



Mr Mike Kaiser
Secretary
Department of Climate Change, Energy, the Environment and Water
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Submission via [online portal](#)

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Dear Mr Kaiser

Re: Sunsetting review of the Source Separated Organic Waste method 2016

Thank you for the opportunity to provide feedback to the Emissions Reduction Assurance Committee (ERAC) on the Sunsetting review of the Source Separated Organic Waste method 2016 (“the SSOW Method”). The SSOW Method incentivises businesses and organisations to stop food waste from being landfilled by enabling eligible projects to earn ACCUs by separating organic waste at the site where it is generated and establishing collections for organics processing (via enclosed composting, open windrow composting, anaerobic digestion or manufacturing process engineered fuel) or donating it to registered charities. Whilst 30 projects have been registered under the SSOW Method, only two (2) have generated ACCUs – The Council of the City of Shellharbour (2789 ACCUs) and Woolworths Food Waste Division (15,057 ACCUs). The SSOW Method is set to expire on 31 March 2026. This sunsetting review seeks to identify any issues with the Offset Integrity Standards that may need to be addressed if the method is remade.

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 2,300 members from approximately 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.

Being at the forefront of the ongoing evolution towards a whole-of-system action and the development of a circular economy, WMRR strongly advocates for a systems-based approach to managing materials in Australia. This includes fierce advocacy for the waste and resource management hierarchy, which promotes avoidance of waste, and the diversion of suitable materials from landfill through preference for the reuse, recovery, recycling and composting of appropriate resources. Resource recovery necessarily mitigates negative carbon impacts and promotes its sequestration.

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WMRR appreciates that the ACCU Scheme can continue play a significant role in helping Australia reach its resource recovery and carbon mitigation targets – particularly as we gain pace towards the goal of halving organics to landfill by 2030 and achieving Net Zero emissions by 2050. Given we are rapidly approaching the 2030 target and the limited reach of source separated organics mandates, it is essential that Australia continues to use all necessary levers to encourage the recovery of organics. This review presents a valuable opportunity to redesign the SSOW Method to address the low uptake, in a way that enables the ACCU Scheme to more effectively drive investment in technologies and processes that divert greater volumes of organic material from landfill. WMRR also supports considering broadening the reach of a future remake of the AWT Method to include methods that incentivise the separation of organics wastes at the site of generation. What is crucial is that the mechanism for source separation of organics at the point of generation continues to be covered under the ACCU Scheme.

WMRR support for remaking the SSOW Method

WMRR does not support a complete retirement of the SSOW Method. Given 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), 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 or organics being landfilled. A remade SSOW Method has the potential to drive additional carbon abatement by incentivising the source separation of organic waste at the point of generation—particularly in commercial food waste collection and in locations lacking existing requirements for organics separation.

However, the SSOW Method's extremely limited uptake suggests that the current approach and financial incentives of the Scheme currently do not outweigh the considerable compliance and administrative demands involved in project participation. As it stands, the SSOW Method is overly complex and narrowly defined, which makes it unattractive for broader industry engagement. It follows that the revision of the SSOW Method should look at ways to further incentivise entities that optimise the diversion of organics from landfill by 'broadening' the scope of projects that can be captured under the SSOW Method and streamlining the project requirements to make them less complex. This would require further technical engagement with the broader organics recovery industry.

For example, in WMRR's view, the remaking of the SSOW Method should include:

- review the compliance and audit methodology – noting the ongoing \$45,000 auditing costs would be a significant deterrent.
- provision for extending the SSOW Method to organics collectors and processors who go above and beyond to improve organics capture and divert from landfill. For example, electing to increase frequency of collections may result in less disposed tonnes.
- express inclusion of projects in jurisdictions not captured by the 2030 source separation mandates (eg: regions that have been exempt, and for the periods prior to 2030 deadline).
- extended crediting periods beyond 2030 for eligible projects not captured by the mandates.



- aligning crediting periods to other abatement projects. WMRR would encourage all abatement projects to be credited for a 15-year term, given the significant investment involved in project set up and ongoing auditing and compliance requirements.

If the Assistant Minister decides to remake the method, WMRR would welcome the opportunity to participate in the remaking process.

An alternative approach – Revise the Alternative Waste Treatment Method

The now expired Alternative Waste Treatment (AWT) Method was applied to the same organics processing technologies as the SSOW Method - albeit that the AWT Method applied to projects handling Mixed Solid Waste. The expired AWT Method generated over \$5 million in ACCUs, indicating that the AWT Method's administrative effort and compliance requirements were warranted by the financial return. WMRR understands that ERAC has recommended the remaking of the AWT Method to the Assistant Minister. WMRR does not wish to stop this remake of AWT Method from progressing, given a number of projects exist already with this method. Rather, we recommend a future AWT Method that covers a range of recovery technologies including those currently captured by the SSOW Method (i.e.: AWT Method 'Mark 2'). A remade AWT Method – inclusive of an extended accounting and crediting periods, and an increased deferral period to start projects – could be drafted to also capture sites that generate and separate organic waste where there are no regulatory requirements for source separation, alongside those projects which capture Mixed Solid Waste.

WMRR reiterates that participation in the Emissions Reduction Fund can underscore the economic viability of these important abatement projects and welcomes further engagement on this important issue.

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

Yours sincerely

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Chief Executive Officer

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