



The Hon. Matt Kean
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Submission via [online portal](#)

8 December 2025

To the Hon. Mr Kean

Re: 2026 ACCU Scheme review public consultation

The Waste Management and Resource Recovery Association of Australia (WMRR) is the national peak body representing Australia's \$21 billion waste and resource recovery (WARR) industry. With more than 2,340 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. Our members are involved in a range of important WARR activities within the Australian economy, including infrastructure investment and operations, collection, manufacturing of valuable secondary raw products from resource recovery, energy recovery as well as community engagement and education. WMRR strongly advocates for a systems-based approach to resource management in Australia, advancing a circular economy to drive resource efficiency and productivity through adherence to the waste and resource management hierarchy. That is, the avoidance of the creation of waste wherever possible, and the diversion of materials from landfill through design for reuse, recovery, recycling and composting of resources. Where residual waste cannot be avoided, the hierarchy prefers producing low-carbon energy from the thermal treatment of waste (Energy from Waste or EfW) over the capture of methane from landfill.

Thank you for the opportunity for WMRR to provide feedback to the Climate Change Authority ("CCA") on the Review of the *Carbon Credits (Carbon Farming Initiative) Act 2011* (CFI Act), which enables the Australian Carbon Credit Unit (ACCU) Scheme "the Scheme". Australia's commitment to reducing greenhouse emissions by 62–70% below 2005 levels, by 2035 marks a major step toward achieving net zero by 2050, with the ACCU Scheme playing a key role by incentivising emissions reductions and carbon sequestration. The ongoing review process is focused on the critical question: *How can the ACCU Scheme deliver enough abatement to support Australia to meet its 2030 and 2035 emissions reduction targets?*, and the CCA's [Issues Paper: Enhancing the ACCU Scheme to support Australia's 2035 emissions reduction target](#), released as part of the consultation has identified new and existing methodologies and ACCU market dynamics as the focus areas. This review particularly considers whether the ACCU Scheme is correctly calibrated to deliver sufficient abatement to meet the needs of a decarbonising economy, noting Australia's 2035 emissions reduction targets, the 2023 changes to the Safeguard Mechanism and Australia's commitments under the Paris Agreement about the international trading of offsets.

In WMRR's view, achieving net zero and the 2035 emissions reduction targets are inextricably linked to achieving a resource efficient circular economy, and infrastructure is urgently needed to facilitate the shift in Australia from manufacturing with virgin materials to remanufacturing with recovered and recycled materials. Similarly, the 2030 targets of halving Australia's organic waste to landfill relies on all regions having access to suitable

processing facilities. Given that in 2019, the [National Waste Policy Action Plan](#) sets out to halve the amount of organic waste sent to landfill by 2030 (from 6.7Mt in 2019), in WMRR's view the federal government needs to do much more to incentivise the diversion of organics from landfill. According to the 2024 National Waste and Resource Recovery Report, Australia is still generating ~15Mt pa organics, and according to the [Australian Organics Recycling Association](#), only 7.7 million of this is processed. This means that there is still ~4Mt pa of organics being landfilled.

As such, accelerating the rollout of food and garden organics (FOGO) processing, EfW infrastructure and advanced resource recovery facilities are all essential to the net zero transformation. Investment in these facilities requires regulatory certainty, secure financial investment and timely government approvals. WMRR appreciates that the development of new and remade ACCU methods must consider the Offsets Integrity Standards (OIS) and the Scheme's policy intent of incentivising additional carbon capture methodologies that would not otherwise be implemented but for the Scheme. However given the longevity of these infrastructure assets, their high operating costs over a sustained period, and the existence of numerous state and federal resource recovery targets, strategies and policies that have failed to shift the dial, WMRR contends that it is unlikely that WARR assets would be incentivised sufficiently if ACCUs were not available - we need to utilise as many levers as possible to mitigate waste and reduce methane. State based waste levies alone are not sufficient to make landfill less appealing. Government action to improve the financial attractiveness of these resource recovery technologies over disposal is vital to achieving national waste and emissions targets, and further increase carbon abatement.

