



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

Email: [ACCUScheme@dcceew.gov.au](mailto:ACCUScheme@dcceew.gov.au)

13 October 2023

Dear Ms Evans

**Re: Australian Carbon Credits Units (ACCU) Scheme  
Review Discussion Paper**

Thank you for the opportunity to provide feedback on the ACCU Review Discussion Paper. Apologies for the delay in lodging this with the Department. 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 500 entities nationwide, we represent the breadth and depth of the sector, within business organisations, the three (3) tiers of government, universities, and NGOs.

WMRR supports the adopted net zero targets of the Australian government of reducing greenhouse gas emissions by 43% from 2005 levels by 2030, and net zero by 2050. WMRR notes that the Australian ACCU scheme plays a critical role in delivering the pathway to net zero, and at present has potentially the largest impact on the waste and resource recovery (WARR) sector. WMRR recognises that ACCUs are one of many economic levers the government can utilise to incentivise change, lead to a reduction of Greenhouse Gas (GhG) emissions and meet both the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement (PA), however to date we would argue the full potential of this scheme to drive material circulation that is resource recovery, reduce reliance on virgin materials and reduce demand on energy- all of which results in reduced carbon (and methane) emissions has not been fully understood and/ or realised.

It is WMRR's view, that the government should take this opportunity to effectively drive good behaviours and gain improved environmental outcomes through an overarching carbon framework that recognises that the National Inventory Report is a smaller but no less valuable part of the bigger picture in Australia. Whilst WMRR understands the rationale, the Chubb review was held in isolation of any bigger picture, circular economy and carbon strategy, which means that this lack of a systems-based approach to carbon and resource/ material policies has been carried over into the proposed ACCU scheme amendments. This has the real possibility of hampering Australia's investment in low emission technology, the creation of green jobs and addressing these profoundly serious challenges given there currently lacks a clear integrated vision of how Australia will wholistically integrate policy and economic levers to achieve net zero. For example. other economies such as the United States and

**WMRR NATIONAL OFFICE**  
57 ST JOHNS ROAD  
GLEBE NSW 2037  
  
(02) 8746 5000  
INFO@WMRR.ASN.AU



the European Union (EU), have *Green Deal* Frameworks that encompass all these policies under one (1) banner, and more importantly speak to one another to drive these integrated shifts in resource use and carbon management. For example, the vision of the the the European Green Deal is to transform the EU into a modern, resource-efficient, and competitive economy, ensuring:

- no net emissions of greenhouse gases by 2050
- economic growth decoupled from resource use
- no person and no place left behind.

It is vital in addressing the scheme, that the priority areas connect and align with national and state climate and resource recovery policies to both maximise carbon abatement and investment opportunities, but also eliminate the current confusion and uncertainty caused under the current regime where this is not occurring, eg the impact state policy has when mandating certain activities/policies then preventing projects from continuing to claim *additionality*. In the short term the direction/priority areas for the Carbon Abatement Integrity Committee (CAIC) and government must be to articulate those areas/ actions that will have maximise impact and priority method development and sector actions to deliver these, this could include volume mitigated, time to achieve this including method development and sector actions.

The lack of integrity the review found, was not a distrust of individual projects as such, but a lack of decision-making transparency as the community and industry sought to understand how projects fit in to the government's opaque emissions reduction objectives. With clear reduction priorities and scheme principles established and made publicly available, along with the existing Offsets Integrity Standards guiding the CAIC and Department decision making rules/process also being made publicly available, transparency will be boosted and industry, as well as state government action will hopefully be aligned given, they are known and hopefully understood and supported.

WMRR appreciates the level of industry engagement and consultation that has occurred with the review and whilst it may be the case that proponents would have the expertise and resource capabilities to develop methods including how said methods would contribute to Australia achieving the Government's 2030 emission goals. WMRR proposes that a prioritised co-design design framework would be more appropriate than proponent led method development, given the time and resource required and to ensure that those methods that have broad impact (not just individual company impact for example, are prioritised).

WMRR also encourages the development of pathways for projects beyond the scheme's scope, noting the narrow focus of the National Greenhouse Accounts. New technologies may 'unlock' new abatement options but if they do not count towards these targets the scheme cannot incentivize them. The WARR sector is intertwined with all other industries, we have a vast opportunity to assist the entire supply chain in reducing its carbon footprint by decoupling reliance on virgin materials, bolstering reuse, remanufacturing and repair further reducing indirect emissions, i.e., through the reduced extraction of virgin materials for product manufacturing, extended product lifespan, and more, this is in addition to mitigating our end-of-pipe emissions through landfill diversion, organics

**WMRR NATIONAL OFFICE**  
57 ST JOHNS ROAD  
GLEBE NSW 2037  
  
(02) 8746 5000  
INFO@WMRR.ASN.AU



processing, and methane recovery. WMRR is extremely keen for the Federal government to demonstrate national leadership and take advantage of the fact that we now have one government agency (DCCEEW (Department of Climate Change, Energy, the Environment and Water)) with responsibility for both carbon and material policy and these areas must work together to achieve government's ambition in these areas with integrated policy responses.

