fee of \$12 per tonne CO₂-e that is above the target.
- Benchmark participants are required to submit a compliance report to IPART (for NSW) or to ICRC (for the ACT) at the beginning of the calendar year to confirm that they have met their individual GHG emission target and to record the number and details of the NGACs certificates they have surrendered.

Verification

- Specialist auditors appointed to the Audit and Technical Services Panel are commissioned by IPART to conduct audits of NGAS providers (prior to and after accreditation) and annual audits of benchmark participants to ensure compliance with the scheme.

NSW Energy Efficiency Trading Scheme (NEET)

- The New South Wales (NSW) Premier announced in June 2008 that in order to reduce the cost impact of the Carbon Pollution Reduction Scheme, NSW will pursue an Action Plan for Energy Efficiency.
- A major pillar of the NSW Action Plan for Energy Efficiency is the intention to revitalise the energy efficiency component of the Greenhouse Gas Reduction Scheme (GGAS).
- Re-named the NSW Energy Efficiency Trading Scheme (NEET), it will commence from January 1 2009.
- The intent of the NSW Energy Efficiency Trading Scheme will be to achieve greater energy efficiency outcomes in NSW in order to reduce the cost impacts of the Carbon Pollution Reduction Scheme, reduce greenhouse gas emissions and to help delay the need to construct new energy supply infrastructure.
- A new energy efficiency target will apply to NSW electricity retailers from 1 January 2009, and a separate class of tradeable certificates will be established to support the target.
- It is proposed that activities that would currently qualify as Demand Side Abatement (DSA) activities under GGAS will be eligible to create a new class of NEET certificates; energy efficiency actions in households and businesses would therefore be able to generate NEET certificates.
- The NSW Department of Water and Energy (DWE) and the NSW Department of Environment and Climate Change (DECC) have commenced developing policy and legislative frameworks to support the NSW Energy Efficiency Trading Scheme.
- A Stakeholder Consultation Forum was recently held and stakeholders are invited to submit comments on the design of the NSW Energy Efficiency Trading Scheme (NEET) by 6 August 2008.
- There is the potential to harmonise the NEET with the Victorian Energy Efficiency Target Scheme (VEET) and the South Australian Residential Energy Efficiency Scheme or to develop a National Energy Efficiency Scheme.
- More information, particularly to download the NEET Discussion Paper, is available [here](#) or [here](#).

Australian Capital Territory Obligations

See above (Greenhouse Gas Reduction Scheme)

No other mandatory resource efficiency or resource reporting requirements.

Queensland Obligations

Water Efficiency Management Plans (WEMP) program

Sources of Information

Queensland Water Commission: 1300 789 906

<http://www.qwc.qld.gov.au/Information+and+resources+-+Water+Efficiency+Management+Plans>

Click [here](#) to download the WEMP Guidelines and click [here](#) to download the Templates and Tools

Introduction

- Large water intensive businesses were first required to submit Water Efficiency Management Plans (WEMPs) under Level 4 water restrictions.
- Stage 6 water restrictions were announced for South East Queensland on 23 November 2007. New compliance measures for the submission and implementation of WEMPs form a component of this and South East Queensland's long-term water demand management strategy.
- Despite significant rainfall in South East Queensland in early 2008, there will be no changes to the WEMP requirements in the near future.
- Managed by the Queensland Water Commission, and administered by the various local councils.
- According to the Queensland Department of Mines and Energy, the Queensland Department of Natural Resources and Water is currently looking into the possibility of extending this program across the whole of Queensland.

Trigger Levels

- Non-residential water purchasers of more than **10 ML of water** per year in South East Queensland, sites with cooling towers, sites with public pools, nurseries, turf gardens and market gardens: Required to submit and implement a WEMP or comply with an existing WEMP
- Non-residential water purchasers of more than **1 ML** a year in South East Queensland: Required to install (if haven't already) water efficient appliances (such as low-flow taps, trigger sprays, showerheads, urinals) by 31 March 2008

WEMP Requirements

- Must be submitted within 60 days of being notified of the requirement to submit a WEMP.
- WEMPs must illustrate how a business expects to achieve best practice water efficiency by 30 October or how this has already been achieved. Water savings of at least 25% should be targeted.

- If a target of 25% savings is not possible, best practice can be shown by measuring water use against similar sites (with water use data presented per unit of production), historical Key Performance Indicators (KPIs) to document the journey towards best practice and utilising industry-specific water saving guidelines (for example information provided by the Queensland Water Commissions).
- WEMPs must account for water use, identify water savings opportunities and prepare a plan for implementing water savings measures.
- Sub-meters must be installed on all pieces of equipment and process lines that use 30-85% of total water (for users of less than 50 ML per year) or 15-85% (for users of more than 50 ML per year).
- WEMPs must be submitted to the local council in which the business is situated; who will then make a decision regarding the approval of the WEMP.
- The WEMP Guidelines outline the requirements that need to be fulfilled in a WEMP and provides templates and checklists to ensure all required data is included in the WEMP. See 'Sources of Information' for downloadable links.
- Participants are required to report quarterly (based on monthly water use data and water efficiency progress) and annually (based on water efficiency progress) to their local council. Quarterly reports must be provided within 5 business days of the end of the quarter and must be in the format of the Customer Quarterly Report Template. Annual reports must be submitted within 10 business days of the yearly WEMP approval date and must be in the format of the Customer Annual Report Template. Participants with cooling towers have additional reporting templates to complete quarterly and annually.

