

## ***Rationalise Reporting***

There has been an explosion of reporting regimes in Australia, all designed to determine how much energy is being used and/or greenhouse gases are being emitted.

As a significant user of electricity, properties and their occupants are subject to several of these regimes.

At a Federal level, the property sector is (or will soon be) required to report under:

- the National Greenhouse and Energy Reporting System (NGERS);
- the Energy Efficiency Opportunities Act (EEO); and potentially
- a national Mandatory Disclosure scheme.

Each of these is operated by a different government departments and applies its own methodology. State and territory governments have also developed their own reporting systems.

These regimes require companies to commit considerable resources to measuring and collecting data in different ways.

The **time, cost, and effort** required to comply with these diverse regulatory frameworks **diverts resources from programs that actually improve environmental performance.**

### **NGERS vs EEO**

NGERS and EEO essentially require companies to report their energy consumption profiles in two different ways.

When the NGERS Bill was introduced, the Government stated that its intent was to:

- collect the data that would underpin an emissions trading scheme; and,
- **replace several existing Federal, state, and territory reporting schemes.**

The latter did not eventuate.

NGERS requires companies to report on both Scope 1 (direct) greenhouse gas emissions and Scope 2 (indirect) emissions (largely from the consumption of electricity), while EEO requires companies to report on their energy use.

**The Voice of Leadership**

Property Council members are committed to reporting under EEO, but we believe that **the sector (and indeed electricity users generally) should be exempted from NGERs** for the following reasons:

- our sector is not included in the proposed Carbon Pollution Reduction Scheme;
- the collection of data on Scope 1 and Scope 2 emissions is likely to lead to double counting; and
- the continuing existence of other reporting regimes means that companies are using many person hours and wasting resources on contradicting compliance obligations.

### **Mandatory Disclosure – the Wrong Approach**

The proposed mandatory disclosure scheme outlined in recent public documents shows **an alarming lack of understanding** by Government about the property sector and leasing arrangements.

For example, property owners are unable to demand commercial-in-confidence energy usage information from their tenants, so requirements to rate tenancy space before advertising it are completely unrealistic.

The Property Council will be making a full submission on the Regulation Document and Regulatory Impact Statement released in late December, but the key points are:

- mandatory disclosure regimes have been **tried and failed** in other countries;
- there is **no evidence** that mandatory disclosure will abate a single tonne of greenhouse gas emissions;
- there is no evidence that mandatory disclosure will change the behaviour of tenants, occupiers, or users of buildings;
- the program will **divert attention** from the far more ambitious initiatives suggested by the Property Council; and,
- the proposal will **increase red tape**, and is effectively a BAS statement for carbon disclosure.

#### **Sustainability Reporting – Recommendations:**

- First:** Remove the reference to 'electricity' from Schedule 1 of the NGERs Regulations (fuel source number 65).
- Second:** Abandon plans to introduce a mandatory disclosure regime for energy efficiency in commercial buildings and use the money allocated for this project to implement other, more effective, initiatives.



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**Sources:**

*National Greenhouse and Energy Reporting System*, Property Council of Australia submission to the Department of Climate Change (March, 2008)

*Mandatory Disclosure of Commercial Building Energy Efficiency*, Property Council of Australia submission to the Department of Environment, Water, Heritage and the Arts, (February, 2008)