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

**WMRR NATIONAL OFFICE**

57 ST JOHNS ROAD  
GLEBE NSW 2037

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

**WMRR.ASN.AU**

**Annexure A**

<p>Section 1 – Improving governance and transparency.</p> <p>ACCU Scheme Principles</p> <p>1. Are the proposed principles fit for purpose and how should they be applied to improve ACCU Scheme governance and integrity?</p>	<p>The scheme principles will support the CAIC and department decision making integrity and should all be applied to projects to limit subjectivity. However, they do not set the purpose for the scheme or the CAIC and fail to recognise the connected system that these projects operate in. Impartiality and independence are key to the integrity of the scheme but without a clearly articulated end goal and clearly articulated priorities, the scheme risks becoming a timely and expensive bureaucratic hurdle rather than a solution. Direction for priority areas needs to be established using evidence, which the CAIC and department will then work with the community and industry to achieve this.</p> <p>WMRR and the WARR sector support co-benefits, but the scheme is not set up to measure or reward activities outside the National Greenhouse and Energy Reporting (NGER) scheme. This is exacerbated by the lack of connection with other national and jurisdictional policies and projects. How the principles interact with the Offsets Integrity Standards (ISO) and are utilised by the CAIC needs to be clearly articulated.</p>
<p>Maximising ACCU Scheme transparency</p> <p>2. Is there other information that could be published or collected to improve the transparency of the ACCU Scheme?</p> <p>3. What information should be published about ACCU holdings that delivers greater transparency in the market?</p> <p>4. What are the risks to the market from publishing information about ACCU holdings?</p> <p>5. Are there other grounds or circumstances where information should be withheld, for example, an exemption for existing projects?</p>	<p>The Chubb Review found a gap in the shared understanding about how decisions were made by the committee and department, rather than a lack of integrity in the projects themselves. The department’s proposal has focused on increasing project specific information becoming more publicly available to remedy transparency when the actual issue is a lack of direction guiding the committee and subjective decision making, and there is nothing proposed at present to address this. The lack of priority and guidance from government may result in very expensive proponent methods being developed that are not necessary, or methods prioritised that have little impact but are</p>

	<p>capable of being prepared due to the resources of the proponents.</p> <p>Current government policies to date, such as the Safeguard Mechanism have been aimed at transitioning to low emission technology and moving Australia towards more renewable power sources. WMRR would argue that given up to 70% of emissions are generated from material / resource management – this should be the next area of focus for method development to incentivise resource recovery and reduce reliance on virgin materials.</p>
<p>Australian Government purchasing of ACCUs</p> <p>6. Should the government continue to focus its purchasing on least cost abatement? If not, what other considerations should it prioritise and why?</p> <p>7. Should the pilot exit arrangements for fixed delivery contracts be made permanent? Would requiring a minimum percentage be delivered to the government in each window help strengthen market confidence and reduce risk?</p>	<p>WMRR supports this being a market-based scheme now that there is a developed secondary market.</p>
<p>Section 2 – Proponent-led method development framework and integrity committee functions</p> <p>Expression of interest and triage</p> <p>8. What assistance or guidance would proponents need to effectively participate in the EOI process?</p> <p>9. Does the proposed content of an EOI submission balance the need to deliver enough detail to enable a robust assessment, while limiting the upfront investment to a reasonable level?</p> <p>10. Will the proposed approach to triaging EOIs (Expression of Interest) promote participation and efficiency?</p> <p>11. Are there any matters not addressed appropriately by the proposed EOI process?</p>	<p>The government needs to set the direction for the CAIC and industry to rapidly decarbonise and achieve Australia’s emission goals. This guidance will determine priority areas/sectors that EOIs to industry could then address.</p> <p>The proposed EOI process requires too much information and will be onerous on proponents and is highly unlikely to deliver necessary abatement by 2030. A register of EOIs will also assist in reducing duplication, support multiple proponents collaborating and demonstrate if there are proponents lodging a disproportionate number of EOIs. To help develop an EOI the department can offer a case manager to support the proposal and identify streamline opportunities if available (through amendments, collaboration etc.). As mentioned</p>

