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Senate Economics Committee

Inquiry into the exposure draft of the legislation to implement a Carbon Pollution Reduction Scheme ("CPRS") in Australia

Submission prepared by the Waste Contractors and Recyclers Association of NSW ("WCRA")

14 April, 2009

Introduction

WCRA is grateful for the opportunity to prepare and submit a submission to the Senate Economics Committee for the purposes of the inquiry into the exposure draft of the legislation to implement a CPRS in Australia.

WCRA recently celebrated 60 years of representing waste and recycling employers from across NSW. Our membership extends to all parts of the waste management industry, whereby our Members account for approximately 90% of the commercially owned collection vehicles from across NSW. In most cases wherever a Council contracts out its waste or recycling service, it does so to a WCRA Member.

WCRA's submission reflects the consensus views and opinions of its Members.

Issues

WCRA and its Members have concerns about the following issues:

- The CPRS should not apply to the emissions emanating from landfills where such emissions are the result of waste that has been received prior to 30 June 2010. Any such emissions should be controlled and monitored in accordance with operating licence conditions that have been issued by the respective State Government EPA bodies. Any attempt to back date CPRS fees will result in one of two outcomes – either financial hardship to the landfill (commercially a landfill will encounter great difficulties in passing on these new charges to previous period clients) or higher future prices for waste disposal. Industry does not have the commercial capability to begin charging customers for their likely carbon impacts until CPRS legislation has actually been passed, therefore any legislation that is back-dated to 1 July 2008 will be viewed as being of a revenue raising nature.
- In the Sydney metropolitan area the NSW Government charges a waste and environment levy (currently \$46.70 per tonne rising to \$58.80 per tonne on 1 July

2009). In the early to mid 1990's this levy was escalated from \$2.80 per tonne to \$17 per tonne and part of the justification for this increase was to cost recover from landfills a fee for the negative environmental effects of fugitive air emissions. Therefore in its current form the legislation is a double tax on the disposal of waste to landfill for waste that is generated within the Sydney metropolitan area.

- WCRA Members are concerned that the thresholds and minimum distance provisions of the CPRS may result in unintended negative environmental outcomes. At the core of our concerns is that these provisions will only be effective if they are tightly policed. If they are not well policed, then there is significant potential for waste to be transported to lower cost landfill points. Further, smaller landfill facilities will be established with the specific intention of “flying under the radar” of the CPRS minimum thresholds. We have heard several such suggestions at CPRS forums on 26th March, 2009 (Sydney) and again on 1st April, 2009 (Coffs Harbour).
- Whilst it is acknowledged that landfills do produce large volumes of greenhouse gases and the measurement of those emissions is a difficult issue. It can be equally argued that modern well-designed, suitably sited, engineered landfills should be given credit for the gas collections that they currently achieve. In addition, many of our landfills have been operated and managed as part of the rehabilitation of disturbed quarried and mined areas. Post-closure these rehabilitated closed sites are capped, the gas is captured and the site is covered in grass. In this case there are other environmental benefits that have to be considered such as erosion, storm water run-off, flora, fauna, more open spaces & parks, etc. In its existing form the CPRS does not recognise these other environmental benefits.

In closing, WCRA supports the calls of the Australian Landfill Owners Association for the delay of waste sector inclusion from the CPRS to at least 2012 (thereby allowing time for the resolution of the above issues) and for the complete removal of legacy waste provisions from the draft legislation.

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