ATTACHMENTS TO REPORTS OF THE BLAYNEY SHIRE COUNCIL MEETING
HELD ON TUESDAY 16 JUNE 2026

PART ONE

EXECUTIVE SERVICES

01 Code of Meeting Practice

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Code of Meeting Practice

Policy	1C
Officer Responsible	Director Corporate Services
Last Review Date	XX/XX/2026

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1 INTRODUCTION

This Model Code of Meeting Practice for Local Councils in NSW (the Model Meeting Code) is made prescribed section 360 of the *Local Government Act 1993* (the Act) and the *Local Government (General) Regulation 2021* (the Regulation).

The Model Meeting Code applies to all meetings of councils and committees of councils of which all the members are councillors (committees of council). Council committees whose members include persons other than councillors may adopt their own rules for meetings unless the council determines otherwise.

Councils must adopt a code of meeting practice that incorporates the mandatory provisions of the Model Meeting Code.

A council's adopted code of meeting practice may also incorporate the non-mandatory provisions of the Model Meeting Code and other supplementary provisions. However, a code of meeting practice adopted by a council must not contain provisions that are inconsistent with the mandatory provisions of this Model Meeting Code.

A council and a committee of the council of which all the members are councillors must conduct its meetings in accordance with the code of meeting practice adopted by the council.

2 MEETING PRINCIPLES

2.1 Council and committee meetings should be:

Transparent: Decisions are made in a way that is open and accountable.

Informed: Decisions are made based on relevant, quality information.

Inclusive: Decisions respect the diverse needs and interests of the local community.

Principled: Decisions are informed by the principles prescribed under Chapter 3 of the Act.

Trusted: The community has confidence that councillors and staff act ethically and make decisions in the interests of the whole community.

Respectful: Councillors, staff and meeting attendees treat each other with respect.

Effective: Meetings are well organised, effectively run and skilfully chaired.

Orderly: Councillors, staff and meeting attendees behave in a way that contributes to the orderly conduct of the meeting.

3 BEFORE THE MEETING

Timing of ordinary council meetings

3.1 Ordinary meetings of the council will be held on the following occasions:

Council shall meet at 6:00pm on the fourth Tuesday of each month at the Blayney Shire Community Centre. Where a Council meeting falls on a Tuesday that is a public holiday, the Council meeting shall be held on the Tuesday of the following week unless otherwise determined.

Council shall adopt an annual schedule of dates for Council and Council Committee meetings at the September meeting.

Any change from the date or commencement time of a Council meeting shall be by resolution of the Council or, in emergency circumstances, by the authorisation of the Mayor.

Extraordinary meetings

3.2 If the mayor receives a request in writing, signed by at least two (2) councillors, the mayor must call an extraordinary meeting of the council to be held as soon as practicable, but in any event, no more than fourteen (14) days after receipt of the request. The mayor can be one of the two councillors requesting the meeting.

Note: Clause 3.2 reflects section 366 of the Act.

Notice to the public of council meetings

3.3 The council must give notice to the public of the time, date and place of each of its meetings, including extraordinary meetings and of each meeting of committees of the council.

Note: Clause 3.3 reflects section 9(1) of the Act.

3.4 For the purposes of clause 3.3, notice of a meeting of the council and of a committee of council is to be published before the meeting takes place. The notice must be published on the council's website, and in such other manner that the council is satisfied is likely to bring notice of the meeting to the attention of as many people as possible.

3.5 For the purposes of clause 3.3, notice of more than one (1) meeting may be given in the same notice.

Notice to councillors of ordinary council meetings

3.6 The general manager must send to each councillor, at least three (3) days before each meeting of the council, a notice specifying the time, date and place at which the meeting is to be held, and the business proposed to be considered at the meeting.

Note: Clause 3.6 reflects section 367(1) of the Act.

3.7 The notice and the agenda for, and the business papers relating to, the meeting may be given to councillors in electronic form, but only if all councillors have facilities to access the notice, agenda and business papers in that form.

Note: Clause 3.8 reflects section 367(3) of the Act.

Notice to councillors of extraordinary meetings

3.8 Notice of less than three (3) days may be given to councillors of an extraordinary meeting of the council in cases of emergency.

Note: Clause 3.8 reflects section 367(2) of the Act.

Giving notice of business to be considered at council meetings

3.9 A councillor may give notice of any business they wish to be considered by the council at its next ordinary meeting by way of a notice of motion. To be included on the agenda of the meeting, the notice of motion must be in writing and must be submitted 6 (six) business days before the meeting is to be held.

3.10 A councillor may, in writing to the general manager, request the withdrawal of a notice of motion submitted by them prior to its inclusion in the agenda and business paper for the meeting at which it is to be considered.

