

Committee Secretary
Senate Standing Committees on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600

**Submission to Senate Standing Committees on Environment and
Communications
Senate Inquiry into the Carbon Farming Initiative Bills
Australian Landfill Owners Association**

Dear Committee Secretary,

The Australian Landfill Owners Association (ALOA) is grateful for the opportunity to prepare and present a submission to the Senate Inquiry into the Carbon Farming Initiative Bills.

ALOA is an incorporated entity comprising landfill owners across Australia sharing a concern for the future viabilities of the environment and their businesses. ALOA members operate over half of the landfill capacity across Australia receiving over 14 million tonnes of solid waste annually. They also provide services in waste disposal, waste treatment and resource recovery and provide employment for more than 12,000 people.

ALOA is the representative voice of the landfill industry in Australia. ALOA membership comprises landfill owners from across Australia.

Many landfill operators employ cutting edge technology to minimise their environmental impact such as capturing landfill gas generated by the decomposition of putrescible waste to generate renewable energy. In many respects, modern landfill techniques are a demonstration that corporate environmental sustainability can deliver complementary benefits to our society, the natural environment and business.

ALOA supports the introduction of the Carbon Farming Initiative Bills. Over the last four months the landfill industry has worked co-operatively with the Department of Climate Change and Energy Efficiency to develop methodologies for the landfill component of the Carbon Farming Initiative (CFI). The industry is keen for the scheme to start as soon as practicable, and the proposed date of July 1st is firmly supported.

ALOA recently commissioned an independent consultant, Blue Environment, to evaluate the potential take up of the CFI by Australian landfills. This evaluation modelled landfill gas emissions using data provided from the Waste Management Association of Australia

(WMAA) national landfill survey. Using this modelling Blue Environment prepared a sensitivity analysis on a range of carbon credit selling prices to arrive at a possible participation rate for the industry.

The Blue Environmental report came to the conclusion that if the CFI included the installation of gas capturing systems on the landfills that participated in the WMAA national landfill survey, the estimated total abatement available in the industry would be 3,293,000 tonnes. The report went on to take financial account of the cost of implementing the necessary gas capturing systems and conducted a sensitivity analysis that varied the assumed value of carbon credits. At a carbon credit price of \$24, the report concluded that there would be sufficient return on funds employed for the landfill owners and **"would result in 2.3 million tonnes of additional abatement in 2012/13."**

It is likely that the extent of the abatement would be expanded to other players in the landfill industry as more capture is encouraged.

ALOA therefore encourages the early implementation of the Carbon Farming Initiative to provide the certainty required for landfill operators to invest in new or additional landfill gas capturing equipment. The extent and simplicity of the available abatement will make this scheme an outstanding success and was the reason for our early press release on the 9th of February which was followed up on March 25th (see attached).

Thank you again for the opportunity to prepare and present a submission on this very important environmental initiative.

Yours faithfully

Australian Landfill Owners Association

Colin Sweet
Chairman

PRESS RELEASE

March 25, 2011

Landfill Owners pleased at tabling of CFI Legislation.

Over the last four months the landfill industry has worked co-operatively with the Department of Climate Change to develop methodologies for the landfill component of the Carbon Farming Initiative (CFI). With the CFI having a proposed start date of July 1st 2011, ALOA is pleased that the legislation to introduce the Carbon Farming Initiative was tabled in the Federal Parliament yesterday.

The Chairman of ALOA, Mr Colin Sweet said that "It is important that the Government finalises the CFI legislation as soon as possible to allow immediate participation in the scheme by landfill owners. The landfill industry wants to embrace the CFI in order to produce an environmental benefit at the earliest opportunity and assist the Government to reduce emissions by 5% by 2020."

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Mr Max Spedding, ALOA's spokesperson said, "ALOA is pleased with the information provided by Blue Environment as it confirms that there is potential for further gas collection of over 3 million tonnes of CO₂e per annum and that at the industry anticipated mid range of carbon credit prices we can expect a further 20% reduction of emissions from landfills by 2020."

The Australian Landfill Owners Association (ALOA) is an incorporated entity comprising landfill owners across Australia sharing a concern for the environment and the sustainability of their business and is the representative voice of the landfill industry. ALOA members operate more than 70% of the landfill capacity across Australia receiving more than 15 million tonnes of solid waste annually.

ALOA Position - Responding to Climate Change

1. ALOA supports initiatives for Australia to develop and implement an early response to climate change.
2. When developing this response ALOA calls for recognition that:
 - Waste already deposited in landfills (legacy waste) should be exempt from any future climate change response,
 - Currently there are no methods available that accurately estimate the annual volume of methane generated from an individual landfill,
 - Landfill gas is currently collected from some sites throughout Australia but there is capacity for increased emission reduction,
 - Landfill gas is a low cost renewable energy source that can be utilised for heating or electricity generation,
 - Current emissions from landfills are less than 2.0% of Australia's total GHG emissions.
3. ALOA believes that landfill gas emissions can best be reduced by:
 - Introducing nationally consistent landfill gas monitoring and management regulations,
 - Providing access to greenhouse gas abatement credits (such as the Carbon Farming Initiative).
4. As a consequence of the above ALOA believes that the introduction of a mix of responsive uniform regulations and abatement incentives (rather than coverage by a market based or tax regime) offers the most immediate and cost effective approach to reduce emissions by a further 20% by 2020.
5. ALOA believes that any market or tax response to climate change should initially focus on reducing the use of fossil fuel based emissions.

Wednesday, 9 February, 2011