

In this issue

[Federal Government Reshuffle](#)

[Climate Change Legislation](#)

[Emission Safeguard Mechanism](#)

[Emission Reduction Fund](#)

[Landfill Levy Collection Costs](#)

[Landfill Bans](#)

[New Chapter Chairs](#)

Federal Government Reshuffle

Greg Hunt has moved to Industry, Innovation and Science and Josh Frydenberg takes on an expanded role of Minister for the Environment and Energy.

Following the recent federal election, the coalition cabinet has been reshuffled to bring the energy and environment portfolios together for the first time. The merger of the two responsibilities is supported by ALOA and immediate action will be taken to establish contact with Mr Frydenberg's team.

ALOA has worked closely with Greg Hunt since ALOA's formation in late 2008. This has been an interesting journey – from a tax, to no tax and what do we do with the tax collected. His special knowledge and understanding of our industry will be missed.

Climate Change Legislation

The coalition's win at this month's election means a continuation of the current climate change approach:

- An emission reduction target of 26-28% as pledged at last year's Paris climate change conference;
- The introduction of an emissions 'safeguard mechanism' to ensure abatement initiatives already put in place continue;
- Further Emission Reduction Fund (ERF) auctions; and
- A new focus on energy generation and its impact on overall emissions.

In August the Climate Change Authority is expected to release its report on emission reduction policies and targets.

Emission Safeguard Mechanism

Following repeated petitions to the federal government demonstrating that the emission 'safeguard mechanism' should not apply to the landfill industry, we have been successful in:

- Delaying the introduction until after 2020; and
- Ensuring that only emissions from waste landfilled after June 30 2016 are counted.

In essence the safeguard mechanism is the forerunner of what may become a baseline and credit scheme post 2020. Under this type of scheme 'liable' entities will be required to purchase carbon abatement credits should a site exceed its 'baseline'.

Under the current legislation, the safeguard mechanism will not impact most landfills as the minimum baseline is 100,000 tonnes of CO₂-e emissions per annum.

However, the current scheme will capture four or five larger landfills after 2020. This is grossly unfair for these sites and as such ALOA will continue to lobby for the exclusion of the landfill sector from the mechanism when the new ministry is formed.

The safeguard mechanism legislation is scheduled for review in 2017.

Emission Reduction Fund (ERF)

Landfill owners who were successful in last year's ERF auctions have now sold their first certificates and received payment.

Notwithstanding some criticism of the landfill gas industry's access to the ERF during the election campaign, the ERF methodology is soundly based on 'regulatory' additionality and participation in future auctions is not considered in doubt.

The Emission Reduction Fund has further monies available and another auction is expected later this year.

Landfill Levy Collection Costs

The recent 'surprise' escalation of landfill levies in South Australia has again focused members' attention on the ever increasing cost of levy collection.

As a result, a new campaign has been initiated by ALOA to revisit the cost of levy administration and bad debt liabilities in those states applying levies.

When levies were a fraction of the price of landfill there was little need for action. With some levies increasing to over double the price of landfilling operating costs there is now a need for full cost recovery of administration costs.

Landfill Bans

Notwithstanding reported reductions in the quantity of e-waste being collected across Australia, initiatives to introduce e-waste bans to landfill are still being discussed in some states.

ALOA is keen to see e-waste diverted from landfill but continues to argue that applying a ban – without first providing e-waste processing facilities – will only lead to unsafe storage and possible increased environmental risk.

New Chapter Chairs

New Chapter Chairs have been confirmed for SA, WA and NSW.

Our current Chapter Chairs are:

VIC	Daniel Fyfe	daniel.fyfe@hanson.com.au	0428942672
WA	Rod Beaman	rod.beaman@suez.com.au	0437406528
SA	Mark Hindmarsh	mark.hindmarsh@srwra.com.au	0429934140
NSW	Justin Houghton	Justin.houghton@veolia.com.au	0448830798
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