



The Hon Matt Kean
Chair
Climate Change Authority
GPO Box 3090
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Submission via [online portal](#)

6 August 2026

To the Hon. Matt Kean

Re: Climate Change Authority's 2026 Annual Progress Advice Consultation Paper

Thank you for the opportunity to provide feedback to the Climate Change Authority ("the Authority") on the on the [2026 Annual Progress Advice Consultation Paper](#) ("Consultation Paper"). The Waste Management and Resource Recovery Association of Australia (WMRR) as the national peak body representing Australia's \$20 billion waste and resource recovery (WARR) sector, represents over 2,300 members across more than 380 organisations, spanning industry, government, research institutions and NGOs. Our sector plays a critical role in Australia's economy through infrastructure delivery, collection, resource recovery, manufacturing of secondary materials and energy recovery. Central to WMRR's advocacy is the critical link between material productivity and carbon reduction, both of which are key to Australia's transition to a circular economy.

By prioritising waste avoidance and the recovery and reuse of materials, the WARR sector extends material life, reduces reliance on virgin resources, and delivers significant emissions reductions while supporting Australian jobs and economic resilience. As such, facility-level emissions are only one (1) part of the WARR sector's climate contribution. Effective policy must reward methane avoidance and destruction, materials recovery, recycled-content production, organics diversion and appropriate energy recovery, while retaining sufficient flexibility for essential infrastructure with long-lived and variable emissions profiles. The WARR sector plays a critical role in reducing economy-wide emissions through landfill gas capture, organics diversion, Alternative Waste Treatment (AWT), anaerobic digestion and Energy from Waste (EfW), many of these activities rely on long-lived, capital-intensive infrastructure and stable policy settings to attract investment. It is therefore important to recognise from the outset that facility-level emissions are only one part of the WARR sector's climate contribution.

The Consultation Paper recognises that the pace of Australia's emissions reduction must double to meet the 2030 target and triple for the 2035 target. It outlines how the Authority will track Australia's progress toward the national target of reducing emissions by 62–70% below 2005 levels by 2035 by using sector-based 'reference pathways' and broader indicators of economic transformation. It identifies electricity, renewables, batteries and electric vehicles as important areas of progress, while noting that faster investment, approvals and infrastructure delivery are also needed. The Consultation Paper also focuses heavily on the upcoming 2026–27 Safeguard Mechanism review – particularly the post-2030 baseline decline rate – and considers whether different sectors should face different requirements, and if the Safeguard Mechanism should place greater emphasis on onsite emissions reductions rather than ACCU use for offsets.

WMRR understands that the Authority have commissioned modelling to assist in their analysis on the Safeguard Mechanism to examine a range of scenarios and policy settings, including different post 2030 baseline decline rates.

Ahead of answering the consultation questions, WMRR emphasises the reality of how the WARR sector exists within Australia's carbon policy frameworks. Currently, landfill gas capture and flaring/energy projects are a common source of Australian Carbon Credit Units (ACCUs), which provide a financial incentive for landfill methane abatement, whilst under the Safeguard Mechanism a handful of large landfills are also captured. Unlike many industrial operations which can readily modify operational inputs to low emission technologies and processes, landfill emissions are influenced by waste disposal and biological processes based on the material they are sent, meaning their ability to mitigate is limited.

WMRR appreciates that reference pathways could be a useful transparency and accountability tool for tracking emissions reduction progress, provided they remain indicative, adaptive and sector-specific, rather than becoming regulatory targets. WMRR emphasises that any increase in the rate of emissions reduction required under Australia's climate policy settings must recognise the unique operating environment of the WARR sector. This rationale applies to both consideration of reference pathways and steeper Safeguard Mechanism baselines beyond 2030 (assuming landfills remain within this Mechanism albeit industry continues to advocate for its removal). It is WMRR's view that introducing declining emissions requirements without appropriate recognition of the specific sectoral characteristics of WARR facilities and complementary investment in higher order resource recovery facilities (that displace reliance on landfills and mitigate emissions through greater materials productivity and reduction in reliance on virgin extraction), will risk undermining investment certainty, increasing compliance costs and delaying the infrastructure needed to achieve Australia's long-term circular economy and emissions reduction objectives.

Responses to the Consultation Questions

Question 1

What are your views on the proposed approach for setting reference pathways to assess progress, including strengths, limitations and any alternative approaches that should be considered?

