

PRESS RELEASE
12 April 2012

Recent Government statements confuse landfill operators and their clients.

“Comments reportedly made yesterday by Climate Change Minister Combet and by Parliamentary Secretary Dreyfus (in a Media Release titled ‘Cutting Landfill Pollution an Opportunity to Generate Income for Councils and Landfill Operators’) have caused confusion amongst landfill operators, councils and landfill customers” stated Australian Landfill Owners Association (ALOA) secretary Mr. Max Spedding.

“Our members have struggled with the complexity of the Carbon Price Mechanism (CPM) over the past six months and have consulted widely with government, private and local government landfill owners and landfill users to establish a fair and accurate approach to set landfill prices from July 1, 2012. This consultation has resulted in an approach that considers whether a landfill is covered under the scheme, takes into account the organic content of the waste landfilled, considers whether the receiving landfill collects a portion of the landfill gas generated at the site and has regard to the likely future cost of carbon permits.”

The implementation of the CPM is extremely complex for the waste management sector as methane emissions (the source of the carbon liability) are generated over a long time frame – up to forty years - from when the waste is landfilled.

Further, the carbon liability must be calculated from a combination of modeling (for the potential emissions) and actual measurement (for the gas collected) and an estimate of the carbon price after the expiry of the ‘fixed price’ regime in 2015/16.

“It is the estimation of the 2015/16 carbon price that is currently preventing landfill operators from settling July 1, 2012 prices” says Max Spedding. “As an industry we are committed to ‘user pay’ pricing principles and as such customers using our member landfills from July 1 will be asked to compensate the operator for taking responsibility for the carbon liability which attaches to waste (less gas that will be collected) received at the landfill from this date.”

ALOA board representatives have sought advice from the Clean Energy Regulator on this issue and are hopeful that advice will be received over the coming weeks.

For further information please contact:

Max Spedding

ALOA Secretary & Spokesperson

spedding@bigpond.net.au

0400 880 677

Attachment – Useful landfill facts

USEFUL LANDFILL FACTS

- ALOA expects that around 25% of Australia's landfills will be 'covered' under the Carbon Price Mechanism and that these sites will receive around 75% of Australia's landfilled waste.
- National Greenhouse and Energy Reporting (NGER) modeling allows accurate emission liability estimates to be calculated for each waste type. For example:

Domestic waste	-	1.2 tonnes CO ₂ -e per tonne of waste
Commercial waste	-	1.1 tonnes CO ₂ -e per tonne of waste
Construction waste	-	0.2 tonnes CO ₂ -e per tonne of waste
- Where landfill gas collection systems are installed between 30% and 60% of the modeled NGER gas emission is combusted.
- Estimates of the Carbon Price per tonne of CO₂-e in 2015/16 vary from \$30-\$35 (using the Treasury model released last year) and \$15 (assuming the current floor price only is achieved).
- Current "additionality" requirements for the Carbon Farming Initiative (CFI) suggest that most landfills will not be able to viably access the scheme.

-END-