



Australian Government

Submission

Draft Positive and Negative List Regulations for the Carbon Farming Initiative

Overview

This submission template should be used to provide comments on the draft Positive and Negative regulations for the Carbon Farming Initiative.

Contact Details

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Date:	13 September 2011

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A request made under the *Freedom of Information Act 1982* for access to a submission marked confidential will be determined in accordance with that Act.

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Submission Instructions

Submissions should be made by **16 September 2011**. The Department reserves the right not to consider late submissions.

Where possible, submissions should be lodged electronically, preferably in Microsoft Word or other text based formats, via the email address – CFI@climatechange.gov.au.

Submissions may alternatively be sent to the postal address below to arrive by the due date.

Carbon Farming Policy Branch
Department of Climate Change and Energy Efficiency
GPO Box 854
CANBERRA ACT 2601

Eligible Offsets Projects (Positive List)

The Association welcomes the inclusion of alternative waste treatment (AWT) facilities in the positive list of eligible offset projects. The Association is concerned, however, that there has been a misunderstanding as to the nature of AWT facilities which will affect their eligibility under the Carbon Farming Initiative (CFI).

AWT facilities present an opportunity to divert waste from landfill, and as a result, reduce emissions; AWT facilities do not offer an alternative disposal option but instead a way of processing the waste and avoiding disposal all together – a process that involves moving the waste through the facility within a few weeks of receiving it. The Association is therefore disappointed by the inclusion of AWT facilities on the positive list with the limitation of waste received by the facility by 1 July 2012. The inclusion of the end date is counter-productive as it will not encourage the development of further AWT's and it will penalise those companies and Local Governments who have already invested in AWT's. After the cut-off date abatement from existing AWT projects will in effect be registered in the government's inventory without compensation.

The 'Commentary on the exposure draft Regulations dealing with the positive and negative lists of activities under the CFI' explains that from 1 July 2012, waste will be covered by the carbon price and no longer eligible to generate offsets. AWT facilities will not trigger the carbon price threshold or be directly affected by the carbon price (as landfills will be), however these facilities will be excluded from generating offsets after the introduction of the carbon price resulting in the rise of pass through costs, primarily in the form of electricity costs, and decrease in income. This outcome will disadvantage those Local Governments who have been early movers on climate mitigation and have contributed significant capital investment into the development and operation of AWT facilities.

A carbon price on landfill is not a sufficient driver for increased investment in AWT projects. To encourage investment in AWT and other alternatives to traditional waste disposal processes, the Federal Government needs to introduce other initiatives to reward those operators who are actively reducing carbon emissions and other environmental impacts.

Recommendation: Remove the date limitation from paragraph (p) of clause 30 (1).

Any further comments

An AWT abatement project methodology is currently being developed. The Association encourages the Department and the Domestic Offsets Integrity Committee to consider the Methodology as soon as possible in order to make an accurate assessment of the potential for AWT facilities to continue to assist in reducing Australia's emissions.