



Ms Jo Evans PSM
Deputy Secretary
Department of Climate Change, Energy, the Environment and Water
GPO Box 3090
Canberra ACT 2601

Email: climate.active@industry.gov.au

20 December 2023

Dear Ms Evans

Re: Climate Active Program Direction Consultation 2023

Thank you for the opportunity to provide feedback on the *Climate Active Program Direction Consultation 2023* paper. The Waste Management and Resource Recovery Association of Australia (WMRR) is the national peak body representing Australia's \$15.8 billion waste and resource recovery (WARR) industry. With more than 2,200 members from over 400 entities nationwide, we represent the breadth and depth of the sector, including representation from business organisations, the three (3) tiers of government, universities, and Non-Government Organisations (NGOs), including research bodies.

Transitioning to a circular and net zero economy requires a national paradigm shift, where we are no longer locked in a take-make-dispose (linear) system that transfers costs and responsibility to the next step in the supply chain. The essential WARR industry is currently punching above its weight, as seen in our substantial contribution to carbon and methane abatement in the management of our direct emissions as well as our capabilities in safely storing, disposing, and/or reprocessing and recycling end-of-life materials, decoupling reliance on virgin materials as well. Not only are there opportunities to increase these contributions, we believe that given the WARR sector is intertwined with all other industries, we are uniquely positioned to assist with reducing emissions across the Australian economy.

WMRR is extremely keen for the Federal government to continue to demonstrate national leadership and take advantage of the fact that we now have one government agency (DCCEEW) with responsibility for both Greenhouse Gas emissions, carbon mitigation and material policy. These areas must work together to achieve government's ambition in these areas with integrated policy responses. As such WMRR supports gross emissions targets and the move away from carbon neutrality being reached simply through offsets.

WMRR queries the impact a voluntary program can have on reducing Australia's Greenhouse Gas emissions and how the amended program will push entities and industries if individual targets match national economy wide targets under a net zero plan. Net zero sector plans, at this stage, lack reduction targets while the Safeguard Mechanism sets baselines for a small number of facilities. These policies set the bare minimum requirements while the Climate Active program must encourage significant reductions for accreditation to be meaningful. Australia's Emissions Projections 2022

WMRR NATIONAL OFFICE
57 ST JOHNS ROAD
GLEBE NSW 2037

(02) 8746 5000
INFO@WMRR.ASN.AU

WMRR.ASN.AU



reported under a baseline scenario that cumulative emissions during 2021–2030 are projected to be 5% above Australia’s 2021–2030 emissions budget. Under a ‘with additional measures’ scenario, cumulative emissions are still projected to be 1% above budget. With both scenarios falling short of the target- 43% below 2005 levels by 2030 (32% and 41% respectively). Aligning Climate Active targets with Australia’s Nationally Determined Contribution (NDC) and not aiming higher could undermine the credibility and effectiveness of the program. Australia needs a genuine scheme that drives behaviour change to reduce emissions (this includes a real focus on consumption behaviours), not simply another baseline regulation.

WMRR’s responses to the consultation questions can be found at **Annexure A**. Please contact the undersigned if you wish to further discuss WMRR’s submission.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Gayle Sloan'.

Gayle Sloan

Chief Executive Officer

Waste Management and Resource Recovery Association of Australia

A decorative graphic in the bottom right corner of the page, consisting of several overlapping, curved shapes in shades of light blue and light green, resembling a stylized globe or a modern logo element.

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Submission:

<p>Proposal 1: All participants must produce an emissions reduction strategy that includes a near-term and long-term gross emissions target aligned with Australia’s NDC (at a minimum) applicable to the item being certified.</p> <p>1.1 Do you support a requirement for participants to set near-term and long-term gross emissions reduction targets? Why/why not?</p> <p>1.2 Do you agree with aligning the near-term gross emissions reduction target with Australia’s NDC at a minimum? Why/why not?</p> <p>1.3 Do you agree with how the department proposes to calculate alignment to Australia’s NDC (i.e. 2.7 per cent annual reduction from Australia’s emissions in 2021 to correspond with the start of the NDC period)? Why/why not?</p>	<p>WMRR proposes for the program to be <i>impactful</i> the near and long-term gross reduction targets must be set higher than Australia’s NDCs, as they represent the baseline for all organisations. Instead, accreditation should be reserved for those that demonstrate intention and commitment to reduce above industry levels. As the paper notes some members have already achieved significant emissions reductions and this should be a requirement of the program.</p> <p>WMRR also queries using a national average that does not recognise differences in and between industry/events/products. A 2.7% decrease in one (1) sector may be unachievable or easily surpassed. As already stated, the program should incentivize above and beyond reductions and only be accessible to select candidates. Through reporting requirements, the department should be able to determine what percentage will impact current certification holders.</p>
<p>Proposal 2: Businesses and organisations must demonstrate that they are on track to meet their near term gross emissions reduction targets to be certified.</p> <p>2.1 Do you support limiting certification to businesses and organisations that have demonstrated they are on track to meet their near-term emissions reduction targets? Why/why not?</p>	<p>WMRR supports a robust and accountable program and this requires meeting targets. As already stated, the program should represent best practice and demonstrate to the Australian public that the certification involves real action without risk of greenwashing.</p>
<p>Proposal 3: Develop additional guidance to support businesses and organisations to establish robust emissions boundaries, including mandating specific indirect (Scope 3) emissions sources.</p> <p>3.1 Do you support the department developing additional guidance on emissions boundaries? Why/why not?</p> <p>3.2 Do you support mandating specific indirect (Scope 3) emission sources for all certification types? Why/why not?</p>	<p>Energy emissions make up 55% of total global emissions with goods and material production making up the remaining 45%. By including Scope 3, the focus shifts from energy production to all the other forgotten variables and recognises a connected system and supply chain. WMRR supports mandating end-of-use/ end-of-life management and waste as Scope 3 emission sources for all types of certification.</p>

