

To Climate Change Authority
via Online Portal <https://consult.climatechangeauthority.gov.au/2026-apa-consultation-paper>

From Daniel Fyfe, CEO
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Date: 7 August 2026

Subject: **2026 ANNUAL PROGRESS ADVICE CONSULTATION PAPER**

ALOA is pleased to provide comments on selected questions in the Climate Change Authority's 2026 Annual Progress Advice consultation paper. ALOA's comments focus on this year's proposed changes for the reporting of emissions from waste.

SELECTED CONSULTATION PAPER QUESTIONS

2.1 Our proposed approach to tracking progress – reference pathways

Question 1 - What are your views on the proposed approach for setting reference pathways to assess progress, including strengths, limitations and any alternative approaches that should be considered?

ALOA recommends a separate waste pathway be adopted instead of a combined "Industry and waste" category, given the different drivers and abatement opportunities applying in each sector. This would improve visibility of sector-level progress, gaps and policy needs.

Reference pathways and reduction estimates for waste should transparently reflect landfill gas capture performance, waste policy targets and the adoption of settled historic waste volumes.

2.2 Major drivers of this year's progress – preliminary analysis

Question 2 - What signs are you seeing of emissions reductions across industries, businesses, households or investors? What barriers or delays to abatement are you observing?

Australia is one of the world's leaders in reducing emissions from waste due to the impact of incentivisation, currently under the ACCU Scheme.

ALOA observes emissions reductions are continuing with:

- ongoing waste methane abatement, with the new Reducing Methane from Landfill Gas Method 2025 made, and
- increasing organics diversion, but progress is being constrained by barriers to the establishment of waste recycling projects (eg, AD and composting), such as contamination concerns and lack of common standards, and uncertainty about the SGM's implications with the current review processes.

ALOA notes that costs have been rising rapidly while ACCU availability will decline. This should be monitored for impact under the new method.

Also, it seems likely that not all emission reduction being achieved are being captured due to the artificial caps that have applied to landfill gas capture under the NGER Determination and the current failure to have a separate reporting category for residual waste where FOGO services are in operation. The recent update of Method 2 is welcomed and if FOGO recognition in the NGER is also prioritised next year, ALOA considers that, subject to the ability of landfill operations to take up Method 2 given its costs, more accurate reporting will emerge.

We need to make sure that interaction of different policy schemes, including the Safeguard Mechanism (SGM) and state regulatory approaches do not slow total abatement.

2.3 Priority policy opportunities

Question 3 – What do you see as the top priorities for climate policy reform and why?

One priority should be ensuring that policy reforms do not inadvertently result in less or slower reductions in waste sector emissions than has been occurring under the ACCU Scheme. Care needs to be taken to ensure that, if landfills are retained in SGM coverage, suitable integration is established between the schemes.

Circular economy policy that successfully brings together carbon and waste considerations for the benefit of the entire waste sector and other sectors should be given greater focus also.

Question 5 – What are the key barriers to the growth of low-emissions industries in Australia? What government policies or initiatives could most effectively strengthen demand for Australian low-emissions products and services, including low-carbon liquid fuels? Please provide evidence or analysis to support your views.

At some facilities, landfill gas can provide opportunities for the decarbonisation of additional activity, being able to be upgraded into biomethane or renewable fuels. Removal of barriers to development of these sectors as nominated by project proponents would help unlock new uses of landfill gas molecules while encouraging increasing landfill gas capture.

3.3 The Safeguard Mechanism's contribution to national targets

Question 7 – Should decline rates differ across facilities or sectors beyond existing arrangements for trade exposed, baseline adjusted (TEBA) facilities? What evidence would support differentiation, and what principles should guide how any differentiation is applied?

Yes, decline rates should differ across some sectors while ensuring the totality of targets support required emission reduction targets. Given the waste sector has achieved significant declines in recent decades, it should have a lower decline rate than other SGM-sectors who have not pursued such reductions to date.

For landfills, ALOA notes:

- it has consistently advocated that landfills should be outside the scope of the SGM given their unique characteristics under the SGM and the success of the ACCU Scheme in reducing landfill methane emissions: ALOA would appreciate seeing an analysis of how the SGM is considered to aid outcomes here rather than simply shifting costs and creating inequalities between SGM and non-SGM facilities,
- if landfills are not removed from a requirement for facility baselines under the SGM, the following should inform SGM landfill baselines and baseline declines:
 - the ACCU Scheme Landfill method review found an annual landfill gas capture efficiency change rate of 0.5% to provide a conservative level of change for landfill performance after analysis here and overseas,
 - the baseline also requires correction ahead of any revised decline rate – it should be ~34% (not ~46%) in line with the extensive analysis undertaken for the ACCU Scheme Landfill method review, and
 - historic and current assessments would need improvements as outlined by ALOA through NGER consultation to avoid inaccurate and unfair outcomes for SGM landfills given the significant financial consequences at stake.

3.4 Onsite abatement

Question 8 – How should we assess the extent to which the Safeguard Mechanism is driving onsite abatement? What metrics, data sources or methods should we use, and how should we account for changes in production, operational conditions and emissions variability?

Landfill gas capture and destruction is directly metered and verified, providing a robust, auditable evidence base for abatement over time relative to modelled generation.

Question 10 – Should the Safeguard Mechanism play a stronger role in encouraging onsite abatement, relative to allowing flexibility through Australian Carbon Credit Unit Scheme (ACCU) use?

Whatever approach is adopted here, if landfills remain subject to SGM, it will be essential that a landfill can access the full value of ACCUs from onsite abatement at the landfill.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D Fyfe', written in a cursive style.

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