WARR is captured as part of the 'Industry and Waste' sector with a draft reference pathway to reduce the sector's emissions of 56–57 Mt CO₂-e in 2025–26, to 35–44 Mt CO₂-e by 2035. This aggregation of WARR facilities with industrial processes risks obscuring the particular emissions profile, legacy liabilities and abatement opportunities of WARR facilities. It is WMRR's view that "waste" facilities should not be combined with general industry as it is not reasonably practicable for WARR facilities to undertake decarbonisation at the same level as industrial facilities. All WARR facilities perform an essential service in managing the community's discarded materials in a safe and responsible manner, and consequently, WARR operators cannot determine the emissions profile of the material received. Applying a direct facility emissions pathway disregard that landfills, recycling operations, organics facilities, EfW facilities and re-manufacturing operations have fundamentally different emissions sources and abatement pathways to other industrial facilities.

A linear emissions reduction pathway (even with a reduction "range") is unlikely to reflect waste-sector conditions. Landfill emissions are influenced by waste deposited over previous decades, waste composition, rainfall, gas-generation curves, progressive cell closure and the timing of gas infrastructure. i.e.: a landfill may reduce current organic waste intake (reducing future emissions) but continue reporting methane from historical deposits. For a WARR facility such as

a landfill, an inventory-method change under the NGER Scheme, such as revisions to methane factors, oxidation assumptions, capture-efficiency estimates or waste composition data can alter reported emissions without any actual operational change. A steeper decline rate progressively lowering net emissions over time will simply increase the commercial value of methane capture and landfill gas utilization rather than driving any emissions reduction through behaviour change. Combining these facilities with other industry facilities conceals whether observed changes arise from industrial production, landfill methane, waste avoidance, recycling or organics diversion.

It follows that a reference pathway for the WARR sector should track gross and avoided emissions through the WARR sector's contribution to the management of resource and materials overall, rather than direct facility emissions alone. This is because direct facility emissions fail to recognise significant reduction efforts achieved by the WARR sector through:

- diverting organics from landfill;
- recycling materials instead of producing virgin materials;
- recovering landfill gas;
- generating energy from residual waste;
- replacing fossil fuels with recovered fuels; and,
- producing compost, digestate and other recycled organic materials.

WMRR recommends that a dedicated 'waste and resource recovery reference pathway' is designed using rolling averages and milestone ranges rather than a single annual linear trajectory for facility direct emissions. To capture more than direct facility emissions, it should include separate emissions reductions indicators for:

- i. landfill methane and capture efficiency;
- ii. organics diversion and treatment;
- iii. material recovery and substitution of virgin materials;
- iv. residual waste treatment, including EfW;
- v. sector energy use and fleet emissions; and,
- vi. economy-wide avoided emissions attributable to resource recovery.

This would provide a far stronger and more meaningful indication of the rate at which the WARR sector is contributing to reducing Australia's emissions.

Question 2

What signs are you seeing of emissions reductions across industries, businesses, households or investors? What barriers or delays to abatement are you observing?

WMRR emphasises that many of the emissions reductions achieved through higher order resource recovery and waste avoidance occur outside the National Greenhouse and Energy Reporting (NGER) reporting boundaries for WARR facilities, and are not completely tracked through national emissions data. For example, the WARR sector is actively reducing emissions through:

- increased diversion of food and garden organics from landfill;
- expansion and optimisation of landfill-gas collection, flaring and electricity generation;
- investment in anaerobic digestion, composting and other organics-processing capacity;

- increased recovery of metals, plastics, glass, paper and construction materials to displace the use of virgin products in manufacturing and construction;
- electrification and efficiency improvements at transfer stations, MRFs and processing facilities;
- increased use of renewable electricity; and,
- development of Energy from Waste facilities and alternative-fuel projects for genuinely residual waste.

In terms of barriers and delays to abatement, WMRR points to the challenges facing investment in higher order recycling and recovery activities for the WARR sector more broadly – best described as uncertain and inconsistent settings for:

- Policy and regulation – such as fragmented and inconsistent Commonwealth, state and territory policy or reporting greenhouse gas emissions, which can lead to uncertain recognition of avoided emissions and compliance with ACCU settings (highlighted by the upcoming NSW mandatory climate reporting and mitigation requirements for licence holders emitting over 25,000 tonnes of CO₂-equivalent per year, which may impact offset integrity standards for ACCUs).
- Markets – noting that governments have done little to address the insufficient demand for recycled-content products (i.e. not yet introducing recycled content thresholds in mandatory product design standards or government procurement).
- Investment – community acceptance challenges, particularly for new organics, thermal treatment and EfW facilities, are undermining progress for project approvals, alongside delays for planning, licensing and environmental approvals (recognised within the Consultation Paper) and uncertainty of some WARR ACCU methods provides little investor confidence against high capital costs and the technology and construction risks for first-of-a-kind facilities.

