

**Speech to Climate Change Policy Committee
22 April 2009 – Delivered by Max Spedding**

Thank you Mr Chairman.

Thank you for the opportunity for our small organisation to appear before this Committee of Inquiry.

First of all, allow me a moment to introduce myself and the Australian Landfill Owners Association.

I have been directly involved with the waste service industry since 1988. I was the Managing Director of SITA Environmental Solutions, Australia's third largest waste service provider from 1995 to 2001 and am currently the Director of Sustainability of Veolia Environmental Services, Australia's third largest waste service provider. I am also the Secretary and spokesperson for ALOA and a board member of the Waste Management Association of Australia – I also am Chairman of their National Landfill Division.

The Australian Landfill Owners Association or "ALOA" is the peak representative body for landfill owners from across Australia.

ALOA members operate over half of the landfill capacity across Australia receiving 13.6 million tonnes of solid waste in 2008. This equates to 68 percent of Australia's total waste deposited into landfills.

ALOA members also provide services in waste disposal, waste treatment and resource recovery and employ over 12, 000 people.

Today Australia's larger landfills employ international 'best practice' technologies to minimise their environmental impact. This includes capturing methane generated from landfilled organic waste to produce renewable electricity.

ALOA members have been active in reducing greenhouse gas emissions from their operations over the last two decades. In fact, the waste sector is *the* only CPRS covered sector that has recorded a reduction of their greenhouse gas production – reducing it by 12.6 percent, between 1990 and 2005.

The end result of this effort leaves the waste sector now accounting for less than 2 percent of Australia's national greenhouse gas emissions.

ALOA supports the Government in its attempt to reduce Australia's green house gas production and supports the introduction of an emissions trading scheme in order to achieve this end.

The introduction of an emissions trading scheme has been described by the minister for climate change as ‘the most significant economic and structural reform undertaken in Australia since the trade liberalisation of the 1980s’. ALOA concurs with this view and wants to work with government to ensure we have a workable scheme.

As such ALOA believes the architecture of this reform must be sound and the scheme certainly must not be rushed to implementation with inconsistencies or gaps that will later lead to perverse outcomes.

ALOA has a number of concerns surrounding the inclusion of the waste sector in the CPRS and these are articulated in our submission to this committee of inquiry.

In this regard ALOA wishes to underline that the core issue of the CPRS legislation for the waste sector is the inclusion of emissions from waste deposited prior to the implementation of the CPRS. These is referred to in the industry as “legacy waste” emissions.

This is the most vital issue as waste decomposes over decades in a landfill and as such the inclusion of legacy waste emissions in the scheme from 2018 onwards could render landfill owners liable for emissions which emanate from waste which was deposited up to 50 years ago.

In other words, Senators, the legislation in its current draft form would require landfill owners to charge current and future customers for waste deposited by past customers or else cover these costs themselves.

This will create enormous difficulties within our industry and a period of turmoil as the legacy waste impact is not the same for all landfills. For example, an old landfill will have a significantly higher CPRS burden than a new landfill and as such the CPRS will create significant inequity within the marketplace.

Further, these retrospective provisions do not in any way align to the vision of the CPRS – that is – introducing behavioural change which will in turn lower Australia’s GHG emissions.

Penalising landfill owners with this retrospective burden will not in any way influence future waste generation volumes or waste composition modification. The ultimate goals of the CPRS.

Notwithstanding that the legacy waste issue is our most significant concern ALOA also has a number of other issues with the CPRS architecture and these have been detailed in our submission. These include:

- Delay of waste sector coverage until at least 2012 to allow measurement methodologies to be finalised and tested

- Simplification of threshold variation provisions to avoid capture of most landfills on the eastern seaboard
- The timing of the release of the CPRS draft regulations

Finally, I must stress that, as the waste sector has not been included in any other country's emissions trading scheme, Australia must get this right as what we do will serve as a model for the rest of the world.

I thank you for your time and I welcome any questions that you may have.

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