



**THE HON GREG COMBET AM MP
Parliamentary Secretary for Climate Change**

MEDIA RELEASE

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COVERAGE OF LANDFILL WASTE UNDER THE CPRS

Greg Combet, Parliamentary Secretary for Climate Change, today announced that the Government has removed legacy emissions caused by waste landfills from the Carbon Pollution Reduction Scheme.

Mr Combet said the removal of legacy emissions from the Carbon Pollution Reduction Scheme was reflected in the Scheme legislation introduced to the House of Representatives today.

“The removal of legacy waste emissions from the Scheme will reduce administrative costs to small local councils and landfill operators, and therefore their customers, while retaining a strong incentive for these operators to reduce their greenhouse gas emissions,” said Mr Combet.

“During the consultation period on the Carbon Pollution Reduction Scheme draft legislation, many submissions and representations were received from local governments and landfill operators which made it clear that there was a deep concern about the equity of imposing a liability on emissions from previously deposited waste, or so called ‘legacy emissions’.”

“This was a particular concern for local government facilities and there was a high potential for ratepayers to suffer increased domestic waste costs to cover liability arising from waste that had been deposited in some cases decades ago.”

“The Government has listened to those concerns and the legislation released today reflects that legacy emissions from waste will be excluded from the Scheme. Liability for landfill emissions under the Scheme will now only apply to emissions that come from waste that is deposited after the commencement of the Scheme on 1 July 2011.”

“The delay in the commencement of the Scheme announced last week provides an extra year for the industry and local councils to prepare for the Scheme. It will also allow these parties to investigate abatement opportunities for reducing their emissions and implement measurement approaches that are best suited to their circumstances,” said Mr Combet.

“The Government has worked closely with the waste industry and local councils in making the decision to remove legacy emissions from the Scheme and I particularly would like to thank the Australian Local Government Association, the Australian Landfill Owners Association and the Australian Industry Group for their contributions.”

The attached fact sheet gives more details on the coverage of the Waste Sector under the CPRS.

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FACT SHEET

WASTE

Australia will be the first Government in the world to introduce a carbon trading system covering the landfill waste sector. This is part of an approach which seeks to achieve a broad coverage of emissions sources, to ensure the widest range of sectors share in the task of reducing Australia's carbon pollution.

Access to landfill is important for all Australians and many landfill waste facilities are operated by local government bodies, including local councils and shire councils.

LEGACY EMISSIONS

The Government has decided that emissions liabilities for landfill waste facilities will only apply to emissions from new waste deposited after Scheme commencement. Emissions from waste deposited prior to Scheme commencement, otherwise known as "legacy" emissions, will be excluded from Scheme liabilities.

Liabilities will be incurred by operators of landfill facilities with emissions above 25,000 tonnes carbon dioxide equivalent (CO₂-e) per annum, and those facilities above 10,000 tonnes CO₂-e per annum that are in close proximity to a site triggering the 25,000 tonne CO₂-e threshold and accepting similar classifications of waste. The distance determining the 10,000 tonne threshold will be outlined in regulations following industry consultation and fixed for five years to provide certainty for industry.

COVERAGE OF THE WASTE SECTOR

Emissions from legacy waste will not incur a liability under the Scheme, although legacy emissions will continue to count towards a landfill facility's threshold in order to ensure broad coverage of new waste emissions.

Delaying the start of the scheme gives the sector greater time to prepare for their involvement in the scheme, including establishing emissions measurement approaches and installing abatement technologies.

THE PRESCRIBED DISTANCE RULE

The prescribed distance rule will be implemented to avoid waste displacement from covered to uncovered sites. The lower threshold of 10,000 tonnes of CO₂-e per annum now only applies to sites within a certain distance of a site triggering the 25,000 tonne CO₂-e threshold and accepting similar classification of waste, rather than any open landfill facility as outlined in the White Paper. This will lower the overall number of landfill facilities and reduce impacts on local governments.

The prescribed distance will be examined as part of the general review of the Scheme that must be completed before the end of 30 June 2014.

CONSULTATION WITH THE WASTE INDUSTRY

During the consultation period on the Carbon Pollution Reduction Scheme draft legislation, many submissions and representations were received from local governments and landfill operators which made it clear that there was a deep concern about the equity of imposing a liability on emissions from previously deposited waste, or so called ‘legacy emissions’.

Emissions from legacy waste have been excluded from the Scheme as stakeholders have identified they would incur a significant financial liability without any capacity to claw back costs from those that had deposited the waste. Stakeholders indicated that they were being held liable for emissions from past activities that they had no control over, whereas other sectors were not. By absolving operators from all legacy emissions prior to Scheme commencement, operators will be able to charge those responsible today for tomorrow’s pollution. Removing legacy emissions from the coverage of the Scheme represents fairer treatment of the waste sector.

There had also been concern expressed about the application of the previous prescribed distance rule as spelt out in the White Paper, and the undue administrative burden this may place on smaller landfills sites.

SUPPORT FOR THE WASTE SECTOR

Entities in all industries, including waste, will be eligible to apply to access the Climate Change Action Fund to implement new low emissions technologies.

The expanded Renewable Energy Target will provide strong incentives for landfills to capture and generate energy from waste, including waste deposited prior to the commencement of the Scheme.

The landfill sector has seen significant changes over recent years with a strong move to consolidate landfill sites, recover resources through recycling and in many cases to capture and use methane.

The Minister for Environment, Water, Heritage and the Arts, as responsible Minister for oversight of the National Waste Policy, will consider the need to develop complementary measures for legacy waste emissions as part of that Policy and in conjunction with the Minister for Climate Change and Water.