	<p>above, WMRR cautions the move towards proponent led method development.</p> <p>As stated above, the decision-making criteria of the CAIC, the OIS standards, principles and assessment information need to be clearly articulated with weightings. The proposed assessment information includes problematic criteria and is overly subjective. Firstly the “current workload/capacity of the CAIC or department” should not be used as a measure for an EOI approval. Workload may delay the process, but it should not lead to rejection. The same goes for a proponent lacking resources to develop a method, which again is why priorities should be set based on greater good.</p> <p>The department should consider a stakeholder review process to measure the success of operations, Eg an annual survey about needs being met, timely delivery etc. which could identify pressure points early on. Without clear priorities from the Minister the CAIC and department must prioritise which EOIs/methods are approved and receive resources.</p>
<p>Developing a method or module</p> <p>12. Are the proposed areas where the department could provide assistance during method development the right areas or skill gaps to focus on?</p> <p>13. Is the proposed approach to deal with newness appropriate to support participation in research, trials and demonstration projects needed to support method development?</p> <p>14. Does the proposed modular approach ensure the method development process is appropriately adaptive to changing circumstances while ensuring there continues to be an appropriate level of Ministerial oversight to preserve integrity?</p>	<p>The principles are to be considered by CAIC and the Minister when assessing projects, however how this will play out is not explained in the proposal.</p> <p>As mentioned above WMRR does not support solely proponent led method development and recommends that the existing co-design framework continue to be used with improvements. Drafting instructions and running public consultation are actions that require specific skills and public trust which the department already possesses. If proponents are to lead method development, WMRR queries how equitable this process will be if proponents with limited resources will compete with those who do not have similar constraints. The CAIC and department also have no issues with impartiality, integrity and commercial</p>

	<p>confidence in information and remain the most suitable for leading these actions in co-design.</p> <p>The prioritization process, for new and amendments, should be published, with timelines and what methods are becoming available. Timeframes for project commencement and newness EOs/projects need to consider unforeseen delays and allow for this.</p> <p>The newness exemption can be captured in early and simplified EOs and encourages proponents to develop and innovate without fear of penalisation. This will also reduce edits and reworking of methods as the theoretical become actions.</p> <p>The need for Ministerial oversight as already explained is reduced if clear direction is set from the outset. With the assistance of technical experts, the CAIC will have sufficient support to amend modules.</p>
<p>Discontinuing method and module development</p> <p>15. Are there any concerns with the proposed approach for discontinuing method development?</p>	<p>Is there a clear end point to the scheme, in terms of the number of methods or modules that are desirable? The law of diminishing returns (in terms of the abatement more new methods would deliver) would suggest there is a limit to the effort that should go into developing new methods, versus ensuring current methods/modules and the scheme overall are operating effectively and delivering their abatement potential.</p>
<p>Public consultation</p> <p>16. Will the proposed process for dealing with confidential data in consultation submissions balance the desire to ensure the ACCU Scheme is transparent while encouraging commercially sensitive data and information to be provided?</p> <p>17. How should proponents demonstrate that feedback was appropriately considered?</p>	<p>As stated above the co-design process as it currently exists removes all these issues.</p>

<p>18. Should modules be subject to the same public consultation processes that new methods are subject to? If not, what should public consultation for modules look like?</p>	
<p>Timeframes for method development and method assessment</p> <p>19. Are the proposed timeframes reasonable? Could they be shortened?</p> <p>20. Should there be a mandated requirement to complete method development within a set timeframe?</p>	<p>As already highlighted the focus should be on efficiency gains. Timeframes will depend on the direction set by the Minister.</p>
<p>Review and maintenance of methods</p> <p>21. Does the proposed approach for reviewing and maintaining methods properly balance the need for integrity with the industry need for certainty?</p>	<p>Clear direction from the Minister will guide reviewing. However, guidelines for how industry can be involved or how the co-design framework for methods can be extended to include reviews should be considered.</p>
<p>Transition to new or varied methods, including baselines</p> <p>22. What are the risks and benefits from providing for legislative rules to compel existing projects to be carried out in accordance with varied or new method requirements?</p> <p>23. Should the Integrity Committee explicitly consider transitional arrangements as part of making new methods or method variations?</p>	<p>Baseline changes should involve technical experts and as stated above, the involvement of industry in amendments should also be pursued.</p>
<p>Functions and responsibilities under the proponent-led method development phase</p> <p>24. Does the proposed scope of the Integrity Committee's role compromise its primary role as an independent ACCU Scheme assurer?</p>	<p>WMRR believes that the department is better placed to coordinate consultation. As stated above the CAIC should not be required to take on a quasi-policy role as the Minister should provide clear direction that enables the CAIC to operate objectively and independently.</p>
<p>Section 3 – Native Title consent</p> <p>Eligible Interest Holders</p>	<p>WARR ACCU projects by their nature (being industrial emissions avoidance) are not 'area based' projects and do not require the consent of Native Title holders.</p>