

Report No. 13.11 Preparing for Climate Active carbon neutral certification 2025/26 - establishing Council's emissions boundary

Directorate: Sustainable Environment and Economy

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Summary:

10 The purpose of this report is to seek Council's endorsement of the proposed emissions boundary for Council operations, in preparation for becoming certified carbon neutral under the Climate Active standard in 2025/26.

In March 2017, Council resolved to be net zero emissions for its operations by 2025 (**17-086**). In December 2019, Council further resolved to become certified carbon neutral under the Climate Active national standard by 2025/26 (**19-634**).

15 To set the framework to deliver on its emissions reduction goals, Council endorsed the *Net Zero Emissions Strategy for Council Operations 2025* in June 2019 (**19-268**) and the *Net Zero Emissions Action Plan for Council Operations 2025* in November 2020 (**20-628**). Under the *Governance* objective in the Action Plan, Action D5 is to "Develop an emissions disclosure framework for Council staff". Further, one of the measures under 2020/21 Operational Plan Activity 3.2.1.1 *Deliver the Net Zero Emissions Action Plan for Council Operations 2025* is "Report to Council to define Council's emissions boundary".

25 The process for achieving Climate Active certification involves a number of steps over several years. Establishing Council's emissions boundary is step 1 and standard practice for any organisation seeking certification. Consultant '100% Renewables' has been engaged to assist staff with the process.

30 The proposed boundary will increase Council's emissions footprint significantly. This is to be expected; it is an inevitable part of the journey to Climate Active certification. Staff are unable to estimate by how much it will increase because the source data is yet to be collected (this will take place in 2021/22). Staff will report back to Council after the first year of tracking the new boundary to give Council the opportunity to review progress (as part of the annual emissions report in December 2022).

35 An increased emissions footprint means that more tonnes of carbon dioxide equivalent will need to be offset in 2025/26 (and all following years that Council resolves to remain carbon neutral). Staff are presently unable to give an estimate as to the cost of offsetting Council's emissions footprint. Staff will begin development of an offsetting strategy and costs in the 2021/22 financial year alongside tracking the new boundary and will report findings back to Council as part of the annual emissions report in December 2022.

BYRON SHIRE COUNCIL

STAFF REPORTS - SUSTAINABLE ENVIRONMENT AND ECONOMY

13.11

Additional staff time and resources will be dedicated to setting up new data gathering and reporting systems. The Sustainability Team has factored this into future planning and will absorb most of the additional work.

RECOMMENDATION:

That Council:

1. endorses the proposed Climate Active-compliant emissions boundary for Council operations in Table 1 of this report.
2. notes the attached report from consultant '100% Renewables', *Establishing Climate Active-compliant emissions boundary for Council operations* (Attachment 1 - E2021/64201).
3. notes that staff will report back to Council after the first financial year of tracking the proposed boundary (2021/22) as part of the annual emissions report (December 2022).
4. notes that a discussion of offsetting strategy and its financial implications will be reported to Council as part of the annual emissions report (December 2022).

Attachments:

- 1 Establishing Climate Active-compliant emissions boundary for Council operations - report from 100% Renewables, E2021/64201

Report

In March 2017, Council resolved to be net zero emissions for its operations by 2025 (**17-086**). In December 2019, Council further resolved to become certified carbon neutral under the Climate Active national standard by 2025/26 (**19-634**). One of the measures under 2020/21 Operational Plan Activity 3.2.1.1 *Deliver the Net Zero Emissions Action Plan for Council Operations 2025* is “Report to Council to define Council’s emissions boundary”.

On 19 May 2021, the Executive Team endorsed the proposed emissions boundary and resolved that a report to be brought to the Executive Team to confirm the emissions boundary and discuss carbon offsets in 2021/22.

Process for achieving Climate Active Certification

The Sustainability Team has engaged consultant ‘100% Renewables’ to assist Council in becoming certified under Climate Active. The process will comprise the following steps:

1. Boundary: determine emission sources for Climate Active Inventory (2020/21).
2. Inventory: collation of data and calculation of carbon footprint (2021/22 onwards).
3. Offsets: establish offset policy (2021/22 or 2022/23, depending on resourcing) and facilitate purchase of suitable carbon offsets (2025/26).
4. Trial Year: practice run of calculating emissions in line with Climate Active (2024/25)
5. Finalise: finalise Climate Active deliverables and publish public statement (2025/26).

Throughout the process, Council will also be working to deliver emissions reduction projects that reduce the size of its carbon footprint.

Completing step 1: determining Council’s emissions boundary

100% Renewables has assisted the Sustainability Team with step 1, drafting an emissions boundary that will meet the Climate Active standard. For 100% Renewables’ full report, see Attachment 1. The boundary includes emissions sources under three scopes:

1. Scope 1: emissions that are owned or controlled by Council.
2. Scope 2: emissions from Council’s use of electricity.
3. Scope 3: emissions that are a consequence of Council’s activities but are not directly owned or controlled by Council.

