



Mr Mike Kaiser
Secretary
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Submission via [online portal](#)

18 September 2026

Dear Mr Kaiser

Re: 2026-2027 Safeguard Mechanism Review

The Waste Management and Resource Recovery Association of Australia (WMRR) welcomes the opportunity to provide feedback to the Department of Climate Change, Environment, Energy and Waste (DCCEEW) on the [2026-2027 Safeguard Mechanism Review Consultation Paper](#) ("consultation paper"). WMRR is the national peak body for Australia's \$20 billion waste and resource recovery (WARR) sector, representing more than 2,300 members across over 380 organisations in industry, government, research and the not-for-profit sector. Our sector plays a critical role in Australia's economy through infrastructure delivery, collection, resource recovery, manufacturing of secondary materials, energy recovery, and community engagement - providing the essential public service of managing the community's waste while reducing emissions across the economy. WARR facilities include processes that avoid and destroy methane, divert organics from landfill, recover materials, substitute recycled content for virgin resources, produce soil amendments and recover energy from genuinely residual waste. These benefits are delivered through long-lived, capital-intensive infrastructure.

Stable and coherent settings across the Safeguard Mechanism, the Australian Carbon Credit Unit (ACCU) Scheme, the National Greenhouse and Energy Reporting (NGER) Scheme and waste policy are critical to achieving stronger economy-wide emissions reduction. WMRR submits that the Safeguard Mechanism must, at a minimum, evolve to recognise the waste and resource recovery (WARR) sector's essential-service role, distinctive emissions profile and significant contribution to avoiding emissions elsewhere in the economy through resource recovery, recycling and diversion from landfill.

Preferably, however, WARR facilities should not be captured by the Safeguard Mechanism at all. Unlike conventional industrial facilities, WARR operators do not manufacture products or exercise meaningful control over the volume or composition of the materials entering their facilities. They receive and safely manage materials discarded by households, businesses and the broader economy, providing an essential public health and environmental service. Their capacity to reduce direct emissions can also be constrained by the availability of technically and commercially viable low-emissions alternatives. Applying an industrial emissions framework designed for facilities with substantially greater control over their inputs, production processes and outputs risks penalising an essential sector for managing society's discarded materials, while failing to recognise the emissions reductions that resource recovery delivers across the broader economy.

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As the consultation paper highlights, the Government considers the Safeguard Mechanism to be on track to meet its legislated 2030 outcomes including net zero after 2049–50, however, much of its success comes through use of offsets rather than reductions via increased abatement investment at the industrial facilities themselves. Consequently, the consultation paper essentially asks if the 2023 reforms are working well enough to deliver the existing 2030 objectives, and what the mechanism should look like after 2030 in order that covered industry makes an appropriate contribution to Australia's new 2035 target of 62–70% below 2005 emissions. The consultation paper signals a post 2030 environment with more emphasis on on-site abatement and reducing the attractiveness of ACCUs to offset emissions at Safeguard-covered facilities, and also explores expanding the mechanism below the current 100,000 tonnes CO₂-e threshold (including to as low as 25,000 tonnes CO₂-e), and introducing steeper post 2030 baseline trajectories to 2050.

In 2023–24, there were 219 Safeguard facilities covered across the mining, manufacturing, transport, oil, gas and waste sectors producing around 31% of Australia's greenhouse gas emissions, and in 2024–2025, only two (2) of these facilities were landfills – Cleanaway's Melbourne Regional Landfill (MRL) and Veolia's Woodlawn Bioreactor. Emissions from waste deposited after scheme commencement on 1 July 2016 (known as 'non-legacy waste emissions') are covered under the scheme. Central in considering this review is that as emissions from legacy waste material increase over time (despite whether additional volumes of material are added), and, if the mechanism is adjusted to capture facilities with lower emissions thresholds, more landfills and other types of WARR facilities may be covered in the near term.

