



# FACT SHEET

## Waste

Australia will be the first Government in the world to introduce a carbon trading system covering the landfill waste sector. This is part of an approach which seeks to achieve a broad coverage of emissions sources, to ensure the widest range of sectors share in the task of reducing Australia's carbon pollution.

Access to landfill is important for all Australians and many landfill waste facilities are operated by local government bodies, including local councils and shire councils.

## Legacy emissions

The Government has decided that emissions liabilities for landfill waste facilities will only apply to emissions from new waste deposited after Scheme commencement. Emissions from waste deposited prior to Scheme commencement, otherwise known as "legacy" emissions, will be excluded from Scheme liabilities.

Liabilities will be incurred by operators of landfill facilities with emissions above 25,000 tonnes carbon dioxide equivalent (CO<sub>2</sub>-e) per annum, and those facilities above 10,000 tonnes CO<sub>2</sub>-e per annum that are in close proximity to a site triggering the 25,000 tonne CO<sub>2</sub>-e threshold and accepting similar classifications of waste. The distance determining the 10,000 tonne threshold will be outlined in regulations following industry consultation and fixed for five years to provide certainty for industry.

## Coverage of the waste sector

Emissions from legacy waste will not incur a liability under the Scheme, although legacy emissions will continue to count towards a landfill facility's threshold in order to ensure broad coverage of new waste emissions.

Delaying the start of the scheme gives the sector greater time to prepare for their involvement in the scheme, including establishing emissions measurement approaches and installing abatement technologies.

## The prescribed distance rule

The prescribed distance rule will be implemented to avoid waste displacement from covered to uncovered sites. The lower threshold of 10,000 tonnes of CO<sub>2</sub>-e per annum now only applies to sites within a certain distance of a site triggering the 25,000 tonne CO<sub>2</sub>-e threshold and accepting similar classifications of waste, rather than any open landfill facility as outlined in the White Paper. This will lower the overall number of landfill facilities and reduce impacts on local governments.

The prescribed distance will be examined as part of the general review of the Scheme that must be completed before the end of 30 June 2014.

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## **Consultation with the waste industry**

During the consultation period on the Carbon Pollution Reduction Scheme draft legislation, many submissions and representations were received from local governments and landfill operators which made it clear that there was a deep concern about the equity of imposing a liability on emissions from previously deposited waste, or so called ‘legacy emissions’.

Emissions from legacy waste have been excluded from the Scheme as stakeholders have identified they would incur a significant financial liability without any capacity to claw back costs from those that had deposited the waste. Stakeholders indicated that they were being held liable for emissions from past activities that they had no control over, whereas other sectors were not. By absolving operators from all legacy emissions prior to Scheme commencement, operators will be able to charge those responsible today for tomorrow’s pollution. Removing legacy emissions from the coverage of the Scheme represents fairer treatment of the waste sector.

There had also been concern expressed about the application of the previous prescribed distance rule as spelt out in the White Paper, and the undue administrative burden this may place on smaller landfills sites.

## **Support for the waste sector**

Entities in all industries, including waste, will be eligible to apply to access the Climate Change Action Fund to implement new low emissions technologies.

The expanded Renewable Energy Target will provide strong incentives for landfills to capture and generate energy from waste, including waste deposited prior to the commencement of the Scheme.

The landfill sector has seen significant changes over recent years with a strong move to consolidate landfill sites, recover resources through recycling and in many cases to capture and use methane.

The Minister for Environment, Water, Heritage and the Arts, as responsible Minister for oversight of the National Waste Policy, will consider the need to develop complementary measures for legacy waste emissions as part of that Policy and in conjunction with the Minister for Climate Change and Water.