<p>3.3 If so, which Scope 3 emission sources should be considered mandatory?</p>	<p>References to waste (specifically definitions) will need to be consistent with other federal (Net Zero plans, ACCUs and Safeguard Mechanism) and state policies.</p>
<p>Proposal 4: All eligible international carbon offsets used under the program are subject to a 5-year rolling vintage requirement. 4.1 Do you support the introduction of a 5-year rolling vintage rule for eligible international carbon offsets used under the program? Why/why not?</p>	<p>Industry requires consistency across government policies to operate within these frameworks and secure investment. The paper notes under proposal 6 that international offsets are in addition to Australian targets and WMRR queries how international offsets will be of benefit to reaching Australian NDC targets under proposal 1 and 2.</p>
<p>Proposal 5: Mandate a minimum percentage of renewable electricity and use of the market-based method to set emissions liability. 5.1 Do you support introducing a requirement for businesses and organisations to source a minimum percentage of renewable electricity under the market-based method? Why/why not? 5.2 What minimum percentage of renewable electricity should be required (i.e. percent by year)? 5.3 Should all businesses and organisations be required to use the market-based method to calculate their electricity emissions liability? Why/why not?</p>	<p>WMRR supports minimum renewable energy targets, considering the time needed to scale energy production and supports using the market-based method. The residual waste sector utilise multiple technologies for renewal power generation, including gas, and are often co-located with other industries. This form of energy should be recognised as a renewable source. In some instances the treatment of feedstock also reduces emissions from alternate pathways. Eg organics diverted from landfill reduce the release of methane, a gas with 28 times greater warming potential than carbon dioxide.</p> <p>WMRR encourages renewable energy requirements to be considered in product and event certifications as well.</p>
<p>Proposal 6: In future, abatement from all ACCUs used under Climate Active would count toward meeting Australia's emissions reduction target under the Paris Agreement. 6.1 Do you support this proposal? Why/why not?</p>	<p>WMRR supports a consistent approach and as the paper explains the targets in the NDC are a floor, not a ceiling. Therefore, ACCUs used should be included, however the department must ensure that the resources required to regulate the system and the burden to organisation do not outweigh the benefits from either scheme.</p>
<p>Proposal 7: Discontinue the term 'carbon neutral' to describe the certified claim. 7.1 Do you support discontinuing 'carbon neutral' to describe the certified claim? Why/why not?</p>	<p>WMRR agrees that the term 'carbon neutral' is not appropriate for the program as it implies that neutrality is reached through proactive action without offsets. In the same vein WMRR does not support using the word zero either.</p>

<p>7.2 If so, what claim should members be able to make once they have achieved certification?</p> <p>7.3 If not, why do you think that the term 'carbon neutral' should be retained?</p>	
<p>Proposal 8: Introduce a certification pathway.</p> <p>8.1 Do you support the proposed certification pathway? Why/why not?</p> <p>8.2 What name should be given to the 'Pending' stage?</p> <p>8.3 Are the requirements to meet the 'Pending' stage appropriate?</p> <p>8.4 What claims, if any, should participants in the 'Pending' stage be able to make?</p> <p>8.5 Is 3 years an appropriate maximum timeframe for participation in the pending stage?</p> <p>8.6 Should a longer timeframe be considered for hard to abate sectors to demonstrate they are on track to meet their target (i.e. longer than 3 years)? Why/why not?</p> <p>8.7 To transition from 'Pending' to 'Certified' stages, what should the minimum amount of time be to demonstrate progress towards meeting their reduction targets? E.g. 1 or 3 years of reductions against their base year.</p>	<p>The consequences for not meeting targets or other requirements are not covered in the paper. WMRR encourages the use of timeframe windows to provide participants with flexibility.</p> <p>Pending demonstrates the first step, and as such should not be linked with carbon claims. These are reserved for certification.</p>