



The Hon Greg Hunt MP

Minister for the Environment

MC14-002480

Mr Max Spedding
Secretary/Spokesperson
Australian Landfill Owners Association (ALOA)
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Dear Mr Spedding

I refer to your letter of 19 December 2013 concerning ALOA's views on coverage of the waste sector under the Australian Government's Direct Action Plan. I regret the delay in responding.

The Government is committed to consulting widely with business and the community on the design and implementation of the Emission Reduction Fund (ERF). I welcomed the opportunity to meet with you on 19 December 2013 and value your continued commitment to engage through the ERF Waste Technical Working Group to develop emissions reduction methods. I know you are also working directly with my Office and I encourage you to keep the dialogue going.

The ERF Green Paper released on 20 December 2013 sets out the Government's preferred options for the design of the ERF and it addresses a number of the matters you raise in your letter. With regard to incentives for the Australian waste sector, the ERF is targeted at encouraging low-cost, effective emissions reduction activities and the Green Paper recognises there are promising opportunities for emissions reductions in your sector.

In relation to coverage of the safeguard mechanism, the Green Paper includes an option of setting a higher participation threshold than those which apply under the National Greenhouse and Energy Reporting Scheme. In regard to compliance, the Government has a clear objective not to raise revenue from these elements of the ERF. In the event that an entity did exceed its baseline, flexible compliance arrangements would be available.

The Government welcomes ALOA's submission to the Green Paper. The submissions received in response to the Green Paper will be considered as part of an ongoing consultation process leading up to the release of a White Paper in early 2014 on the final design of the ERF. Further information about the consultation process is available on the Department of the Environment's website at: www.environment.gov.au.

Thank you for writing on this matter.

Yours sincerely

Greg Hunt

