

MEDIA RELEASE

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RECYCLING INDUSTRY WELCOMES LANDFILL LEVY

The recycling and waste management industry today said that announcements in the NSW Treasurer's Mini-Budget would hasten a major increase in recycling in NSW.

"The increases in the Waste and Environmental levy by \$10 a tonne (against an existing planned increase of \$7) and the extension of the scheme by 5 years to 2016 will enable the waste industry's private sector to consider major investment in new technology", said Mike Ritchie, general manager of marketing and communications with leading recycling company, SITA Environmental Solutions.

"Over the next ten years we are likely to see proposals put forward for investing up to \$1 billion in alternative waste treatment and other available technology in the State over the life of the initiative", said Mr Ritchie.

"The increases mean that by 2016 the levy, without taking into account CPI adjustments, will be more than \$128 a tonne.

"The higher levy provides investment incentives for the waste sector. The NSW Government should be congratulated for taking steps to see that recycling is more competitive with landfill. For too long it has been cheaper to landfill than to recycle.

"Most companies are economically rational – they will do what is in the interests of their shareholders and landfill when it is cheaper", Mr Ritchie said.

"It's also pleasing that over the next four years nearly \$110 million will be allocated to expanded environmental programs from the proceeds of the levy. The industry hopes that the Government will assist local government and businesses to improve their recycling rates and build the necessary supporting infrastructure", said Mr Ritchie.

"It is good to see the NSW Government taking action to drive recycling rates upward especially as this is National Recycling Week. With national recycling rates stagnating at 48% the NSW Government is leading the way. We hope other Governments will follow suit", said Mr Ritchie.

"To achieve the NSW Government's recycling targets some \$400 million of new infrastructure is required in Sydney alone. The private sector is ready to invest this money and to create 1000 new jobs in related businesses. The levy increase will start that ball rolling".

Mr Ritchie also said that the decision to sell the state-owned waste group WSN would also open the waste industry to new competition.

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SITA Environmental Solutions, a SUEZ Environment subsidiary, provides weekly services to over 43,000 commercial and industrial clients and more than 800,000 households across Australia

SITA's services include domestic, commercial & industrial waste collection; waste assessments; resource recovery and recycling options; processing of organic materials into compost; renewable energy facilities; hygiene services; waste treatment; and product destruction.

More information on SITA's services can be obtained by calling 13 13 35 or visit www.sita.com.au

With 62,000 employees and more than 120 years of efforts to constantly improve the quality of life for all, SUEZ Environment, a company present on the five continents, is exclusively dedicated to the environment business in which it has firmly secured its position as world leader.

SUEZ Environment and its subsidiaries are committed to the day-to-day challenge of conserving resources and protecting eco-systems by providing innovative solutions to millions of people and industries in the drinking water, wastewater treatment and waste management fields.

SUEZ Environment's waste and water management business expertise is a vital asset in responding to the stakes of the 21st Century: effectively, the world of tomorrow needs an economy which preserves natural resources and optimises the use of raw materials.

DETAILS OF TODAY'S ANNOUNCEMENT IN MINI BUDGET

Deputy Premier, Minister for Climate Change and the Environment, and Minister for Commerce				
Department of Environment and Climate Change				
Adjust the levy on electricity distributors under the <i>Energy and Utilities Administration Act 1987</i> to fund the Energy Efficiency Strategy.	...	37,700	42,000	28,100
NSW Energy Efficiency Strategy.	-7,000	-35,950	-40,250	-26,350
Increase Waste and Environment Levy for the Sydney region and the Hunter, Central Coast and Illawarra by \$10 per tonne per annum indexed to CPI, from 1 July 2009 until 2015-16. The \$10 increase will replace the \$7 per tonne increase previously scheduled for 1 July 2009. Extend Waste and Environmental Levy to cover Wollondilly and Blue Mountains local government areas, and coastal local government areas from the Hunter to the Queensland border. The levy rate will be \$10 per tonne from 1 July 2009, with increases of \$10 per tonne per annum, plus movements in the consumer price index, to apply from 1 July 2010 until 2015-16.	...	20,500	46,800	80,200
Provide for new or expanded environmental programs funded by increases in the Waste and Environment Levy on waste disposed of at landfill.	...	-18,767	-10,567	-80,420
Introduce a levy of \$15 per tonne from 1 November 2009 on coal waste disposed other than as part of an approved mine remediation plan. It is anticipated that the levy will stimulate alternative disposal arrangements and consequently revenue is expected to reduce to zero over time.	...	25,000	32,672	28,465
Discontinue the Forging Partnerships Program (administered by the Natural Resource Advisory Council) as it duplicates programs funded	1,800	1,800	1,800	1,800

through the Environmental Trust.				
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