

RIO TINTO

Charlie Lenegan
Managing Director
Rio Tinto -Australia

19th July, 2006

Mr. Philip Weickhardt
Commissioner
Productivity Commission
Level 28, 35 Collins Street
MELBOURNE Vic 3000

Dear Philip,

Waste Management - Productivity Commission Draft Report

I refer to the May 2006 Productivity Commission Draft Report into Waste Management and advise that the Business Roundtable into Sustainable Development (BRSD) does not propose to appear before the public hearings in early August.

The BRSD has reviewed the draft report and supports the key findings and recommendations. We note, in particular, our support for the following points which reflect the positions outlined by the BRSD in our submission to the Productivity Commission:

- Waste policy should focus on delivering outcomes based on value and risk rather than on the basis of volume reduction, revenue raising or assumed upstream benefits.
- Waste management policy should be guided by best practice approaches to policy development.
- Waste policy is most effective when it is focused on downstream disposal impacts rather than on the upstream areas of resource conservation and resource use.
- Waste policy in Australia, and community awareness of waste management challenges, need to be refocused. Our review identified a number of cases where inappropriate regulation or incorrectly targeted policy interventions have imposed high economic costs without delivering commensurate benefits.
- Waste policy should be driven by the need to achieve the best overall outcome rather than preferring any one method of waste disposal. Our proposal noted a number of policy dimensions that could be used to develop the most appropriate solution for any given set of circumstances.
- Arbitrary use of waste minimisation or recycling targets are inappropriate and can lead to perverse outcomes if they are not considered within the value and risk framework outlined in our previous submission.

As indicated above, the BRSD supports the findings of the Productivity Commission Draft Report. We would like this support to be noted as part of the Productivity Commission review process, but we do not propose to appear before the Inquiry to reconfirm our position.

Yours sincerely,

Charlie Lenegan

cc: Mr. Paul Belin Assistant Commissioner