

Submissions
Climate Change Authority
GPO Box 787
Canberra ACT 2600

To Whom it May Concern,

The National Waste and Recycling Industry Council ([NWRIC](http://www.nwrirc.com.au)) acts as the industry's national policy setting body. Its core activity is to proactively engage with all of the industry's key stakeholders to promote solutions to the regulatory challenges facing the sector.

The founding members of the Council - Alex Fraser Group, Cleanaway, J. J. Richards and Sons, Solo Resource Recovery, Sims Metal Management, Suez, Toxfree, Remondis, ResourceCo and Veolia - represent the majority of the private capital invested into waste management and recycling assets in Australia.

While the Council is a national body, it also works proactively with Affiliates, which represent the interests of the industry at a State level. Through collective action, the Council and its State-based partners form a network representing the industry Australia wide.¹

The NWRIC welcomes the opportunity to comment on the *Review of the National Greenhouse and Energy Reporting legislation*.

INDUSTRY COMMENT

As a general comment, we believe the ERF has been effective in reducing landfill greenhouse emissions. Further, we express concern that if it is wound back - all or in part - landfill emissions (especially from smaller landfill not covered by the Safeguard Mechanism) will increase significantly. We make specific comments about NGERs matters as below.

Q2. Should the scope of reporting under the National Greenhouse and Energy Reporting scheme be expanded or reduced e.g. to include or exclude certain greenhouse gases, emissions sources, inventory sectors or types of entities who report?

The NWRIC raises that, despite being above the facility threshold of 25,000 tonnes carbon dioxide equivalent per annum, local government landfills do not report under NGERs. This exclusion fails many of the principles of the scheme; including 'economic and environmental efficiency', 'equity' and 'public interest'. This omission also creates incomplete data. We suggest local government be brought into the scheme.

Q4 Are the methods for reporting emissions and energy in the measurement determination fit for purpose?

¹ NWRIC's state 'Affiliates' are; the Waste Recycling Industry Association of Queensland (WRIQ), the NSW Waste Contractors and Recyclers Association (WCRA), the Victorian Waste Management Association (VWMA), the Waste Recycling Industry Association of South Australia (WRI-SA) and the Waste Recycling Industry Association of WA (WRI-WA) and the Waste Recycling Industry Association of the Northern Territory (WRI-NT). They represent every Australian jurisdiction except Tasmania.

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Industry believe the NGER modelling does not cover all landfill variables (including climate and waste inputs) and as a result it cannot be used to compare sites or establish true industry averages. As a result the NWRIC is concerned that raw data should not be released for landfills and NGER averages (national or State) should not be used in the Safeguard Mechanism determination.

Q8. Are there opportunities to streamline emissions and energy reporting obligations under the National Greenhouse and Energy Reporting scheme and other programs?

Generally there is agreement that reporting is operating well for landfills. However, we would like to see a scenario whereby operation of the ERF, NGERs and the Safeguard Mechanism for landfills is harmonised and simplified. That is, we believe there should be no contractual conflict between ERF credits and Safeguard Mechanism liabilities.

Q12 Is the safeguard mechanism delivering on its objectives and fit for purpose?

The NWRIC does not believe the Safeguard Mechanism is a fit for purpose tool for landfills, as it is designed for instantaneous emissions. Our submission on the Safeguard mechanism is attached below in Appendix A.

Q11 Are there learnings from international emissions and energy reporting schemes that could be applied in Australia?

In New Zealand, landfills are excluded from carbon taxation schemes due to the complexity, delay and uncertainty associated with landfill greenhouse emissions. Instead, the impact of landfill is accounted for via State landfill levies. In Australia, we suggest a similar approach, as landfill levies are simpler to administer, while existing programs are in place and well understood.

For further information please contact;

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APPENDIX A - THE NWRIC SUBMISSION ON THE SAFEGUARD MECHANISM

Safeguard and Industrial Policy Section
Department of the Environment and Energy
GPO Box 787
Canberra ACT 2601

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The NWRIC welcomes the opportunity to comment on the *National Greenhouse and Energy Reporting (Safeguard Mechanism) Rule 2015*, and makes the following comments.