In considering the role of the ACCU scheme for the WARR sector, it is crucial to appreciate that:

- *The emissions produced by our industry are inextricably linked to societal consumption, over production and local facility constraints such as transportation and population.*

WARR is a complex and integrated system that provides an essential service for the safe and effective management of discarded materials for business and the community. Apart from total capacity thresholds, operators lack input control over the volume or composition of the waste material received. These fluctuating input characteristics necessarily impact the volume of emissions produced and is something that WARR facilities must manage and mitigate but cannot control.
- *The ACCU scheme provides a vital financial incentive that helps make innovative resource recovery projects commercially viable.*

Major WARR facilities are large capital assets that support decarbonisation by displacing high-emission energy sources (e.g., Energy from Waste), reducing embodied carbon through secondary material processing, and cutting emissions via gas capture. WMRR recognises the ACCU scheme's essential role in making abatement projects financially viable and reducing emissions in the WARR sector by providing a stable incentive to build more resource recovery infrastructure. Without strong economic drivers, projects such as Alternative Waste treatment (AWT) and EfW facilities struggle to attract private investment despite their ability to divert waste from landfill, reduce reliance on virgin materials, and generate valuable by-products like biogas, biomethane, and alternative fuels. ACCUs are critical to monetising these projects and enabling them to reach financial close. Delays in progressing ACCU methods for resource recovery projects can stifle investment and progress – and therefore undermine achieving Australia's resource recovery targets.
- *Crediting periods should be revised to reflect long-term operations and development timelines.*

WMRR again reiterates that the eligible activities under the AWT method, and projects that would be eligible and an EfW Method. are capital intensive and long-term projects - similar to the carbon capture



and storage method projects which allow for a 25-year crediting period and up to five (5) years between project registration and the commencement of the crediting period. WMRR believes the same crediting provisions should apply, and the start of the crediting period should be allowed to be up to at least three (3) years following registration to allow proponents to have time to reach final investment decision (FID), construct and commission projects.

For example, WMRR notes that a large proportion of existing AWT projects have not benefited from their full crediting period because of delays in the construction and commissioning phases. Seven (7) years is not sufficient for the scale and complexity of these projects. The evidence regarding why a greater than 20-year crediting period is appropriate for assets with more than a 20-year lifespan is self-explanatory, and WMRR notes the uncertainty in the market with regard to the economic viability of operating currently registered projects continuing beyond the end of their existing crediting periods. Longer crediting periods would benefit investment certainty and returns for a sector that competes with landfill (which is currently relatively inexpensive, and with lower operating costs and lower commercial risk).

As such, WMRR's key recommendations to the CCA are:

- Adhere to consultation timeframes and delivery dates for new methods. Delays to method remakes can lead to investor uncertainty and prevent projects developing. WARR infrastructures is urgently needed, and such delays can have widespread impacts on state and federal policy goals.
- Urgently progress the remake of the Alternative Waste Treatment (AWT) method with improvements that support long-term investment and assist the WARR industry meet circular economy and net-zero goals.
- Urgently develop the ACCU methodology for Energy from Waste (EfW) and also other resource recovery and recycling projects as they unfold. this will help unlock investment, create jobs, and reduce emissions while aligning with Australia's climate goals.
- Review crediting and accrual periods to align with the long-term nature of project development for new WARR technologies such as AWT and EfW. WMRR advocates for extending crediting periods to reflect the real lifespan of facilities with ACCUs issued in the years they are earned rather than over an extended accounting period. WMRR also advocates for removing the extended accounting (accrual) period so that ACCUs are paid in the year abatement occurs. This would better reflect actual emissions reductions, provide clearer scheme performance data, and align financial benefits with annual operational costs.

A note on the Safeguard Mechanism

WMRR notes that the consultation paper references the 2023 changes to the mandatory Safeguard Mechanism (SGM), which confirmed that the SGM would cover a small number of landfills who generate 100,000 tonnes per year of CO₂-e of scope 1 emissions (approximately five (5) nationally). SGM facilities can purchase ACCUs and Safeguard Mechanism Credits (SMCs) to offset their emissions, however landfills have a unique status and cannot generate SMCs. WMRR understands that the upcoming review of the Safeguard Mechanism will consider if landfill facilities should generate SMCs and the long-term scheme arrangements for landfills.



In WMRR's view, landfills have little relevance under the SGM as they provide an essential waste disposal service rather than producing controllable industrial outputs and have limited ability to move to low emission technology. A cap mechanism is not consistent with landfill operations wherein operators do not control products produced, the waste composition received from communities and businesses, or the emissions generated naturally as organic materials break down over time. The ACCU scheme provides an important financial incentive to make landfill gas capture and combustion projects viable under the [Reducing methane emissions from landfill gas method 2025](#) ("LFG Method"). It is WMRR's view that any revision of the SGM to capture more landfills under the Safeguard Mechanism would undermine the ACCU Scheme's incentivisation for increased investment in landfill gas abatement.

As such WMRR would again reiterate that a comprehensive systems based approach to management of emissions within the broader waste and resource recovery industry is required, which regrettably was not done with the relevant Net Zero Plan for our essential industry. To achieve Net Zero, roughly half of the emissions reductions are expected to come from electrification and clean energy transition, while the remainder comes from improvements in material productivity, circularity, and changes in consumption, where our industry is key.