These challenges could be addressed through climate policy settings that recognise the inextricable link between improved material productivity, increased higher order recycling and resource recovery and waste avoidance (increased circularity and designing out waste) with emissions reduction.

Question 3

What do you see as the top priorities for climate policy reform and why?

- i. Integrate climate and circular-economy policy – As outlined above, Australia needs a national framework that recognises waste avoidance, reuse, recycling, organics recovery and residual-waste treatment as climate measures. Climate policy should not operate separately from waste, product stewardship and circular-economy policy. Instead, emissions reduction tracking should assess the net climate effect of WARR-management pathways, including avoided virgin-material production, avoided landfill methane and displaced fossil energy. This would take the emphasis off specific facilities for progress tracking.
- ii. Prioritise methane reduction by accelerating organics diversion from landfill through mandatory separate organic waste collections nationally.
- iii. Establish national demand for recovered materials – Mandatory recycled-content requirements in design standards, public procurement standards and mandatory product stewardship for problematic and priority materials such as packaging would improve project bankability of higher order resource recovery development that reduce emissions from virgin production.

- iv. Align the Safeguard Mechanism, ACCU Scheme and waste policy – These three (3) systems should work coherently and avoid penalising facilities that deliver wider emissions reductions (that can't be measured via facility reporting) or which provide essential waste-management services for the community.

Question 5

What are the key barriers to the growth of low-emissions industries in Australia? What government policies or initiatives could most effectively strengthen demand for Australian low-emissions products and services, including low-carbon liquid fuels? Please provide evidence or analysis to support your views.

The Authority has already identified demand uncertainty, technology risk and lack of commercially reliable offtake as major barriers preventing clean-industry projects reaching final investment decision, suggesting public procurement and product mandates as potential demand measure. WMRR supports this position, however notes that low-carbon liquid fuels policy should apply the waste management hierarchy and avoid incentives that distort existing recycling markets or draw recyclable material into fuel production. Priority should go to unavoidable residues and feedstocks without higher-value circular uses.

Similarly, for recovered products that are reinvested into the economy, nationally consistent product and material standards should be prioritised that recognise suitable waste and biomass feedstocks to help incentivise renewable fuels produced from these unavoidable residues including renewable gas, biomethane and biofuels. In particular, WMRR notes that biogas derived from Anaerobic Digestion (AD) of organic waste has the ability to provide a significant lever for decarbonisation. AD remains underdeveloped in Australia due to high upfront capital costs and limited access to secure, source-separated feedstock. However, it is anticipated that policy drivers such as mandated organics diversion targets and increasing focus on methane reduction would greatly assist in accelerating its development.

Question 6

6A) *The Safeguard Mechanism's current baseline decline rate is calibrated so the scheme delivers a proportional share of Australia's 2030 emissions reduction target.*

- *What are the advantages and disadvantages of continuing this approach beyond 2030?*
- *If the proportional share approach should be maintained, how should it take account of Australia's 2035 target range?*

The Authority's preliminary analysis suggests that retaining a static 28% share could imply post-2030 decline rates of approximately 4.5% a year for the 62% target and 7% for the 70% target. As highlighted in Question 1, WMRR believes a fixed proportion share assumes equal abatement capacity across very different sectors and can place disproportionate costs on essential waste facilities that will need to invest in gas capture technology, rather than tracking progress to reduce the source of emissions which is determined by the waste composition (which operators cannot control). This approach may increase reliance on the ACCU scheme by WARR facility operators in an effort to try and match the decline rate. WARR facilities operate very differently to other industries in that its outcomes impact more than just a specific facility – notably, improving environmental outcomes and contributing to the circular economy. It follows that a separate,

aggregated baseline rate for WARR should be informed by sector specific abatement potential and costs, rather than being identical to the baseline applied to all industrial facilities.

6B) If a different approach to setting the baseline decline rate should be used (instead of the proportional share approach), what should it be and why?

A proportional share approach is preferable to baseline decline rate for landfills under the Safeguard Mechanism, for the same reasons as a specific sector reference pathway should be able to reflect technically and economically achievable abatement. The intention of the Safeguard Mechanism is to encourage industrial operations to decarbonise through enforced compliance with emissions limits and adaption to low emission technology. In WMRR's view, landfill facilities should not be included within the Safeguard Mechanism given their lack of ability to control the emissions profile of material received for disposal. Abatement of landfill emissions is better incentivised through the voluntary ACCU Scheme, as penalties for lack of compliance with the Safeguard Mechanism would have no material impact on how a landfill operates.

