# Understanding waste facility ownership structures and emissions responsibilities

For councils in the Hunter Region and across New South Wales (NSW), various waste treatment facilities, such as landfill gas (LFG) capture systems, flaring and generation assets, composting facilities, and anaerobic digestion plants, have shown to be effective in reducing greenhouse gas emissions.

Understanding ownership structures and emissions responsibilities is essential for accurate emissions reporting and compliance with frameworks such as the National Greenhouse and Energy Reporting (NGER) scheme and Climate Active.

This fact sheet outlines how different facility ownership arrangements affect carbon accounting and reporting responsibilities, including information about the way the NGER solid waste calculator handles these differences

An analysis of this data, consistent with findings from nationwide studies, shows significant variation in diversion rates for food and garden organics programs.

## **Ownership Structures**

According to NGER guidance, there are three broad possible scenarios with regards to facility ownership and operation, as outlined below:

Council operates both landfill and treatment facilities

#### Structure

The council owns and operates all aspects of the landfill, including the LFG management, composting, or anaerobic digestion facility.

#### **Emissions responsibilities**

The council is responsible for reporting all emissions. This includes emissions from waste disposal, LFG capture, biological treatment, flaring, energy generation, and any other related activities. The council manages and reports on all emissions under its operational control.

#### Council operates landfill, third-party operates treatment facilities

#### Structure

The council owns and operates the landfill but outsources the management of LFG, composting, or anaerobic digestion to a third-party company (or companies).

#### **Emissions responsibilities**

• The boundary for emissions reporting is split, with each entity responsible for their respective operations.

- The council reports emissions from landfill operations.
- The third-party company reports emissions from LFG capture, biological treatment, flaring, and energy generation activities.
- Clear contractual agreements are essential to define these boundaries and ensure compliance.

#### Third-Party (or parties) operates both landfill and treatment facilities

## Structure

A third-party company owns and operates all aspects of the landfill and the LFG and/or biological treatment operations.

## **Emissions responsibilities**

The third-party (or parties) are responsible for all emissions reporting. Councils may report indirect (Scope 3) emissions associated with waste management activities, but these are not covered under the NGER scheme. This structure allows the council to focus on waste management activities while ensuring that waste-related Scope 1 and 2 emissions reporting is handled by the third-party operator.





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## Facility ownership and calculator inputs

The NGER Solid Waste Calculator integrate various data inputs, such as landfill gas captured, flared, treated, or transferred offsite, to facilitate accurate emissions reporting in line with ownership structure differences. Councils report only on landfill operations under their control, while third-party companies report emissions from LFG capture, biological treatment, and energy generation. For example, when gas or waste is transferred to a third-party treatment facility, the emissions associated with landfill operations are reduced based on impact of gas management and/or waste diversion. By considering these inputs, the calculator helps councils and third-party operators define the boundaries of operational control and ensure precise, compliant emissions reporting.



### Case Study

NSC Street

100%

renewables

The Awaba Waste Management Facility (AWMF) near Lake Macquarie in NSW highlights how different ownership structures influence emissions reporting and NGER calculator use. Lake Macquarie City Council owns the landfill, but the landfill gas system and organics processing is outsourced to 3rd parties.

**Landfill gas** is transferred to 3rd party operator LMS Energy for flaring and energy generation. The NGER calculator accounts for this by entering gas volumes into the Quantity Transferred column.

Council-operated landfill emissions will be reduced by transferring LFG offsite, while any emissions at the LMS facilities will fall under LMS's separate reporting boundary.

**Organic waste** is diverted to 3rd party operator REMONDIS for processing and composting. The volumes of food and organics diverted to the 3rd party are no longer council's responsibility and therefore are not entered into Council's NGER calculator as would otherwise be the case. This reduction in volumes entered into the calculator thereby reduces calculated emissions results for Council's landfill operations.

When third parties operate landfill gas (LFG) and composting facilities, the party responsible for operating and managing the emissions reduction activities typically receives the Australian Carbon Credit Units (ACCUs). In this case, if LMS Energy operates the LFG system and REMONDIS manages the composting facility at Awaba, they would be the entities eligible to claim the ACCUs generated from their respective operations. This is because ACCUs are awarded based on actual emissions reduction activities, and the operators, rather than the facility owners (such as the council), are usually the ones undertaking the projects that qualify under the Emissions Reduction Fund (ERF).

However, specific contractual agreements between the council and the operators could dictate how ACCUs are allocated.

By clearly understanding and defining ownership structures and emissions responsibilities, councils and third-party companies can ensure proper use of the NGER calculator and achieve accurate emissions estimates for tracking and reporting purposes.