It is WMRR's view that DCCEEW, the Clean Energy Regulator (CER) and the Climate Change Authority (CCA) have incorrectly been equating the WARR industry to other heavy industries, i.e.: comparing waste movement to the production of waste coal mine gas, which is a binary generator-capturer scenario wherein the facility has control over the inputs and consequent outputs, and does not reflect the complex ecosystem of waste movement between consumer generation, site of collection and the WARR facility site for processing/disposal. This is the reason why WMRR continually has advocated for landfills to be removed from the Safeguard Mechanism¹. Furthermore, regardless of the fact that a Safeguard covered landfill does not generate Safeguard Mechanism Credits for staying under its baseline, carbon policy should not act in opposition to the waste hierarchy and weaken incentives to divert material from landfill by preventing alternative waste facilities from generating ACCUs simply because the landfill from which the material is diverted is subject to an emissions cap.

The consultation paper specifically identifies landfills as a sector in which reducing the threshold to 75,000 tonnes CO₂-e could bring additional facilities into the scheme and reduce competitive differences between operators above and below the current threshold (in that facilities with direct Scope 1 emissions above a future lower threshold could be captured). It also notes that progressively reducing the threshold could bring in producers using lower-emissions processes, including recycled materials, and may require new production variables for industries or activities not presently covered. WMRR's central position is that landfills should be removed from the Safeguard Mechanism. If they remain covered, the existing threshold of 100,000 tonnes of carbon dioxide equivalent (CO₂-e) a year should not be lowered for landfills or other waste and resource recovery facilities until sector-specific accounting, baselines and crediting interactions have been resolved. Applying conventional industrial settings based on capping emissions to the WARR sector risks increasing costs to business and households without delivering corresponding abatement and may undermine investment in organics diversion and recovery infrastructure without any commensurate benefit.

¹ Refer to WMRR submissions [Climate Change Authority 2026 Annual Progress Advice](#) (6 August 2026) & [Carbon Credits and Other Legislation Amendment \(Integrity and Transparency\) Bill Consultation](#) (25 May 2026) [Investing in cheaper, cleaner energy and the net zero transformation](#) (15 September 2025)

Thus, it is WMRR's view that this review of the Safeguard Mechanism provides the opportunity to meaningfully coordinate carbon and circular-economy policy to support onsite abatement and investment in long-term WARR infrastructure by:

i. Recognising the WARR sector's full climate contribution

This requires a pivot in policy position to commit to assessing direct facility emissions alongside methane abatement, material recovery, avoided emissions and the sector's essential-service role.

ii. Not expanding Safeguard coverage for the WARR sector

Given that Safeguard is a direct facility emissions cap mechanism, WMRR advocates for the removal of landfills from the mechanism or, at a minimum, retain the 100,000 tonnes CO₂-e threshold for landfills and other waste and resource recovery facilities. This move should be reinforced by coherent carbon policy settings including updating NGER waste-composition defaults to reflect contemporary collection systems, including food organics and garden organics (FOGO) i.e. establish appropriate Class 3 measurement arrangements that allow for more accurate emissions calculations for WARR facilities, and looking at material productivity (including incentives to decrease use of virgin materials) to reduce economy wide emissions.

iii. Preserving ACCU incentives and protect the value of genuine abatement

ACCUs represent real investment in voluntary emissions reduction. Their integrity and value must be protected. Maintaining credible, stable incentives for landfill-gas capture, organics processing, anaerobic digestion, alternative waste treatment and other abatement infrastructure is integral to continued abatement within the WARR sector given the constraints on facilities to modify the materials received for disposal and processing. Restrictions on ACCU use—including quantitative limits, discounting or vintage rules—risk increasing carbon prices without delivering additional abatement. They could also weaken confidence in the ACCU Scheme and create uncertainty for long-term investment.

ACCUs must not be treated as equivalent to Safeguard Mechanism Credits generated simply by operating below a baseline. If discounting is introduced, it must recognise the full abatement achieved by ACCU projects and ensure WARR facilities receive an accurate "add-back" for surrendered credits. Government must also prevent stockpiled ACCUs from being released merely to avoid expiry and ensure effective, long-term protection against unsustainable carbon prices. Stable policy and carbon-price certainty are essential. Reform must encourage new abatement—not devalue the projects already delivering it.

iv. Resolving the interaction of Safeguard landfills and facilities using the AWT Method