3.11 If the general manager considers that a notice of motion submitted by a councillor for consideration at an ordinary meeting of the council has legal, strategic, financial or policy implications which should be taken into consideration by the meeting, the general manager may prepare a report in relation to the notice of motion for inclusion with the business papers for the meeting at which the notice of motion is to be considered by the council.

3.12 If the general manager considers that a notice of motion submitted by a councillor for consideration at an ordinary meeting of the council has legal, strategic, financial or policy implications which should be taken into consideration by the meeting, the general manager may prepare a report in relation to the notice of motion for inclusion with the business papers for the meeting at which the notice of motion is to be considered by the council.

3.13 A notice of motion for the expenditure of funds on works and/or services other than those already provided for in the council's current adopted operational plan must identify the source of funding for the expenditure that is the subject of the notice of motion. If the notice of motion does not identify a funding source, the general manager must either:

(a) prepare a report on the availability of funds for implementing the motion if adopted for inclusion in the business papers for the meeting at which the notice of motion is to be considered by the council, or

(b) by written notice sent to all councillors with the business papers for the meeting for which the notice of motion has been submitted, defer consideration of the matter by the council to such a date specified in the notice, pending the preparation of such a report.

Questions with notice

3.14 A councillor may, by way of a notice submitted under clause 3.9, ask a question for response by the general manager about the performance or operations of the council.

3.15 A councillor is not permitted to ask a question with notice under clause 3.14 that comprises a complaint against the general manager or a member of staff of the council, or a question that implies wrongdoing by the general manager or a member of staff of the council.

3.16 The general manager or their nominee may respond to a question with notice submitted under clause 3.14 by way of a report included in the business papers for the relevant meeting of the council or orally at the meeting.

Agenda and business papers for ordinary meetings

3.17 The general manager must cause the agenda for a meeting of the council or a committee of the council to be prepared as soon as practicable before the meeting.

3.18 The general manager must ensure that the agenda for an ordinary meeting of the council states:

(a) all matters to be dealt with arising out of the proceedings of previous meetings of the council, and
(b) if the mayor is the chairperson – any matter or topic that the chairperson proposes, at the time when the agenda is prepared, to put to the meeting, and
(c) all matters, including matters that are the subject of staff reports and reports of committees, to be considered at the meeting, and
(d) any business of which due notice has been given under clause 3.9.

3.19 Nothing in clause 3.18 limits the powers of the mayor to put a mayoral minute to a meeting under clause 9.6.

3.20 The general manager must not include in the agenda for a meeting of the council any business of which due notice has been given if, in the opinion of the general manager, the business is, or the implementation of the business would be, unlawful. The general manager must report, without giving details of the item of business, any such exclusion to the next meeting of the council.

3.21 Where the agenda includes the receipt of information or discussion of other matters that, in the opinion of the general manager, is likely to take place when the meeting is closed to the public, the general manager must ensure that the agenda of the meeting:

(a) identifies the relevant item of business and indicates that it is of such a nature (without disclosing details of the information to be considered when the meeting is closed to the public), and
(b) states the grounds under section 10A(2) of the Act relevant to the item of business.

Note: Clause 3.21 reflects section 9(2A)(a) of the Act.

3.22 The general manager must ensure that the details of any item of business which, in the opinion of the general manager, is likely to be considered when the meeting is closed to the public, are included in a business paper provided to councillors for the meeting concerned. Such details must not be included in the business papers made available to the public and must not be disclosed by a councillor or by any other person to another person who is not authorised to have that information.

Statement of ethical obligations

3.23 Business papers for all ordinary and extraordinary meetings of the council and committees of the council must contain a statement reminding councillors of their oath or affirmation of office made under section 233A of the Act and their obligations under the council's code of conduct to disclose and appropriately manage conflicts of interest.

Availability of the agenda and business papers to the public

3.24 Copies of the agenda and the associated business papers, such as correspondence and reports for meetings of the council and committees of council, are to be published on the council's website, and must be made available to the public for inspection, or for taking away by any person free of charge at the offices of the council, at the relevant meeting and at such other venues determined by the council.

Note: Clause 3.24 reflects section 9(2) and (4) of the Act.

3.25 Clause 3.24 does not apply to the business papers for items of business that the general manager has identified under clause 3.22 as being likely to be considered when the meeting is closed to the public.

Note: Clause 3.25 reflects section 9(2A)(b) of the Act.

3.26 For the purposes of clause 3.24, copies of agendas and business papers must be published on the council's website and made available to the public at a time that is as close as possible to the time they are available to councillors.

Note: Clause 3.26 reflects section 9(3) of the Act.

3.27 A copy of an agenda, or of an associated business paper made available under clause 3.22, may in addition be given or made available in electronic form.

Note: Clause 3.27 reflects section 9(5) of the Act.

Agenda and business papers for extraordinary meetings

3.28 The general manager must ensure that the agenda for an extraordinary meeting of the council deals only with the matters stated in the notice of the meeting.