Exemptions

- WEMPs that have already been submitted as part of the requirements under Level 4 -5 water restrictions may be acceptable. The local council will notify businesses if they need to re-submit another WEMP to meet the new Level 6 water restriction requirements.

Verification

- Businesses may ask a Water Efficiency Assessor (WEA) (employees of local councils) to develop or assist in the development of their WEMP. Some local government authorities are required to submit a WEMP that is prepared by a WEA. If this is not the case, it is recommended that a WEA is engaged to certify that the WEMP meets the requirements of the Guidelines.
- Businesses are liable for fines (up to \$124,000) for failure to comply with the WEMP process and council officers are empowered to inspect premises to ensure WEMP are being implemented.

Smart Energy Savings Program

- The Smart Energy Savings Program ('the Program') is intended to assist medium to large sized businesses in Queensland to unlock energy cost-savings, in order to prepare them for the introduction of the Carbon Pollution Reduction Scheme.
- Legislation for the Smart Energy Savings Program is contained within the Clean Energy Act 2008.
- The program will be progressively phased in from 1 July 2009.
- The thresholds for participation in the Program will be phased in progressively over three years:
 - o 2009-2010 financial year: between 100 – 500 terajoules (TJ) of energy use
 - o 2010-2011 financial year: between 30 – 100 TJ of energy use
 - o 2014-2015 financial year: between 10 – 30 TJ of energy use
- Companies that already participate in the Federal government's EEO program will not be required to participate in the Program.
- It is proposed that for the Program the definition of "energy" will be electricity and processed natural gas consumption.
- It is planned that the Program will operate on a five yearly cycle. Participants will be required to register to participate in the program; calculate their baseline energy use; identify potential energy savings measures; compile an Energy Savings Plan of measures that they will implement; publicly commit to actioning specific energy savings measures; and annually report on the public commitments.
- The initial energy audit will be required to comply with a Level 2 Energy Audit under *Australian Standard AS/NZS 3598:2000* as a minimum requirement.
- In the Energy Savings Plan, participants will be required to identify at least one energy efficiency action, one energy conservation action and one energy management action that they could take.
- In the third year, participants will be required to review their progress and report on their progress.
- In the fifth year, participants will be required to undertake an audit and re-commence the five year Program cycle again.
- Penalties will apply for non-compliance with the Program requirements.
- A \$50 million Smart Energy Savings Fund will accompany the program for Queensland-based participating businesses; Round One of the Fund closed in May 2008.
- Smart Energy Savings Program Guide for Participants, Fact Sheets and further information can be downloaded [here](#).
- Further information: (07) 3224 7527 or energysavings@dme.qld.gov.au.

ecoBIZ

- A voluntary program run by the Queensland EPA.
- Intended to work with business and industry to identify potential efficiencies in waste generation, water use and energy use in order to exploit cost savings and environmental benefits.
- Online resources and EPA assistance can help participants to measure their baseline energy, waste and water and identify and implement efficiency projects.
- Free training is available to any Queensland business, as is access to a network of ecoBiz-trained fee-for-service Facilitators to assist with elements of the program.
- More information is available [here](#).

South Australian Obligations

Residential Energy Efficiency Scheme (REES)

- Announced by the Premier of South Australia in February 2008 in order to reduce greenhouse gas emissions and to prepare South Australian households for the energy cost increases due to the Carbon Pollution Reduction Scheme.
- Electricity and gas retailers supplying residential customers in South Australia will be required to achieve targets for:
 - (a) Reducing greenhouse gas emissions
 - (b) Reducing greenhouse gas emissions in low-income households.
 - (c) Completing a certain number of energy audits.
- The REES presents an opportunity for energy efficiency businesses, welfare groups, local governments, manufacturers and other service providers to work in partnership with energy retailers to achieve their targets.
- Energy efficiency actions will be limited to residential premises in the initial stages of the REET.
- Financial penalties will be in force for energy retailers that do not comply with the REET.
- The REES will commence on 1 January 2009 and will be administered by the Essential Services Commission of South Australia.
- The South Australian Minister for Energy will review the REET to determine if it should continue after 31 December 2014.
- Stakeholder submissions were received by the South Australian government of the design of the REET until 4 April 2008 and a Stakeholder Forum was held in June 2008.
- More information is available [here](#).

Tasmanian Obligations

No mandatory resource efficiency or resource reporting requirements.

