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## To Our Valued Suppliers

### Re: Increase in NSW Government Waste and Environment Levy.

On July 1 2019, the NSW Government through the NSW EPA is increasing the Waste Levy imposed on the metal recycling industry. This is the charge imposed on metal recyclers when they dispose of waste that comes out of the process of metal recycling.

We have been advised that the levy will increase to **\$143.60** per tonne, this is in addition to regular increases in landfill and transport costs. It is important to note that only a small fraction of these levies are returned to the general recycling industry and that most of these monies go directly to the NSW Governments' consolidated revenue pool.

As you are aware, a significant and increasing proportion of materials shredded and recycled by Sims Metal Management ('Sims') contain an ever increasing amount of non-metal materials i.e. plastic, foam, insulation, paint, wood, fibre and rubber etc. as well as inert materials like dirt, concrete and rocks. It is not technically possible to recover these materials through the recycling process, and so these materials end up at landfill as waste despite Sims best endeavours.

To remain sustainable in the face of these huge increases in operating costs, Sims will be forced to increase its non-metal waste recharge. Effective July 1 2019, Sims will increase its non-metallic waste recovery charge for materials processed by shredding to \$55.00 + GST per tonne for cars and light gauge materials, and \$10.00 + GST per tonne for clean light gauge and shreddable material with minimal waste. Clean production scrap with no waste will not attract this recharge.

Sims apologise for the late notification, however the NSW EPA have only provided formal notification of the changes very recently. Sims has made representations to the NSW Government regarding these cost increases and the impact they will have on our industry. You can be assured that if the NSW Government changes its approach to the levy, then Sims will react accordingly and revisit these non-metal waste recharges.

If you would like to speak to someone about these changes, we encourage you to contact your Sims representative.

Kind Regards

**Sims Metal Management NSW**  
**Monday, 1 July 2019**