



To:
Greenhouse and Energy Reporting Taskforce
Australian Greenhouse Office
Department of the Environment & Water Resources
GPO Box 787
Canberra ACT 2601

Date: 21st November 2007

Re: Submission to the Greenhouse and Energy Reporting Taskforce

L.S.

Please find attached our submission to the Greenhouse and Energy Reporting Taskforce including our request to participate in the NGER Transport Reference Group.

Supply Chain Consulting is an Australian owned company and provides enterprise software solutions and services. We deliver innovative solutions to meet the needs of today's enterprises. Our product portfolio includes SLIM™ qualified SAP solutions, Viewlocity™ supply chain visibility and optimisation software and CarbonView™, the world's leading proactive carbon management solution. Supply Chain Consulting is headquartered in Sydney with offices in Asia, Europe, US and Australia.

Our product CarbonView™ delivers the following modules:

- Company Carbon Footprint: Greenhouse emission reporting, based on the GHG protocol or the AGO workbook
- Process / Product Carbon Footprint: Carbon emission reporting at every step of your supply chain process
- Optimal Footprint: An optimisation tool that balances carbon emissions versus a business' financial targets



In positioning our CarbonView product in the Australian market, we are talking to Australian companies on a daily basis and receive feedback on the NGER regularly. We believe that we can contribute to the NGER Transport Reference Group in several ways, as outlined in the attached submission.

We would like to have the opportunity to be included in the NGER Transport Reference Group. We are looking forward to your response.

Kind regards,

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Draft Submission to the Greenhouse and Energy Reporting Taskforce

Submission From:

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National Greenhouse Gas and Energy Reporting Act

Submission by Supply Chain Consulting

Purpose

This submission is made on behalf of Supply Chain Consulting Pty Ltd (www.supplychain-consulting.com). The submission aims to highlight the aspects of NGER that are of particular interest to our organisation and the services we offer by way of our information system called CarbonView – www.carbon-view.com.

Background

Supply Chain Consulting (SCC) is a multinational information systems supplier owned in and with head offices in Australia. The firm is a recognised supplier of SAP technology with a particular presence in the logistics industry. Many of Australia's leading logistics providers are SCC clients. SCC has operations in North America, Europe and Asia.

We recently launched an information systems product called CarbonView that serves to measure the GHG emissions of an organization, its products and processes. We provide with this submission a description of CarbonView.

The key characteristics of CarbonView include:

1. It is focused on providing an automated, integrated and on line method for GHG emissions accounting.
2. It incorporates and is aligned with recognised international standards for GHG accounting.
3. It enables very detailed accounting of a firm's GHG emissions such that they can be reported at a highly aggregated level but also so that the user can drill down into the GHG measurements and assess their GHG emissions by product and by process. This enables ongoing management and ultimately optimisation of GHG emissions.



It enables a company to measure their GHG emissions and energy consumption over time such that they can know the key sources of GHG emissions and monitor progress in reducing GHG emissions.

Whilst CarbonView is currently designed to particularly meet the needs of supply chain clients we expect to develop the tool so that it will become a source of GHG emissions measurement for all kinds of organizations.

The current design and target market is the many organizations that need to manage the GHG emissions of their entire supply chain. We define a company's supply chain as including all of the inputs to the organisation, the processing of those inputs and the delivery of the finished products to the end user or retail clients. By this definition most large organisation's can be seen as a supply chain and can benefit from using CarbonView to examine their GHG emissions and energy consumption.

A high profile example of the value of supply chain GHG measurement is the trend for retailers to develop "carbon labels" being an on package measure of the GHG emissions traceable to a particular product. CarbonView is able to assist organizations in this process. We expect Australian retailers to all levels of industry and the general public to increasingly want to report the GHG emissions of the products they sell to their clients just as WalMart, Home Depot in the US and Tesco and Marks and Spencer have proposed.

CarbonView provides a very detailed method for continuous reporting and management of GHG emissions. It is a highly flexible tool that enables the user to configure their GHG accounting to meet different measurement and management needs.

A key characteristic of CarbonView is that it enables the user to monitor the impact of their management decisions on GHG emissions. Whilst NGER calls for annual reporting, CarbonView enables more frequent reporting and real time monitoring.



Submission

SCC welcomes the opportunity to work with the AGO and the Greenhouse and Energy Reporting Taskforce to achieve the objectives of this important program.

We feel we bring a particular point of view and set of expertise that may be of service to the program including our expertise in integrated information systems, large organisation GHG emissions accounting and multinational experience in GHG emissions management. We are also hopeful that our services will be adopted by industry in such a way as to enhance GHG emissions accounting and reporting on an ongoing basis and in the national interest.

For that reason we would like to participate in the NGER Transport Reference Group and ask that the NGER contact us for participation when appropriate.

We have organised our submission based on factors that are most important from our point of view albeit we have referred to the section of the Regulations Discussion Paper that each of our comments pertain to.

