



25 February 2008

Greenhouse and Energy Reporting Taskforce
Department of Climate Change
GPO Box 854
Canberra ACT 2601

**Submission on the National Greenhouse and Energy Reporting System Regulations Discussion
Paper October 2007**

Dear Sir / Madam,

Leighton Contractors Propriety Limited (LCPL) appreciates the opportunity to make a submission on the National Greenhouse and Energy Reporting System Regulations Policy Paper (the *Policy Paper*) dated February 2008. LCPL supports the objectives of the associated legislation, particularly its focus on streamlining reporting obligations for business.

Please find attached our comments on the Policy Paper. In general, we also support the position provided by the Australian Constructors Association. We are happy to respond to any clarifications required by the submission review panel.

Regards,

Peter Olsen
General Manager Human Resources, LCPL



Leighton Contractors

Our Business

With over \$7 billion of work in hand and employing over 7,000 people, Leighton Contractors is one of Australia's leading construction and mining companies.

A wholly owned subsidiary of Leighton Holdings Limited, the company works in six main divisions: engineering and infrastructure, mining and resources, telecommunications, industrial, building, and infrastructure investment. At over 200 sites in Australia and New Zealand, we build, maintain, operate, manage, service, finance, and facilitate. We excel in project delivery through various methods including design and construct, construct only, traditional fixed lump sum, schedule of rates contracts, joint venture, and alliances.

With this spread of work comes a set of responsibilities and mutual obligations owed to our people, our clients and business partners and the communities in which we work. We take these obligations seriously, and see them as an opportunity to improve and build our business, to enhance the lives of those with whom we come in contact, and to create a legacy for future generations.

Further information about Leighton Contractors business can be found at www.leightoncontractors.com.au



Leighton Contractors Submission

The specific issues upon which Leighton Contractors Pty Limited ('LCPL') would like further clarification are as follows:

1. Meaning of “operational control” (s11 of Act; s1.5 of Policy Paper)

The definition of operational control provided within the legislation remains unclear within a contracting context. For instance, at a number of mines at which LCPL operates, we implement our operating policies (environmental, health and safety) under approval and direction of our clients (their policy framework). That is, even when LCPL is the author of project policies and procedures they are directed by our clients minimum requirements and ultimately subject to their approval.

LCPL considers “operational control” (and hence reporting responsibility) rests with the party with the ultimate authority to direct the introduction and implementation of policies.

If, on balance (as stated within the policy paper) a facility operator is generally taken to have operational control over the facility in preference to the facility owner and hence have direct reporting obligations, this may create a scenario where major mining houses and State Government Agencies (such as road authorities) do not have any emissions other than those associated with their offices. Reporting responsibilities should align with future liabilities under the AETS.

Further, LCPL operates under a number of long term contracts which will be affected upon the introduction of the NGER legislation. Accordingly, LCPL recommends transitional arrangements for contracts which are already in existence to ensure meaningful data is collected and to minimise the risk of double reporting. A failure to make such arrangements may also result in an overwhelming number of applications to GEDO to determine operational control in pre-existing contracts.

2. Joint ventures and partnerships (s8 of Act; s1.2.1 of Policy Paper)

Further clarification regarding the test for “operational control” for Alliance type arrangements is requested.

3. Car fleets (s1.5.2 of Policy Paper)

LCPL would like to seek confirmation that our interpretation of reporting obligations in respect to car fleets is correct. That is, the following car fleets relate to LCPL:

- On-site project light vehicles are also used by operational personnel to travel to and from work. This data is not salary packaged however it is associated with our contracting operations. Accordingly, this data will be captured under our fuel use for the relevant project and form part of our fuel use for our business.
- Novated lease vehicles which form part of salary packages are not required to be reported under the Act.
- Operating lease vehicles which are not novated however form part of salary packages and do not have to be reported under the Act.