



COVER SHEET FOR SUBMISSIONS

Consultation on exposure draft amendments to the Safeguard Mechanism

Overview

The Australian Government has released exposure draft amendments to the *National Greenhouse and Energy Reporting (Safeguard Mechanism) Rule 2015*, and accompanying explanatory documents to assist with understanding the draft amendments. The Department of the Environment and Energy is inviting members of the public and industry to provide submissions. Submissions should be provided by 5.00pm AEST, 7 September 2018.

Contact details

Organisation (if applicable)	Australian Landfill Owners Association
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Title	Mr	Name (required)	Colin Sweet
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Position within organisation (if applicable)	CEO
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Postal address (required)	PO Box 965 Moonee Ponds
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Email address (required)	info@aloe.com.au
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Phone number (optional)	(03) 83999514
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Submission instructions

The submission period is open for six weeks with a closing date of Friday 5pm AEST, 7 September 2018. Providing your submission by the closing date will ensure it can be considered as amendments to the Safeguard Mechanism Rule are finalised. Where possible, submissions should be lodged electronically (preferably in Microsoft Word or other text based formats) to:

safeguard.mechanism@environment.gov.au The submission and coversheet should be provided as separate files. All submissions must include this cover sheet.

Alternatively, submissions may be sent to the postal address below to arrive by the due date.

Safeguard and Industrial Policy Section
Department of the Environment and Energy
GPO Box 787 CANBERRA ACT 2601

For further information please call 1800 057 590.

Submission

To Safeguard and Industrial Policy Section
Department of the Environment and Energy
safeguard.mechanism@environment.gov.au

From Colin Sweet, CEO - ALOA

Date September 6, 2018

Subject **Response to the revised Safeguard Mechanism Draft**

The Australian Landfill Owners Association (ALOA) was formed in late 2008. It is an incorporated entity with members from across Australia.

Modern landfills are an essential element in today's integrated waste management infrastructure as landfills:

- Offer cost effective and reliable disposal of recycling and processing residues and unsorted wastes;
- Manage greenhouse gas emission by methane collection and combustion;
- Provide a source of renewable energy;
- Have the flexibility to accept variable waste volumes; and
- Are reliable last resorts for the acceptance of large volumes of 'disaster' waste.
- Member landfills provide services to the general public, local government, industry, property developers, mining and agriculture.

ALOA members receive and safely manage the disposal of almost three quarters of the waste landfilled in Australia.

Since its inception ALOA has defended the interests of its members in national and state issues. In particular, ALOA campaigned for fairer treatment under the 'carbon' tax and worked closely with the Australian Local government Association (ALGA) to develop the Voluntary Waste Industry Protocol to utilise collected carbon tax monies.

ALOA is governed by a 'national' board and has state 'chapters' in each of the mainland states.

Landfills should not be covered by the Safeguard Mechanism because:

1. With a baseline of 100,000 tonnes CO₂-e per annum only four or five of the approximately 450 landfill sites will be covered. This will unfairly commercially disadvantage the covered sites. For example, in western Melbourne one site will be covered whilst its neighbouring sites to the north and south will not report.
2. Landfill emissions are calculated by the internationally accepted NGER modelling calculator. Although this is a robust and repeatable calculator when used at a specific site it is unreliable as a tool to compare sites. As a result, there is no suitable tool to calculate 'national or state' default collection targets under the Safeguard mechanism.
3. While the NGER model is climatic zone specific, 'Tropical', 'Subtropical', 'Temperate and 'Sub Temperate', landfill gas generation is significantly impacted by rainfall. For example, in drought conditions gas generation rates fall and during prolonged wet periods gas generation rapidly increases. As a result, NGER is not an appropriate tool to calculate annual 'Safeguard Mechanism' liabilities.
4. The Emissions Reduction Fund (ERF), and various electricity schemes before it, has been successful in encouraging landfill operators to collect landfill gas at levels above their regulatory obligations, and in fact the waste sector is unique in that it has reduced its emissions over the last thirty years. That is, landfill is one of the few sectors to 'decouple' its emissions from waste volume growth using landfill gas capture.

With the ERF continuing to be available to all landfills there is no need for the Safeguard Mechanism to cover the sector.

Response to the Revised draft should the industry's argument that coverage be removed be again rejected:

1. Landfill emissions from post July 1, 2016 non-legacy waste are not expected to exceed the 100,000 tonne CO₂-e baseline until the early to mid-2020s. As a result, each covered landfill will need to apply for a calculated baseline.
2. Based on the attached summary presented by the Department 27 August 2018 each landfill will be able to access Option C or E.
3. Under Option C the landfill will have a fixed production-adjusted and emission intensity default baseline whilst under Option E the landfill will have an annually adjusted baseline.
4. In either case the final liability will be dependent on the default emission intensity value set by the Department.
5. It is the establishment of this default that concerns the landfill operators covered by the Mechanism.

Concern with the establishment of an industry emissions intensity default for covered landfills:

1. NGERs modelling, although repeatable at a specific site, is not sufficiently reliable to allow comparison between sites. This means that results recorded across the Safeguard covered sites cannot be simply averaged to set an intensity target. For example, under NGERs two well engineered landfills could report gas collections of 75% and 45% with the result dependent on recent local rainfall, leachate recirculation and landfill depth; issues not addressed by NGERs.
2. NGERs modelling does not address weather events such as drought or prolonged rain events. As such, a landfill gas capture result achieved during prolonged dry or drought conditions will be significantly less than that achieved during a period of drought breaking rain. It is likely that the emissions intensity default will be easily achieved during periods of heavy rain and vice versa during a drought.
3. Current landfill gas collection results are a product of state regulation, meaning that operators capture sufficient quantities of landfill gas to ensure no offensive odour at the landfill boundary, and government sponsored incentives (such as the ERF and RECs) to use the gas as a fuel. With proposed changes to the government schemes, no ERF for site generating electricity and removal of RECs, gas collection is likely to fall significantly in the next decade. As a result, industry is concerned that future emission intensity targets will be below the results achieved to date and asks that no defaults be established until the current sponsored programs have been worked through.

Should landfills be included under the Safeguard mechanism the industry calls for a targeted consultation with the Department on the development of emission intensity values for covered landfills.

For further information on this important matter, please contact ALOA.



Yours Sincerely
Colin Sweet
CEO