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Independent Pricing and Regulatory Tribunal  
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Dear Sheridan,

Thank you for the opportunity to comment on the Independent Pricing and Regulatory Tribunal's (IPART's) Review of Domestic Waste Management Charges Draft Report. The NSW Environment Protection Authority (EPA) is pleased to make this submission as the State's primary environmental regulator and the agency leading the implementation of the NSW Government's *Waste and Sustainable Materials Strategy 2041*.

The *Waste and Sustainable Materials Strategy 2041*, released in June 2021, sets out the NSW Government's objectives to reduce waste, increase recycling and transition the state to a circular economy. The strategy is a whole-of-government initiative and represents a significant shift in the way waste and resource recovery is managed to build a circular economy in NSW.

Under Stage 1 of the strategy, the NSW Government is investing \$356 million over five years, to deliver key reforms, including:

- phasing out problematic single-use plastic items
- mandating the source separation of food and garden organics for households and selected businesses
- incentivising biogas generation from waste materials and introducing new landfill gas capture requirements
- planning for our critical waste management and circular economy infrastructure needs
- supporting local councils to jointly procure waste services.

The NSW Government has also committed to a series of targets for NSW waste reduction and landfill diversion, including to:

- reduce total waste generated by 10% per person by 2030
- have an 80% average recovery rate from all waste streams by 2030
- significantly increase the use of recycled content by governments and industry
- phase out problematic and unnecessary plastics by 2025
- halve the amount of organic waste sent to landfill by 2030.

As providers of critical waste and recycling services to NSW communities, local councils will play a fundamental role in delivering the strategy's initiatives and contributing to the targets.

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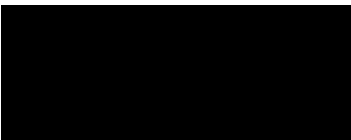
From 2022-23, local councils will need to adjust their domestic waste management services to align with the strategy's requirements and targets. In particular, many councils will be required to rollout new collection services and processing capacity to support mandated source separation of food and garden organics from NSW households. Concurrently, IPART is proposing a significant change to the way in which councils recover the costs of providing domestic waste management services, by annually publishing a 'benchmark' waste peg, capped at 1.1% in 2022-23.

IPART's proposed 'benchmark' waste peg, combined with the proposal to report on councils whose charges have increased more than the benchmark, creates a risk that councils will be deterred from investing in the improved waste management services needed to deliver on the objectives of the *Waste and Sustainable Materials Strategy 2041* and contribute to a circular economy. IPART should ensure that its decision does not discourage councils from investing in improved waste services and place pressure on councils to prioritise cost-savings over improved environmental, human health and social outcomes.

The EPA encourages IPART in finalising its review to consider any risks to the ability of and incentives for local councils to invest in the services required to deliver on the objectives of the Strategy and meet the needs and preferences of their communities in relation to environmental, human health or social outcomes.

If IPART would like to further discuss the EPA's submission to its Review of Domestic Waste Management Charges Draft Report, please do not hesitate to contact Asela Atapattu, Director Major Projects & Initiatives, EPA at [REDACTED]

Yours sincerely



**JACQUELEINE MOORE**  
Acting Chief Executive Officer

22 March 2022