This review provides an opportunity to confirm that waste treated at a separate, non-Safeguard AWT facility remains eligible for ACCUs where the source landfill receives no equivalent Safeguard benefit. In WMRR's view, the policy intention to date to avoid "double counting" ACCUs and Safeguard Mechanism Credits (SMCs) has unfairly equated essential waste management service provision with the binary operation model of some industrial processes which can control both input and output materials to their facility. Whilst this may have seemed appropriate when the Safeguard Mechanism was first developed, Australia's understanding of material and waste policy has developed significantly in the last decade with the adoption of both an updated *National Waste Policy* and a *Circular Economy Framework* in 2024.

v. *Prioritising domestic abatement*

International units should not be introduced while domestic abatement opportunities and the backlog of ACCU methods are still being developed. This is especially important for the WARR sector given the proponent-led AWT Method – which WMRR understands will include aspects of thermal treatment and organics processing - is currently in development.

WMRR's specific comments against the questions raised by the consultation paper are as follows:

Emissions Reduction Technologies (3.1.1)

Are Safeguard policy settings and government support mechanisms suitable for developing and deploying emissions reduction technologies for industrial sectors?

No. It is WMRR's view that the current Safeguard Mechanism settings are not fit for purpose for the WARR sector. WMRR understands that DCCEEW may consult in the near future on the treatment of landfills under the mechanism following its December 2025 industry roundtable discussion. WMRR's position remains clear: landfills should not be covered by the Safeguard Mechanism. Unlike conventional industrial facilities, landfill emissions are largely determined by waste generated by the community and deposited over many decades—not by a production process that an operator can simply change or cease. The current framework also fails to recognise the WARR sector's broader emissions-reduction role. The sector avoids emissions by diverting organics from landfill, recycling materials to replace use of virgin materials, recovering energy and fuels from residual waste, and producing compost, digestate and other recycled organics that support carbon sequestration. Carbon policy must assess direct facility emissions alongside these avoided emissions and the sector's essential-service obligations.

The Safeguard Mechanism caps emissions; it does not, by itself, drive additional abatement. Facilities can comply by surrendering ACCUs or Safeguard Mechanism Credits (SMCs), yet SMCs can be issued when emissions fall below a baseline without any test that the reduction resulted from deliberate investment or delivered an additional environmental benefit. This is fundamentally different from ACCUs, which support identifiable abatement projects. Yet both have equivalent value of one (1) tonne of carbon dioxide equivalent greenhouse gas, and either unit can be surrendered to lower a facility's net emissions to meet safeguard baselines without penalty. Genuine abatement investment should not be equated to simply staying under a cap, e.g. landfills could refuse to accept material taking it over the cap- leading to additional transportation emissions and the same emissions simply happening at another landfill the material is deposited at that may not fall within the Safeguard Mechanism. Government must protect the value of ACCUs and the investment signals they provide.

Any reform that prioritises direct emissions reductions or restricts ACCU use must preserve incentives for genuine abatement and ensure those reductions are accurately measured and recognised. However, this cannot occur under the current measurement framework. As WMRR highlighted in its [submission](#) on the 2026 NGERS Scheme Updates, NGER waste-composition defaults may overstate landfill emissions and fail to reflect expanding FOGO services, declining organic waste disposal, or the different emissions profiles of legacy and non-legacy waste. Defaults should be updated annually using contemporary data and should consider a separate commercial and industrial waste category, particularly where food waste is a dominant component. WMRR urges DCCEEW to update the NGER defaults and develop appropriate Class 3 measurement and reporting arrangements. Safeguard coverage must not be expanded in the WARR sector—and no threshold should be lowered—until these reforms are complete. WARR facilities should not continue to be regulated or penalised using estimates that fail to reflect their actual emissions or the abatement they deliver.

Are there important areas not covered by government policy or programs?

Yes. The interaction between the Safeguard Mechanism and the ACCU method for alternative waste treatment (AWT) must be resolved in order that genuine offsite abatement does not continue to operate uncredited. Given the policy intent of the ACCU scheme to incentivise abatement, offsite diversion from landfill should qualify for the ACCU scheme regardless of whether the source landfill is covered by the Safeguard Mechanism. It is WMRR's view that all waste demonstrably destined for landfill—including a Safeguard landfill—should be eligible for AWT-method crediting when treated at a separate facility.