3.29 Despite clause 3.28, business may be considered at an extraordinary meeting of the council, even though due notice of the business has not been given, if:

(a) a motion is passed to have the business considered at the meeting, and
(b) the business to be considered is ruled by the chairperson to be of great urgency on the grounds that it requires a decision by the council before the next scheduled ordinary meeting of the council.

3.30 A motion moved under clause 3.29(a) can be moved without notice but only after the business notified in the agenda for the extraordinary meeting has been dealt with.

3.31 Despite clauses 10.20–10.30, only the mover of a motion moved under clause 3.27(a) can speak to the motion before it is put.

3.32 A motion of dissent cannot be moved against a ruling of the chairperson under clause 3.27(b) on whether a matter is of great urgency.

Pre-meeting briefing sessions

3.33 Prior to each ordinary meeting of the council, the general manager may arrange a pre-meeting briefing session to brief councillors on business to be considered at the meeting. Pre-meeting briefing sessions may also be held for extraordinary meetings of the council and meetings of committees of the council.

3.34 Pre-meeting briefing sessions are to be held in the absence of the public.

3.35 Pre-meeting briefing sessions may be held by audio-visual link.

3.36 The general manager or a member of staff nominated by the general manager is to preside at pre-meeting briefing sessions.

3.37 Councillors must not use pre-meeting briefing sessions to debate or make preliminary decisions on items of business they are being briefed on, and any debate and decision-making must be left to the formal council or committee meeting at which the item of business is to be considered.

3.38 Councillors must declare and manage any conflicts of interest they may have in relation to any item of business that is the subject of a briefing at a pre-meeting briefing session, in the same way that they are required to do so at a council or committee meeting. The council is to maintain a written record of all conflict of interest declarations made at pre-meeting briefing sessions and how the conflict of interest was managed by the councillor who made the declaration.

4 PUBLIC FORUMS

4.1 The council may hold a public forum prior to each ordinary meeting of the council for the purpose of hearing oral submissions from members of the public on items of business to be considered at the meeting. Public forums may also be held prior to extraordinary council meetings and meetings of committees of the council.

4.2 Public forums may be held by audio-visual link.

4.3 Public forums are to be chaired by the mayor or their nominee.

4.4 To speak at a public forum, a person must first make an application to the council in the approved form. Applications to speak at the public forum in person must be received by 4.30pm or by audio-visual link by 9.30am on the day of the Council meeting on which the public forum is to be held, and must identify the item of business on the agenda of the council meeting the person wishes to speak on, and whether they wish to speak 'for' or 'against' the item.

4.5 A person may apply to speak on no more than **2 (two)** items of business on the agenda of the council meeting.

4.6 Legal representatives acting on behalf of others are not to be permitted to speak at a public forum unless they identify their status as a legal representative when applying to speak at the public forum.

4.7 The general manager or their delegate may refuse an application to speak at a public forum. The general manager or their delegate must give reasons in writing for a decision to refuse an application.

4.8 No more than **2 (two)** speakers are to be permitted to speak 'for' or 'against' each item of business on the agenda for the council meeting.

4.9 If more than the permitted number of speakers apply to speak 'for' or 'against' any item of business, the general manager or their delegate may request the speakers to nominate from among themselves the persons who are to address the council on the item of business. If the speakers are not able to agree on whom to nominate to address the council, the general manager or their delegate is to determine who will address the council at the public forum.

4.10 If more than the permitted number of speakers apply to speak 'for' or 'against' any item of business, the general manager or their delegate may, in consultation with the mayor or the mayor's nominated chairperson, increase the number of speakers permitted to speak on an item of business, where they are satisfied that it is necessary to do so to allow the council to hear a fuller range of views on the relevant item of business.

4.11 Approved speakers at the public forum are to register with the council any written, visual or audio material to be presented in support of their address to the council at the public forum, and to identify any equipment needs no later than 1**2pm** on the day of the public forum. The general manager or their delegate may refuse to allow such material to be presented.

4.12 The general manager or their delegate is to determine the order of speakers at the public forum.

4.13 Each speaker will be allowed 5 (five) minutes to address the council. This time is to be strictly enforced by the chairperson.

4.14 Speakers at public forums must not digress from the item on the agenda of the council meeting they have applied to address the council on. If a speaker digresses to irrelevant matters, the chairperson is to direct the speaker not to do so. If a speaker fails to observe a direction from the chairperson, the speaker will not be further heard.

4.15 A councillor (including the chairperson) may, through the chairperson, ask questions of a speaker following their address at a public forum. Questions put to a speaker must be direct, succinct and without argument.

4.16 Speakers are under no obligation to answer a question put under clause 4.15. Answers by the speaker, to each question are to be limited to **2 (two)** minutes.