Findings and Discussion

1. How might NGER see CarbonView and Supply Chain Consulting

SCC is a commercial organisation that aims to supply high quality services to its clients. In offering CarbonView we provide our clients with considerable assistance in thinking about, identifying and accounting for their GHG emissions and energy consumption. As a result we are both an information systems supplier and a consultant.

Our experience is that Australian companies want to manage their GHG emissions but need considerable education and advice in this regard.

We feel SCC can be a support service to NGER by providing national capacity for the purpose of consulting to NGER registered companies and the broader community. Furthermore, we can provide NGER with valuable feedback from Australian companies on practical questions and concerns around the NGER regulations.



It would assist our organisation to be recognised in some way as qualified for this purpose. If the program gives rise to the recognition of NGER accredited advisers then we would apply for this designation. If the NGER simply makes corporate Australia aware of the suppliers of GHG emissions consulting services then we would encourage the NGER to recognise SCC for this purpose.

We also see NGER as the first step in a process of causing all organizations to measure and better manage their GHG emissions and we are eager to work with the NGER for this broader purpose.

2. CarbonView might be considered to provide a service similar to OSCAR (section 4.2 and 2.5.4).

We compared the CarbonView and OSCAR functionality at a high level based on the OSCAR end user document. In so far as CarbonView is based on the AGO's methodology and aligns with the GHG Protocol we believe CarbonView to have a similar function to OSCAR. However CarbonView offers more options as the design of CarbonView was to streamline the gathering of greenhouse gas data and therefore allows data entry at any organisational level, from individual user to asset to organisation unit. CarbonView then aggregates the greenhouse gas data to a company level and the end result is a report similar to the OSCAR report. CarbonView also supports other workbook calculations like GHG protocol and DEFRA on top of the AGO workbook.

We intend to make a detailed examination of the difference between OSCAR and CarbonView and would welcome the opportunity to effect this examination in a collaborative manner with the appropriate parties and or suppliers to the NGER.

It is possible that there will be integration opportunities that would serve both organizations and programs. It is possible that CarbonView provides a greater degree of detail than is made possible by OSCAR and that this detailed level of accounting will sometimes be functional for both NGER and the reporting entities.



3. CarbonView as a source of Energy Accounting (General)

CarbonView already provides a platform for integrated measurement and management of both energy consumption and GHG emissions. To the extent that CarbonView provides an integrated solution to both matters it may offer opportunities to the NGER.

4. Operational Control and Contracted Suppliers (sections 2.6 and 2.7)

We note that the definition of a reporting entity is for those activities over which the entity has operational control. In the transportation and logistics industry a high proportion of activity undertaken by any given shipper is contracted to outside suppliers in whole or in part. It is also not unusual for the cost of transportation and distribution to be paid for by the receiver rather than the shipper.

As we understand it both of these conditions would not be required to be reported by NGER even though they are for all practical purposes controlled by the source of the goods rather than the actual transport operator.

We feel this is an area that warrants further investigation. We are interested in describing the range of operations systems that exist in the transportation and distribution industry so that the NGER can take these into account in policy formulation.

5. Facilities and small facilities aggregation (section 2.5)

CarbonView makes it easy to account for and aggregate small facilities that are part of a larger entity. This functionality may be attractive to NGER.

6. Transportation and Distribution (section 2.6.1 and 2.6.2)

CarbonView is particularly adept at measuring and accounting for transportation and distribution activities. It may be that CarbonView can add value to the NGER program by enabling very detailed accounting in these regards.

7. Reporting (section 4)

One of the purposes of CarbonView is to enable firms to provide detailed reporting to all interested parties. It may be of value to the NGER that CarbonView is designed to enable a high degree of detailed and aggregated reporting. The detailed level of reporting made available by CarbonView includes reporting by equipment type and fuel type easy.

8. Scope 1, 2, 3 (section 2.2 and 6.1.1)

The NGER calls reporting of Scope 1 and 2 emissions as a total and only voluntary reporting of Scope 3.

In general our clients find the ideas that underpin Scope 1, 2 & 3 quite hard to understand and work with. We recommend full examination of these factors so that NGER participants and their observers and stakeholders can better appreciate the role of each scope.

We encourage NGER to call for separate reporting of scope 1 and 2 because doing so ensures that the reporting entity is aware of and looks closely at the different sources of GHG emissions.

We also encourage NGER to enthusiastically support the measuring and reporting of scope 3 emissions. Whilst we recognise the risks associated with scope 3 reporting in the sense of double counting we also feel that at this early stage in the development of the program and the ETS that it is important for all organizations to be aware of the impact of their activities on GHG emissions.

9. Independent Auditing (section 7.3)

We note that NGER may call for independent auditing of registered company reporting. This is a function that SCC may be considered for.

10. Available for Further Consultation

SCC would like to register for participation in the NGER Transport Reference Group.