WMRR challenges the Clean Energy Regulator's current interpretation of the eligible offset's projects under the [Carbon Credits \(Carbon Farming Initiative\) Act 2011](#) ("CFI Act"). Part 3, Division 2, s20 states that, it is an eligibility requirement that the project must "also be likely to involve carbon abatement of emissions other than covered emissions of greenhouse gases from the operation of the designated large facility", resulting in the guidance material on the [CER website](#) (the Scenario 4 rule) stating that waste diverted from a Safeguard-covered landfill to a separate alternative waste treatment (AWT) facility is generally ineligible for ACCUs on the basis of suggested 'double counting'. It is WMRR's view that eligibility for ACCUs should be assessed at the (final) facility level, therefore if waste is diverted from a Safeguard landfill facility to a separate, non-Safeguard AWT facility, it should remain eligible for crediting under the AWT method. The landfill's reported emissions will be based on the waste volume actually received. Safeguard landfills do not receive SMCs for remaining under their threshold, meaning the landfill does not receive any type of perceived 'credit' for abatement associated with that diverted waste. There is no "double counting".

This means that under the CER's current approach, the emissions reduction achieved by a separate AWT facility may be credited to neither the landfill nor the AWT project. This understates actual abatement, weakens project viability and may encourage waste to move to another landfill instead. This issue must be resolved and needs to be considered alongside the remake of the AWT Method (and any future WARR ACCU Methods) and reviewing the Safeguard Mechanism so as to clarify the treatment of co-located WARR facilities, including facilities located behind a common weighbridge. WMRR appreciates that this issue has also been brought to the attention of the CER throughout the process of remaking the AWT Method.

Domestic Offsets (3.1.2)

Are new measures for ACCU use needed to accelerate industrial decarbonisation, and how could reliance on ACCUs be reduced without unduly disrupting the carbon market?

ACCUs have already aided the WARR sector to accelerate its decarbonisation, with research undertaken by WMRR² showing that the WARR industry accounted for 10.8 Mt CO₂-e emissions, or 2.4% of Australia's total emissions in 2022-23. Landfill is the dominant source (10.5 Mt CO₂-e) due to methane emitted from the anaerobic decay of organic material. Waste emissions have declined considerably as combustion of landfill methane became common but have stabilised over the last decade or so, heralding the need for carbon policy tweaks that may help shift this plateau and encourage further emissions reduction activities. However, as WMRR has stated in its introduction, for the WARR sector, these reductions are not yet accounted for, and therefore not optimised with appropriate incentives. A more accurate measure of the emissions reduction being achieved by requires amendments to NGER reporting to improve waste emissions monitoring accuracy, and consistent approaches to carbon policy, that recognise the emissions reduction being achieved throughout the WARR supply chain, rather than by simply measuring direct facility emissions.

² *The State of the Waste and Resource Recovery Sector (working title)* report will be published by WMRR in late 2026.

For the WARR sector, ACCU revenue is structurally important for capital and operations including landfill-gas capture, methane destruction, organics processing, anaerobic digestion and AWT. Restrictions designed to encourage onsite investment – such as the three (3) broad restrictions identified in the consultation paper of placing limits on how many ACCUs a facility can surrender, discounting ACCUs in order that their value no longer equates to one (1) tonne of emissions, or vintage restrictions to limit the age of ACCUs eligible for safeguard compliance, must be considered carefully to not undermine the value of genuine abatement efforts, or destabilise projects that rely on predictable crediting arrangements. If additional measures are adopted, they should be phased, predictable and informed by sector-specific abatement capacity.

Reducing reliance on ACCUs to offset emissions is complex. WMRR prefers carefully calibrated discounting to vintage restrictions, provided discounting does not diminish the integrity or investment value of ACCUs. Vintage limits risk prompting holders to release units merely to avoid expiry and do not necessarily increase abatement. Quantitative surrender limits could expose facilities with few practicable onsite options to disproportionate compliance costs. In WMRR's view, any reform must distinguish ACCUs generated by additional abatement projects from Safeguard Mechanism Credits generated, when a facility's emissions fall below its baseline. They may be equivalent for surrender, but they arise under different incentive and additionality settings.

