



Variation of domestic waste management charges for NSW councils for the 2024-25 financial year

21 November 2023

In line with the NSW Office of Local Government's regulatory approach, we have not set a 'waste peg'

IPART decides each year whether or not to set a maximum percentage by which NSW local councils can vary their domestic waste management (DWM) annual charges ('waste peg').

In the context of the NSW Office of Local Government's (OLG's) planned regulatory approach for DWM annual charges, we have decided there should be no limitation on the amount by which councils can vary their DWM annual charges for the 2024-25 financial year.

Our decision is:

1. That no limit is to apply to the percentage by which councils may vary their domestic waste management annual charges for the 2024-25 financial year.

In making this decision, we considered OLG's regulatory role and its planned approach to regulating DWM annual charges. In 2022, as part of our [review](#) on how we exercise our functions related to DWM annual charges, OLG recommended a new regulatory approach involving it providing further guidance to councils and undertaking targeted investigation of councils that may be imposing unjustifiably high charges on their communities. IPART continues to support OLG on its regulatory approach.

We also recognise the need to support councils and communities in meeting the [NSW Government's Waste and Sustainable Materials Strategy 2041](#) targets and transitioning towards a circular economy. This includes requirements for councils to provide food organics and garden organics (FOGO) collection services to all NSW households by 2030.

Domestic waste management charges can vary across councils

Domestic waste management is a key responsibility for councils, with social, public health, environmental and economic significance. Councils provide a range of domestic waste management services to their residents, such as kerbside collection for landfill, recycling and FOGO, drop-off facilities and periodic clean-up services.

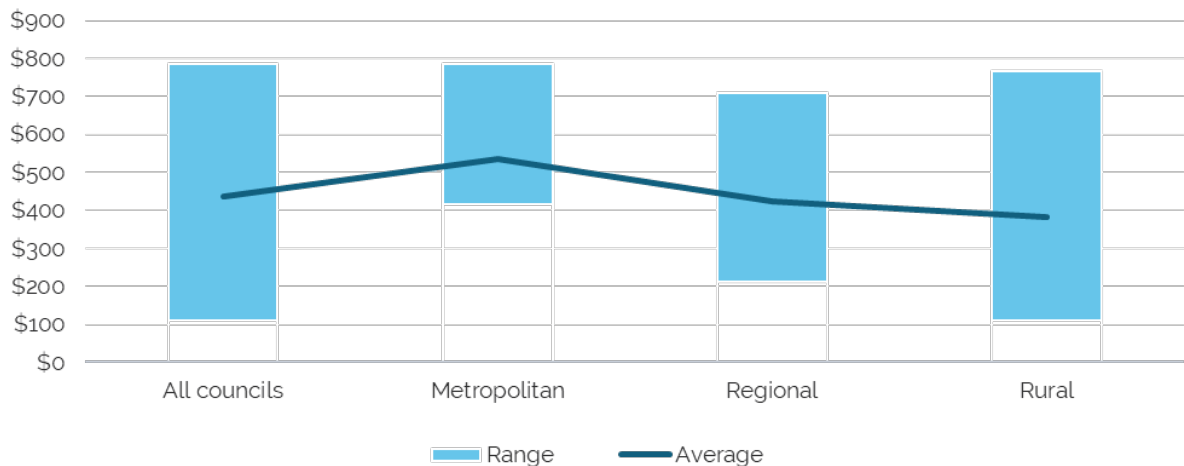
In 2021-22, which is the latest data available, all councils provided general waste services (residual waste). For other services:



Several councils do not provide a recycling collection service. Many of these councils, however, provide drop-off services which allow residents to drop off materials for recycling and disposal.

DWM annual charges vary among councils according to the frequency and types of services provided, the proportion of ratepayers receiving these services, whether the council contracts out the service provision, and other local factors (see Figure 1). Under the *Local Government Act 1993 section 504(3)* councils must set DWM annual charges such that the income obtained from charges for DWM services does not exceed the reasonable cost to the council of providing those services. This obligation applies regardless of IPART's decision.

Figure 1 Average DWM annual charges amongst council groups



a. Analysis is based on average domestic waste annual charges sourced from the most up to date OLG dataset from 2021-22, calculated from DWM annual charge income divided by the number of residential rating assessments per council. This data does not reflect actual DWM annual charges for specific services but provides an indication of the levels of DWM annual charges.

b. The teal line reflects averages across councils and council groups.

Source: [OLG Time Series data](#), 2021-22 and IPART analysis.