WMRR has provided further commentary against the specific consultation survey questions on *Focus area 1: Methodologies – new and existing* at [Annexure A](#) and welcomes the opportunity to discuss this submission further with the CCA.

Please contact the undersigned if you wish to further discuss WMRR's submission.

Yours sincerely

Gayle Sloan

Chief Executive Officer

Waste Management and Resource Recovery Association of Australia

Annexure A: Responses to the consultation survey questions

Consultation Question	WMRR Comments
Focus area 1: Methodologies – new and existing	
Q1: How can the development and approval of high-integrity, scalable methodologies be accelerated?	Timing is a significant barrier to developing methods and consequently delaying the development of greenhouse gas reducing WARR infrastructure. Delays have occurred due to either: i) Remaking of methods taking longer than anticipated. For example, WMRR notes that timelines for finalising the revised Landfill Gas Method recently lapsed, with the method being released in December 2025 following a lengthy consultation and lengthier ongoing engagement through the Technical Working Group. Continued delays risk affecting investment decisions and future project uptake. WMRR therefore urges government to move forward with progressing methods to completion rather than engaging in prolonged further consultation, given the ACCU Scheme's critical role in keeping the projects incentivised and viable. One way to assist this would be to utilise stakeholder roundtables ahead of unsettling consultation periods, so as expedite potential issues earlier in the process. ii) No appropriate method being developed. Under the new proponent-led process introduced following the 2022 review of the Scheme, method priorities are established through an open call for expressions of interest (EOI) with the ERAC providing advice to the Minister regarding priorities for method endorsement and approval. However, WMRR notes whilst the first EOI round ran in 2024, DCCEEW are not currently accepting EOIs. It would be beneficial if EOIs for proponent led methods could remain open throughout the year, with a set process and timeframe in place for having those methods assessed. WMRR appreciates that timeframes may be guidelines only due to the need for Minister endorsement and approval. For example, WMRR also notes that a proponent led EfW Method has been developed but not progressed. The uncertainty of knowing where this has landed is problematic for the WARR industry – and in turn – for state residual waste modelling and forecasting - as the financial certainty of ACCUs can underscore project investment and assist in having projects reach financial close and become operational within their set time frames. This is increasingly becoming important for states as they finalise their waste strategies and infrastructure plans looking ahead to 2030 and beyond.
Q2: What are the current barriers to method development and how could they be overcome?	As noted above, particularly in light of a remade AWT and a proponent led EfW Method, due to the timeliness of having projects reach financial close or secure funding, it would be helpful if timeframes were implemented and adhered to, wherever possible, by ERAC to provide some certainty for financial and commercial decisions.
Q3: What additional resources may be required to deliver the methods	WMRR would welcome further WARR industry engagement with ERAC outside of sunseting review periods. WMRR understands, for example, that a WARR industry roundtable is planned ahead of the review of the Safeguard

Consultation Question	WMRR Comments
faster? How can transparency of method development and projects be improved?	Mechanism, and welcomes such approaches that may assist in streamlining the drafting and finalisation processes in order that methods do not sunset before a remake (if determined) is finalised.
Q4: What potential new methods or refinements to existing methods could unlock significant new abatement?	WMRR has detailed its key suggestions in its submission letter, including: • <i>Urgently progress the AWT and EfW Methods.</i> Despite long term resource recovery policies promoting the diversion of organics from landfill, these facilities are not progressing. The ACCU Scheme has an important role to play here in driving increased abatement in our sector by providing a level of financial certainty in developing these projects. • <i>Extending crediting periods</i> to reflect the real lifespan of facilities – particularly AWT and EfW projects, with ACCUs issued in the years they are earned rather than over an extended accounting period. WMRR recommends aligning crediting provisions with carbon capture and storage methods, including allowing crediting to commence up to three years after registration to provide time for final investment decisions, construction, and commissioning. • <i>Remove extended accounting</i>(accrual) period so that ACCUs are paid in the year abatement occurs. This would better reflect actual emissions reductions, provide clearer scheme performance data, and align financial benefits with annual operational costs.
Q5: Do the rules on permanence and crediting periods get the balance right between integrity and project viability?	No. Please refer to Q4 response regarding the need for crediting and accrual periods to be revised. Overall, simplifying the framework, providing transparent timeframes that are adhered to for the progression of methods and their determinations, and extending the crediting periods for long term assets like AWTs and EfW facilities would improve investor confidence, strengthen year-on-year landfill diversion and carbon abatement, and justify investment for the equipment upgrades, audits, and compliance for long-term, capital-intensive projects.