Reform should also preserve an effective cost-containment mechanism and improve long-term carbon-price visibility in order that businesses can make infrastructure decisions with confidence.

International Units (3.1.3)

Is there ongoing interest in using international offsets for Safeguard compliance, and what is the rationale?

WMRR does not support introducing international units at this stage. The immediate priority should be to maximise domestic abatement and resolve the backlog of ACCU methods. Moreover, use of international units to offset could displace investment in domestic abatement projects and add complexity concerning equivalence, integrity and value.

Multi-year Monitoring (3.2.3)

Are there circumstances that could benefit from access to multi-year monitoring after 2030?

Access to multi-year monitoring should remain available where a facility demonstrates a credible multi-year abatement plan and transparent milestones, without allowing indefinite deferral of compliance. This flexibility is particularly relevant because landfill baselines and crediting settings do not provide the same operational levers available to many industrial facilities. A multi-year approach could smooth short-term variability while preserving accountability for cumulative emissions outcomes.

Coverage Threshold (3.5.1)

Should the Safeguard Mechanism threshold be lowered and, if so, when?

No. it is WMRR's view that the threshold should not be lowered for landfills or other WARR facilities. Landfills should ideally be excluded from the mechanism altogether. At a minimum, the existing threshold of 100,000 tonnes CO₂-e per facility per year should be retained. As WMRR repeatedly highlights, lowering the threshold could bring many medium-sized landfills into the scheme and impose substantial compliance and administrative costs without a corresponding opportunity for onsite abatement, as well as increase transport emissions without achieving any actual abatement. These costs would flow through to gate fees and waste-service charges, with pronounced effects on councils, regional communities, businesses and smaller operators without having any impact on abatement.

Before any reconsideration of the threshold for this sector, the Government should update NGER waste-composition defaults, clarify the treatment of waste diverted from covered landfills to other recovery facilities (which may be subject to ACCUs), adopt landfill-specific production variables and decline rates, and demonstrate that expanded coverage would deliver material additional abatement. At this stage, WMRR foresees expansion will just generate further costs alone.

Decline rates after 2030 (4.2)

What factors should be considered in setting the baseline decline rate for 2030–31 to 2034–35?

If landfills remain covered, they require a differentiated decline rate consistent with realistic abatement potential. A rate in the order of 0.5 per cent a year should be examined through technical consultation rather than applying the trajectory designed for conventional industrial production. The rate should be supported by stable ACCU incentives and targeted finance for capture and destruction technologies.

As per WMRR's [feedback to the Climate Change Authority](#) earlier this year, when considering the decline rate, WMRR recommends developing a dedicated WARR reference pathway based on rolling averages and milestone ranges rather than a single annual trajectory for direct facility emissions. The pathway should report separate indicators for landfill methane and capture efficiency, organics diversion and treatment, material recovery and substitution of virgin materials, residual waste treatment, sector energy and fleet emissions, and economy-wide avoided emissions attributable to resource recovery. The aggregation of landfills and other WARR facilities with other industrial processes when calculating emissions trajectories risks obscuring the particular emissions profile, legacy liabilities and abatement opportunities of WARR facilities. It is not reasonably practicable for WARR facilities to undertake further decarbonisation at the same level as industrial facilities. WMRR reiterates that that abatement of the WARR sector's 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 (or other WARR facility) operates.

WMRR trusts that DCCEEW will give due consideration to these comments in the review of the Safeguard Mechanism. The review provides an opportunity for the department to consider how it can increase meaningful industrial decarbonisation without imposing unnecessary costs, and, as the WARR sector's contribution to emissions reduction cannot be assessed through direct facility emissions alone, landfills should be removed from the Safeguard Mechanism or, at a minimum, protected from threshold expansion until sector-specific accounting, baselines and crediting rules are in place. WMRR encourages the preservation of incentives for domestic abatement, resolving the treatment of offsite AWT to produce carbon credits for abatement efforts, and modernising NGER waste data classification defaults to provide the policy certainty needed for investment in long-lived circular-economy infrastructure that is essential for Australia to achieve its net zero targets. These recommended reforms would better direct investment toward genuine emissions reduction while maintaining safe, affordable and resilient waste services.

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

Yours sincerely



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