The proposed boundary includes all the scope 1 and 2 sources we already track (fugitive emissions from landfill and sewage treatment plants, general and streetlight electricity, fleet and bottled gas) and adds missing scope 1 emissions (HVAC refrigerants) and relevant scope 3 emissions. The Climate Active “relevance test” was applied to each emission source to determine if it would be included (see p. 24 of Attachment 1 for a detailed explanation of the relevance test). The proposed boundary is as follows:

Table 1. Proposed Climate Active-compliant emissions boundary for Council operations

Proposed included emission sources	Proposed excluded emission sources
<p>Scope 1 emissions:</p> <ul style="list-style-type: none"> • Refrigerants • LPG – stationary • Diesel – stationary • Diesel • Petrol • Ethanol • Closed landfill • Wastewater <p>Scope 2 emissions include Electricity and Street lighting.</p> <p>Scope 3 emissions:</p> <ul style="list-style-type: none"> • Scope 3 facilities • Water • Acetylene • Air travel • Business accommodation • Employee commute • Fuel from waste contractors • Paper • IT equipment • IT software • Office equipment • Food and catering • Postage and couriers • PopCar • Waste • Telecommunications • Cleaning • Pest control • Stationery • Chemicals • Professional services • Asphalt • Concrete • Other road building materials • Machinery and vehicle repairs • Equipment hire • Clothing • Non-quantified – hire cars 	<ul style="list-style-type: none"> • Taxis and Uber • Embodied emissions in other purchased goods

Implications of adopting the proposed boundary

Adopting the proposed boundary will have the following implications:

1. Council will complete the first step towards becoming certified Climate Active carbon neutral and completing resolution **19-634**.
- 5 2. Given the significant number of additional emissions sources that Council will need to track, additional staff time and resources will be dedicated to setting up new data gathering and reporting systems. The Sustainability Team will absorb most of this additional work.
- 10 3. The proposed boundary will increase Council's emissions footprint significantly. This is to be expected. Staff are unable to estimate by how much it will increase because the source data is yet to be collected (this will take place in 2021/22). An increased emissions footprint means that more tonnes of carbon dioxide equivalent will need to be offset in 2025/26 (and all following years that Council resolves to remain carbon neutral). Staff are presently unable to give an estimate as to the cost of offsetting Council's emissions footprint. The Sustainability Team will begin development of an offsetting strategy and costs in the 2021/22 financial year and report findings back to Council.
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Risk

20 Establishing Council's emissions boundary in preparation for becoming certified carbon neutral under the Climate Active standard is linked to the following Strategic Risk:

- Strategic Risk Reference 4: Environmental Resilience. One of the existing controls for this risk is the *Net Zero Emissions Action Plan for Council Operations 2025*. Establishing Council's emission boundary is one of the actions in the Plan.

Strategic Considerations25 **Community Strategic Plan and Operational Plan**

CSP Objective	L2	CSP Strategy	L3	DP Action	L4	OP Activity
Community Objective 3: We protect and enhance our natural environment	3.2	Strive to become a sustainable community	3.2.1	Work towards Council's zero-emissions target	3.2.1.1	Deliver the Net Zero Emissions Action Plan for Council Operations 2025

Community Objective 3: We protect and enhance our natural environment	3.2	Strive to become a sustainable community	3.2.1	Work towards Council's zero-emissions target	3.2.1.2	Prepare Annual Emissions Inventory to determine progress towards 2025 Net Zero Emission Target
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Recent Resolutions

- **17-086** – Council resolved to be net zero emissions for its operations by 2025, and to source all of its energy from renewable sources by 2027.
- **19-268** – Council endorsed the *Net Zero Emissions Strategy for Council Operations 2025*.
- **19-634** – Council resolved to become certified carbon neutral under the Climate Active national standard by 2025/26.
- **20-628** – Council endorsed the *Net Zero Emissions Action Plan for Council Operations 2025*.

Legal/Statutory/Policy Considerations

There are no legislative considerations when becoming Climate Active certified.

Net Zero Emissions Strategy for Council Operations 2025 – establishing Council's emissions boundary is an essential step in the process to becoming certified carbon neutral under the Climate Active standard; becoming carbon neutral will fulfil the central purpose of the Strategy.

Net Zero Emissions Action Plan for Council Operations 2025 – establishing Council's emissions boundary is a measure under the Governance Objective in the Action Plan.

Financial Considerations

The cost of establishing Council's emissions boundary has already been absorbed by the Sustainability Team, using pre-existing budget allocation.

This report has no direct financial implications. However, as discussed above at Point 3 under "Implications of adopting the proposed boundary", there is an indirect financial consideration relating to the increased emissions footprint and resulting increased tonnes of carbon dioxide equivalent that will need to be offset to become carbon neutral. Carbon offsetting costs vary widely depending on the location and type of offset project, and it is not yet known by how much Council's emissions footprint will increase with the proposed boundary therefore staff are presently unable to give an estimate as to the cost of offsetting Council's emissions footprint. The Sustainability Team will research an offsetting strategy and related costs in the 2021/22 financial year, and report findings back to

BYRON SHIRE COUNCIL

STAFF REPORTS - SUSTAINABLE ENVIRONMENT AND ECONOMY

13.11

Council in December 2022 as part of the annual emissions report. That report will be drafted in consultation with Manager Finance.

Consultation and Engagement.

Who was consulted?	How did consultation occur? e.g. email, verbal etc.	Comments/Feedback
External: Consultant 100% Renewables	Email, verbal.	See attached report from consultant.
Manager Open Spaces & Resource Recovery, IS	Email.	Provided leased facilities data.
Manager Utilities, IS	Email.	Provided leased facilities data.
Property Maintenance Coordinator, CCS	Email, verbal.	Provided information on HVAC system.
Management / Asset Accountant CCS - Financial Services	Email, verbal.	Provided financial data.
Leasing Coordinator, GM	Email.	Provided leased facilities data.
Team Leader Electrical Maintenance, IS	Email.	Provided generator data.