CleanBiz

- A voluntary program run by the Tasmanian Department of Environment, Parks, Heritage and the Arts.
- Aims to help Tasmanian enterprises to reduce water and energy use and reduce waste and pollution generation, in order to access cost savings and have environmental benefits.
- More information can be accessed [here](#).

Northern Territory Obligations

No mandatory resource efficiency or resource reporting requirements.

Western Australian Obligations

No mandatory resource efficiency or resource reporting requirements.

Carbon Disclosure Project (CDP)

- The Carbon Disclosure Project (CDP) is listed separately because it is a voluntary initiative; it is neither mandatory nor a government-related program or regulation.
- It is, however, strongly recommended that the top 200 Australian companies (ASX200) participate in the CDP because it is the largest publicly available compilation of global corporate greenhouse gas emissions data.
- The CDP works on behalf of 385 institutional investors with over \$57 trillion under management to compile information on the greenhouse gas emissions of the world's largest companies and their strategies for dealing with the risks and opportunities posed by climate change (regulatory, physical and consumer concerns/demands).
- In 2008 (CDP6), requests were sent out to 3,000 companies globally, including the ASX200 companies in Australia, inviting companies to measure and report on their greenhouse gas emissions and their climate change related strategies.
- Responses from companies were required to be submitted by 31 May 2008.
- Reports of all companies are made available free and publicly on the CDP website.
- Net Balance can assist companies with compiling CDP submissions for 2009, if needed.
- More information at: www.cdproject.net

Resource Efficiency programs and the Carbon Pollution Reduction Scheme

As previously discussed, the Federal government is committed to implementing the Carbon Pollution Reduction Scheme (i.e. an emissions trading scheme) by 2010. While the Federal government is still in the process of designing various elements the Scheme, it is clear that the introduction of the Scheme will place a cost on greenhouse gas emissions. Therefore, business has a clear incentive to commence reducing its greenhouse gas emissions and energy use as much as possible, both before the commencement of the Scheme in 2010 and after the Scheme commences. This is in order to reduce the cost impacts of the Scheme on businesses, both directly in terms of reducing or eliminating their liability to purchase carbon pollution permits and/ or reducing the operational cost increases that will occur as a result of the Scheme, such as increases in electricity bills.

It would therefore be beneficial for companies to be actively involved in energy efficiency programs offered at Federal, State and Territory levels. This document outlines all mandatory and some voluntary resource efficiency programs. If mandatory programs are not present in the State or Territory that a company operates, it is advised to exploit the energy efficiency opportunities, funding grants and resources provided by voluntary programs. Net Balance can assist in the identification of voluntary programs and grant opportunities, where necessary.

Conclusion

Programs

The existing mandatory resource efficiency and reporting programs are:

- National Greenhouse and Energy Reporting (Federal)
- Energy Efficiency Opportunities (Federal)
- Environment and Resource Efficiency Plans (Victoria)
- waterManagement Action Plans (Victoria)
- Energy and Water Savings Action Plans (New South Wales)
- Greenhouse Gas Reduction Scheme (New South Wales and Australian Capital Territory)
- Water Efficiency Management Plans (Queensland)

The National Greenhouse and Energy Reporting (NGER) and the Environment and Resource Efficiency Plans (EREP) are new for 2008. The Queensland Government is planning on implementing a Smart Energy Savings Program from 2009. The Victorian government is planning on implementing the Victorian Energy Efficiency Target (VEET) scheme from 2009, the NSW government is planning on implementing the NSW Energy Efficiency Trading Scheme (NEET) from 2009 and the South Australian government is planning on implementing the Residential Energy Efficiency Scheme (REES) from 2009. The Federal government intends to commence the Carbon Pollution Reduction Scheme by 2010. The Carbon Disclosure Project is a voluntary and non-government greenhouse gas reporting initiative, however ASX200 companies are strongly recommended to participate.

Program Overlap

Some synergies do exist between programs. For example, energy definitions are similar between the energy related programs. However, while most of the energy efficiency programs relate to energy consumption, the National Greenhouse and Energy Reporting legislation requires both energy consumption and production to be reported. Energy, greenhouse gas and water use/generation data that has been collected can be utilised to fulfill the reporting requirements of all applicable programs. Differences do exist between the level of detail required for efficiency identification and implementation plans. However, existing plans can be utilised and built on to comply with programs with more stringent requirements.

The Federal Government plans to use the Online System for Comprehensive Activity Reporting (OSCAR) as a single online portal that can be used to ensure compliance simultaneously with the National Greenhouse and Energy Reporting (NGER) legislation; the Energy Efficiency Opportunities (EEO) program; and the Carbon Pollution Reduction Scheme. In the future, it is also intended that the data captured by the online portal will be automatically forwarded to State and Territory governments to fulfill the requirements of their mandatory reporting programs. However, the capacity to do this is still being worked on by Federal, State and Territory governments.

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