



National Greenhouse and Energy Reporting (NGER) Important things you need to know about NGER

What is NGER?

NGER is a national framework for corporations to report greenhouse gas (GHG) emissions, energy consumption and energy production from 1 July 2008 established under the *National Greenhouse and Energy Reporting Act 2007* (the Act). The Act is administered by the Federal Department of Climate Change & Energy Efficiency (DCCEE). It makes registration and reporting mandatory for corporations whose energy production, energy consumption or GHG emissions meet or exceed specified thresholds.

What is the purpose of NGER?

NGER has been developed to meet a variety of objectives, including to:

- Underpin a possible future emissions trading scheme in Australia
- Inform government policy formulation and the Australian public
- Meet Australia's international reporting obligations, particularly under the Kyoto Protocol
- Provide data to assist Commonwealth, State and Territory government programs and activities
- Streamline similar reporting requirements across jurisdictions.

Who must report?

The obligation for reporting lies with the *controlling corporation* that has *operational control* over each *facility* in their corporate group.

The **controlling corporation** is generally the corporation at the top of the corporate hierarchy in Australia. The member groups under each controlling corporation include all subsidiaries, joint ventures and partnerships.

In the case of joint ventures and partnerships, the participants should nominate a "responsible entity" who will report for all facilities under the operational control of the joint venture or partnership. Otherwise ALL parties to the joint venture or the partnership will be required to report for the relevant facilities under the operational control of the joint venture or partnership. Supplementary guidelines around joint ventures are available from the Department of Climate Change website (www.climatechange.gov.au)

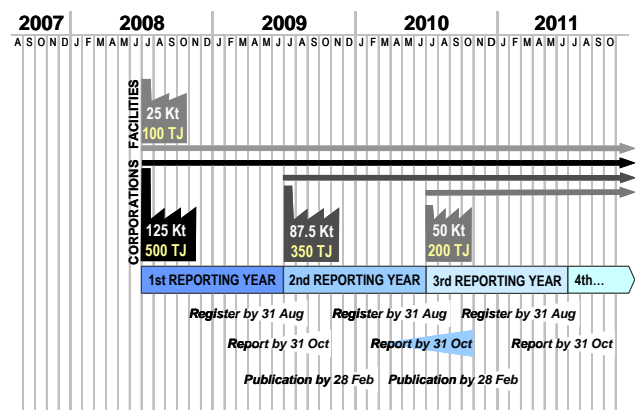
A **facility** is an activity, or series of activities, that form a "single undertaking or enterprise", ie. consists of a *primary activity*, which is the activity generating the greatest value for the facility, accompanied by associated lower value activities.

Operational control is attributed to the party with the authority to introduce and implement operating, environmental and/or health and safety policies for the

facility. If more than one party satisfies the above, the party with the greatest authority to introduce and implement these policies is taken to have operational control over the facility. The Greenhouse Energy and Data Officer (GEDO) has the authority to determine who has operational control of a facility if parties are unable to make the determination themselves.

What are the thresholds and timeframes for reporting?

There are thresholds for corporations as a whole, as well as for individual facilities (see following figure). Where corporations exceed the corporate threshold, information for ALL facilities must be reported. Otherwise, only information for facilities which exceed the facility threshold must be reported. Even if only one threshold is exceeded (for example energy consumption), it is still necessary for all reporting elements (GHG emissions, energy consumption and energy production) to be reported.



Reporting Thresholds and Timeframes

Reporting is on a financial year basis (July to June). Corporations that have exceeded any threshold in a reporting year (eg. 2009/10) must register by 31 August and submit that year's data by 31 October. The Federal Government will publish this information by 28 February in the following year.

The threshold for facilities remains constant over time while the thresholds for corporations decrease annually until 2010/11.

What information needs to be reported?

Corporations will report the following data from facilities they control:

- All energy consumed, by energy type and disaggregated by end use (ie. transport and stationary energy)
- All energy produced, by energy type, including:

- Primary extraction of energy from natural sources, eg. coal production
- Conversion of energy from one form to another eg. electricity generation.
- Activity data for all Kyoto GHG emissions, by source, including:
 - Energy, which includes GHG emissions arising from the combustion of fossil fuels
 - The use of synthetic gases eg. SF6 used in switchgear
 - Fugitive emissions from coal mining
 - Waste treated on site.
- Source of information for all quantities reported (ie. measurement criteria used)
- Calculation methods selected for each emission source
- An assessment of the statistical uncertainty of the emissions estimate provided.