Question 7

Should decline rates differ across facilities or sectors beyond existing arrangements for trade exposed, baseline adjusted (TEBA) facilities? What evidence would support differentiation, and what principles should guide how any differentiation is applied?

The Consultation Paper acknowledges that differentiation may better reflect varying abatement opportunities and costs. In WMRR's view, there is robust evidence of materially different abatement potential, emissions characteristics or public-interest functions for the WARR sector to support differentiation from many industrial facilities because:

- landfill methane is generated over decades from historical deposits;
- new organics diversion can initially have limited effect on legacy landfill emissions;
- emissions fluctuate with rainfall, waste composition and gas-generation profiles;
- operators cannot fully control the underlying generation of methane;
- some facilities provide essential monopoly-like regional services; and,
- "closing" or "reducing production" does not necessarily eliminate emissions.

It follows that differentiation should be based on sector characteristics grounded by evidence-based data so that it can be transparent, and designed to avoid perverse incentives or carbon leakage. For the WARR sector, data sources such as mandatory licence reporting to state regulators, levy and waste tracking data could be used to ensure that the system is administratively workable. Ideally, the Authority should consider avoided-emissions assessments in concert with any direct emissions data. Moreover, differentiation of the WARR sector should be cognisant of the sector's role in providing necessary infrastructure and not penalise facilities for performing its essential service to safely manage waste (as there may not be ability to pass costs through in the same way a commercial industrial facility can). Differentiation may reduce simplicity and predictability but given the vast differences between WARR and other industrial sectors, it would be prudent to take this approach to more meaningfully track Australia's progress and develop appropriate solutions.

Question 8

How should we assess the extent to which the Safeguard Mechanism is driving onsite abatement? What metrics, data sources or methods should we use, and how should we account for changes in production, operational conditions and emissions variability?

Gross emissions and emissions intensity can be affected by operating conditions, feedstock characteristics, closures and temporary disruptions. It follows that assessment should be based on multi-year averaging and consistent national methodologies. For example, for landfills, assessment should 'normalise' for factors such as:

- tonnes and composition of waste received
- historical waste received
- rainfall and moisture
- methane-generation potential
- landfill cell age and capping status
- gas collection-system availability
- flaring and generator downtime
- regulatory changes affecting accepted material (such as emergency disaster waste or organics mandates).

These suggested metrics would enable the Authority to generate a more complete picture of the impact the WARR sector is having on Australia's emissions reduction efforts. Direct facility emissions alone do not recognise the impact that applying higher order recycling and recovery has in terms of avoiding emissions elsewhere in the supply chain.

Question 9

What evidence is available on onsite abatement activities at Safeguard facilities, including for activities planned, underway or completed since the reforms commenced? Where possible, please provide information on emissions impacts, timing, costs and barriers.

Currently, landfill gas capture, flaring and energy-generation projects are an important source of ACCUs and provide the principal financial incentive for landfill methane abatement across the WARR sector. By contrast, the Safeguard Mechanism currently applies to only a small number of landfill facilities, so it seems unreasonable to assume that compliance with the Safeguard Mechanism is having a more significant impact than the ACCU scheme on abatement efforts for the WARR sector.

Question 10

Should the Safeguard Mechanism play a stronger role in encouraging onsite abatement, relative to allowing flexibility through Australian Carbon Credit Unit Scheme (ACCU) use?

- *What objectives should guide this assessment?*
- *Are additional incentives or constraints warranted?*

If so, what options should be considered and why?



The Consultation Paper notes that, although gross emissions from Safeguard facilities have fallen by around 4% since the reforms commenced, it is too early to determine whether this reflects genuine onsite abatement or changes in production and operating conditions. For landfills covered by the Safeguard Mechanism, any move to place greater emphasis on direct emissions reductions rather than ACCU use is likely to increase scrutiny of measures such as improved landfill gas collection efficiency, methane destruction through flaring, electricity generation from landfill gas and methane oxidation technologies. Given the critical role ACCU revenue plays in making many of these projects commercially viable and directing investment into WARR infrastructure, any reform should preserve appropriate incentives for landfill methane abatement (such as targeted funding) while ensuring that genuine onsite emissions reductions are accurately measured and recognised.

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

Yours sincerely

Gayle Sloan

Chief Executive Officer

Waste Management and Resource Recovery Association of Australia