Response to the revised Safeguard Mechanism Draft

Landfills should not be covered by the Safeguard Mechanism as:

1. With a baseline of 100,000 tonnes CO₂-e per annum only four or five of the 65 larger sites will be covered. This will unfairly commercially disadvantage these sites. For example in western Melbourne one site will be covered whilst its neighbouring sites to the north and south will not report.
2. Landfill emissions are calculated by the internationally accepted NGER modelling calculator. Although this is a robust and repeatable calculator when used at a specific site it is unreliable as a tool to compare sites. As a result there is no suitable tool to calculate 'national or state' default collection targets under the Safeguard mechanism.
3. While the NGER model is climatic zone specific - 'Tropical', 'Subtropical', 'Temperate and 'Sub Temperate' - landfill gas generation is significantly impacted by rainfall, depth and leachate recirculation. For example - in drought conditions generation falls and during prolonged wet periods gas generation rapidly increases. As a result NGER is not an appropriate tool to calculate annual 'Safeguard Mechanism' liabilities.

² NWRIC's state 'Affiliates' are; the Waste Recycling Industry Association of Queensland (WRIQ), the NSW Waste Contractors and Recyclers Association (WCRA), the Victorian Waste Management Association (VWMA), the Waste Recycling Industry Association of South Australia (WRI-SA) and the Waste Recycling Industry Association of WA (WRI-WA) and the Waste Recycling Industry Association of the Northern Territory (WRI-NT). They represent every Australian jurisdiction except Tasmania.

4. The Emissions Reduction Fund (ERF) - and various electricity schemes before it - has been successful in encouraging landfill operators to collect landfill gas at levels above their regulatory obligations - and in fact the waste sector is unique in that it has reduced its emissions over the last thirty years. That is, landfill is one of the few sectors to 'decouple' its emissions from waste volume growth using landfill gas capture. As the ERF covers a larger number of sites than the Safeguard Mechanism, it is more effective at ensuring continual emission reduction from landfill.

With the ERF continuing to be available to all landfills there is no need for the Safeguard Mechanism to cover the sector.

Response to the Revised draft should the industry's argument that coverage be removed be again rejected:

1. It is the establishment of this default that concerns the landfill operators covered by the Mechanism.
2. Landfill emissions from post July 1, 2016 non-legacy waste are not expected to exceed the 100,000 tonne CO₂-e baseline until the early to mid-2020s. As a result each covered landfill should be able to apply for a calculated baseline.
3. Based on the attached summary presented by the Department 27 August 2018 each landfill will be able to access Option C or E.
4. Under Option C the landfill will have a fixed production-adjusted and emission intensity default baseline whilst under Option E the landfill will have an annually adjusted baseline.
5. In either case the final liability will be dependent on the default emission intensity value set by the Department.

Data regarding business as usual activities:

1. The Safeguard Mechanism Rule (Rule) is designed to protect against a significant rise in emissions above business-as-usual levels. Therefore, the proposed default capture rate should only represent Business as usual activities.
2. The ERF landfill gas method has an established and robust approach to determining the regulatory gas capture rate. Under this method the capture rate is estimated at 30%. The national average for business as usual capture is approximately 13%.

Concern with the establishment of an industry emissions intensity default for covered landfills:

1. NGERs modelling - although repeatable at a specific site - is not sufficiently reliable to allow comparison between sites. This means that results recorded across the Safeguard covered sites cannot be simply averaged to set an intensity target. For example - under NGERs two well engineered landfills could report gas collections of 75% and 45% with the result dependent on recent local rainfall, leachate recirculation and landfill depth - issues not addressed by NGERs.
2. NGERs modelling does not address weather events such as drought on prolonged rain events. As a result achieving an emission collection target during prolonged dry or drought conditions will be difficult whilst following drought breaking rain the target will be achieved easily.

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3. Current landfill gas collection results are a product of state regulation - basically sufficient gas collection to ensure no offensive odour at the landfill boundary - and government sponsored incentives (such as the ERF and RECs) the use of the gas as a fuel.
4. With proposed changes to the government schemes including - a) no ERF contract extensions for site generating electricity, b) removal of RECs and c) the current ERF landfill method may vary the 30% default - gas collection is likely to fall significantly in the next decade.
5. As a result industry is concerned that future emission collection will be below the results achieved over the last decade - and thus we ask that no defaults be established until the current sponsored programs have been worked through.

Should landfills be included under the Safeguard mechanism the industry calls for a targeted consultation with the Department on the development of emission intensity values for covered landfills.

For further information please contact:

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APPENDIX A - SITE REPORTING MECHANISM OPTIONS

Reported baseline options