How are the emissions to be calculated?

The methods for reporting GHG emissions are detailed in the *National Greenhouse and Energy Reporting (Measurement) Determination 2008 (as amended)* (the Determination).

Four methods are provided ranging from method one which uses default emission factors, through to methods two and three which are higher order methods using site-specific emissions factors generated from sampling and analysis. Method four involves direct measurement of emissions. Higher order methods have more data reporting requirements, each with specific accuracy standards.

The selection of the most appropriate method will be based on a number of factors: existing metering and data collection arrangements; costs associated with upgrading these to meet the requirements of higher order methods and; benefits of gaining more accurate emissions information which may reduce future emission trading liabilities.

In some instances, the determination prescribes a particular method. For example, where coal mines are flaring mine waste gas, method four must be used in order to incorporate the reduction in total emissions that results from flaring. There are important changes from the 2008-09 reporting year in areas such as oil and grease consumption and fugitive emissions. These changes are documented in the updated NGER (Measurement) Technical Guidelines 2010.

What raw data should be collected?

Raw data inputs which are required to be collected for calculation of reported data will vary for each emission source according to the calculation method selected. These requirements, as well as the standards and criteria for collecting that data, are provided in detail in the Determination. All data and records must be retained for a period of seven years.

An On-line Calculator is available from DCCEE: www.climatechange.gov.au/government/initiatives/national-greenhouse-energy-reporting/tools-resources.aspx which assists corporations in assessing whether or not their corporate group, or any facilities, meets reporting thresholds.

How accurate does the report need to be?

The information will need to be of a higher quality and more comprehensive than what may have been collected and reported under voluntary schemes such as Greenhouse Challenge Plus.

There are a number of different sources of uncertainty, however corporations are only asked to estimate the statistical uncertainty. This type of uncertainty results from natural variations (for example, random human errors in the measurement process and fluctuations in measurement equipment). Note that the provision of estimated uncertainty is on a voluntary basis for 2008-09 and 2009-10.

Are there penalties for non-compliance?

Yes, penalties of up to \$110,000 (plus penalties for on-going contravention) may apply for:

- Failing to register a corporation that has exceeded the thresholds
- Failing to submit a report when required
- Failing to keep proper records associated with reporting
- Failing to assist an external auditor.

Under the Act, a court may order the Chief Executive Officer (CEO) to pay a civil penalty that could be imposed against the corporation where the CEO knew (or should have known) that a contravention was likely and was in a position to influence the corporation and failed to take reasonable steps to prevent the contravention. Relevant to this potential liability are the steps that a CEO took to ensure that regular professional assessments were undertaken to ensure compliance as well as implementing any recommendations from these assessments.

NGER Determination and Regulations Updated

NGER is an evolving area and the Determination, Regulations and Technical Guidelines have all been amended. Reporters should check the DCCEE website to make sure that they are using the correct version of the Determination, Regulations and Technical Guidelines for the reporting year.

In addition, the table of emission factors has been updated (particularly state electricity grid factors) and reporters should ensure that any spreadsheets or data bases containing these are updated.

References and more information

- The NGER Act, Regulations, Determination, Guidelines, Fact Sheets, forms and CPRS documentation can be accessed at: <http://www.climatechange.gov.au>
- This fact sheet has been produced in association with [Energetics Pty Ltd.](#)

Disclaimer: This fact sheet is intended to provide summary information only. It does not intend to be comprehensive or to provide specific legal advice. Given the changing nature of legislation, regulations, program rules and guidelines, there is a potential for inherent inaccuracies and potential omissions in information contained in this fact sheet. All information in this fact sheet is provided "as is" with no guarantee of completeness or accuracy and without warranty of any kind, express or implied. In no event will New South Wales Minerals Council Limited, any related members, consultants or employees thereof be liable to anyone for any decision made or action taken in reliance on the information in this paper or for any consequential damages.