

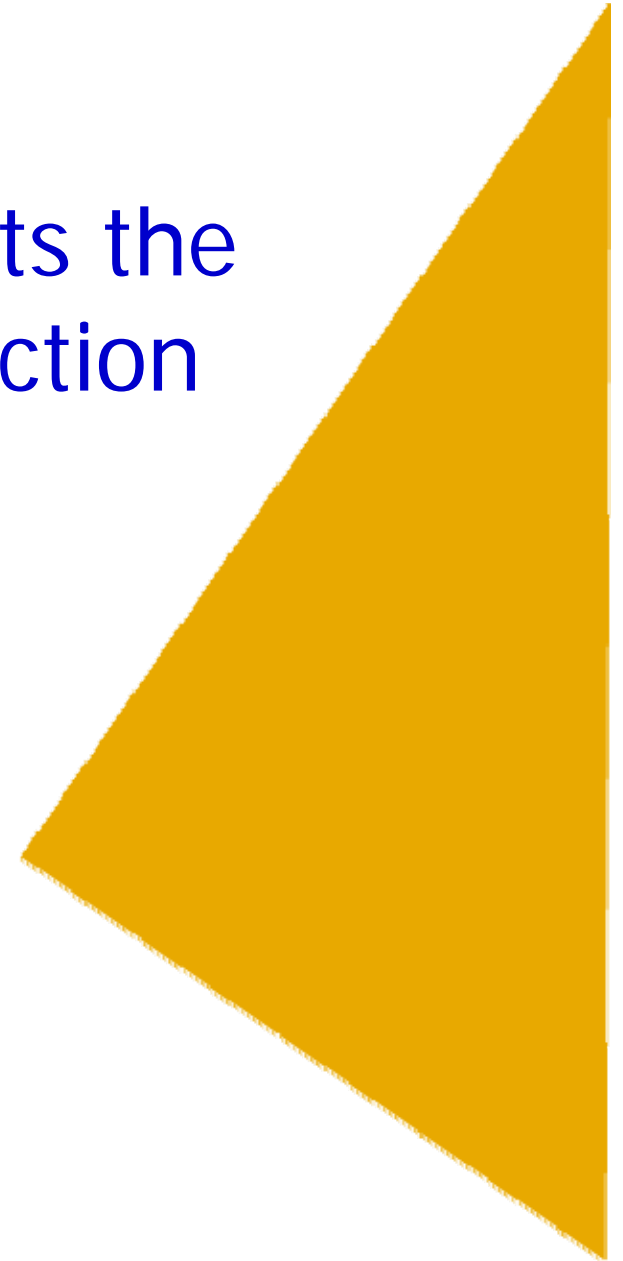


Local Government meets the Carbon Pollution Reduction Scheme



Melanie Bainbridge
Climate Change Coordinator

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Local Government Resourcing Issues

- Local Government wants to meet the challenge of climate change management... it is simply not adequately resourced to do so.
- Local Governments receive from the Commonwealth funding equivalent to a total of 0.75% of Federal Government Revenue.
- Many Western Australian Local Governments (over 50%) are not well enough resourced currently to meet their immediate responsibilities in relation to asset and infrastructure management, let alone to comply with the future costs and legislative requirements that a Carbon Pollution Reduction Scheme will present (The Journey – Sustainability into the Future, 2008).



Local Government Resourcing Issues

- While the Carbon Pollution Reduction Scheme is likely to capture Local Government directly through landfill facilities (and in fact has been designed to do so), there are a wide range of indirect impacts which will affect Local Governments in Western Australia which may not have an immediately calculable impact, however will be no less costly or pressing.



Capacity to Pass on Costs

- At present Local Government has inadequate capacity to pass on the additional costs arising from the CPRS in the form of rates (Productivity Commission confirmed very limited capacity for additional income from rates) and Fees and Charges.
- The Federal Government should adjust the funding it provides to Local Government through the Financial Assistance Grants Scheme, Roads Funding and other grant programmes to reflect the increased costs of delivering services.

Capacity to Pass on Costs

- Local Government asserts that while low-income households should be compensated for increased costs due to the impacts of the Scheme (and that these costs should be stringently assessed and aggregated across the broad range of increases, not simply related to energy cost increases), the Green Paper's proposal to physically compensate householders (i.e. direct rebates not linked with environmental outcomes or behaviour change processes) is largely flawed.



Local Government Specific Concerns – Street Lighting

- Street lighting, which for many Local Governments accounts for over half of their total energy spend, is a community service, a statutory requirement and a liability, and yet while Local Governments in Western Australia have expressed their desire for sustainable street lighting options to reduce energy consumption, emissions and costs/impacts, little support has been offered by the State Government energy providers.





Local Government Specific Concerns – Roads and Infrastructure

- Over 20% of total Local Government expenditure in WA is allocated to road construction and maintenance (over \$450 m in 2006/07).
- In WA, road reconstruction alone would generate around 590,000 tonnes of CO₂e. If the costs of this are passed through the supply chain at \$30 per tonne CO₂e, this adds \$17 - \$19m to the cost of road reconstruction in WA.



Local Government Specific Concerns - Waste

- Waste is the only Local Government responsibility that will have a direct reporting liability to the NGERs/CPRS.
- Based on the estimate that each tonne of municipal waste generates 1.4t CO₂e, the average household generates 1.7 tonnes CO₂e. In the absence of any investment to reduce or eliminate this, at an assumed permit cost of \$30 per tonne CO₂e, waste disposal will add approximately \$50 per year or 25% to a typical household waste disposal budget.



Local Government Specific Concerns - Waste

- Local Governments are required to report and participate in the CPRS if they own or control a facility that breaches the 25 kilo tonne CO₂e threshold and will be captured by the regulations surrounding scheme implementation.
- The Green Paper implies that that threshold may be further reduced at the commencement of the scheme to 10 kilo tonne CO₂e, which would capture many, if not most, Western Australian Local Government landfill facilities.



Local Government Specific Concerns - Waste

- Significantly there are a number of Landfills in the South West which are likely to be affected by the CPRS and as a result should be gearing up to reporting their emissions to the NGERs (OSCAR framework). These impacts and more are likely to affect rural landfills, so advocacy and engagement with the CPRS consultative process is of value to the South West region.





Contacts for Further Info

- I'm happy to be contacted for further information regarding Local Government and the CPRS. If you'd like a copy of our submissions to the Green Paper which outlines which landfills are likely to be affected please call:
- Melanie Bainbridge on 9213 2039 or email me at mbainbridge@walga.asn.au