4.17 Speakers at public forums cannot ask questions of the council, councillors or council staff.

4.18 The general manager or their nominee may, with the concurrence of the chairperson, address the council for up to **5** minutes in response to an address to the council at a public forum after the address and any subsequent questions and answers have been finalised.

4.19 Where an address made at a public forum raises matters that require further consideration by council staff, the general manager may recommend that the council defer consideration of the matter pending the preparation of a further report on the matters.

4.20 When addressing the council, speakers at public forums must comply with this code and all other relevant council codes, policies, and procedures. Speakers must refrain from engaging in disorderly conduct, publicly alleging breaches of the council's code of conduct or making other potentially defamatory statements.

4.21 If the chairperson considers that a speaker at a public forum has engaged in conduct of the type referred to in clause 4.20, the chairperson may request the person to refrain from the inappropriate behaviour and to withdraw and unreservedly apologise for any inappropriate comments. Where the speaker fails to comply with the chairperson's request, the chairperson may immediately require the person to stop speaking.

4.22 Clause 4.21 does not limit the ability of the chairperson to deal with disorderly conduct by speakers at public forums in accordance with the provisions of Part 15 of this code.

4.23 Where a speaker engages in conduct of the type referred to in clause 4.20, the general manager or their delegate may refuse further applications from that person to speak at public forums for such a period as the general manager or their delegate considers appropriate.

4.24 Councillors must declare and manage any conflicts of interest they may have in relation to any item of business that is the subject of an address at a public forum, in the same way that they are required to do so at a council or committee meeting. The council is to maintain a written record of all conflict of interest declarations made at public forums and how the conflict of interest was managed by the councillor who made the declaration.

Note: Public forums should not be held as part of a council or committee meeting. Council or committee meetings should be reserved for decision-making by the council or committee of council. Where a public forum is held as part of a council or committee meeting, it must be conducted in accordance with the other requirements of this code relating to the conduct of council and committee meetings.

5 COMING TOGETHER

Attendance by councillors at meetings

5.1 All councillors must make reasonable efforts to attend meetings of the council and of committees of the council of which they are members.

Note: A councillor may not attend a meeting as a councillor (other than the first meeting of the council after the councillor is elected or a meeting at which the councillor takes an oath or makes an affirmation of office) until they have taken an oath or made an affirmation of office in the form prescribed under section 233A of the Act.

5.2 A councillor cannot participate in a meeting of the council or of a committee of the council unless personally present at the meeting, unless permitted to attend meeting by audio-visual link under this code.

5.3 Where a councillor is unable to attend one or more ordinary meetings of the council, the councillor should request that the council grant them a leave of absence from those meetings. This clause does not prevent a councillor from making an apology if they are unable to attend a meeting. However, the acceptance of such an apology does not constitute the granting of a leave of absence for the purposes of this code and the Act.

5.4 A councillor's request for leave of absence from council meetings should, if practicable, identify (by date) the meetings from which the councillor intends to be absent and the grounds upon which the leave of absence is being sought.

5.5 The council must act reasonably when considering whether to grant a councillor's request for a leave of absence.

5.6 A councillor's civic office will become vacant if the councillor is absent from three (3) consecutive ordinary meetings of the council without prior leave of the council, or leave granted by the council at any of the meetings concerned, unless the holder is absent because they have been suspended from office under the Act, or because the council has been suspended under the Act, or as a consequence of a compliance order under section 438HA.

Note: Clause 5.6 reflects section 234(1)(d) of the Act.

5.7 A councillor who intends to attend a meeting of the council despite having been granted a leave of absence should, if practicable, give the general manager at least two (2) days' notice of their intention to attend.

The quorum for a meeting

5.8 The quorum for a meeting of the council is a majority of the councillors of the council who hold office at that time and are not suspended from office.

Note: Clause 5.8 reflects section 368(1) of the Act.

5.9 Clause 5.8 does not apply if the quorum is required to be determined in accordance with directions of the Minister in a performance improvement order issued in respect of the council.

Note: Clause 5.9 reflects section 368(2) of the Act.

5.10 A meeting of the council must be adjourned if a quorum is not present:

(a) at the commencement of the meeting where the number of apologies received for the meeting indicates that there will not be a quorum for the meeting, or
(b) within half an hour after the time designated for the holding of the meeting, or
(c) at any time during the meeting.

5.11 In either case, the meeting must be adjourned to a time, date and place fixed:

(a) by the chairperson, or
(b) in the chairperson's absence, by the majority of the councillors present, or
(c) failing that, by the general manager.

5.12 The general manager must record in the council's minutes the circumstances relating to the absence of a quorum (including the reasons for the absence of a quorum) at or arising during a meeting of the council, together with the names of the councillors present.

5.13 Where, prior to the commencement of a meeting, it becomes apparent that a quorum may not be present at the meeting, or that the health, safety or welfare of councillors, council staff and members of the public may be put at risk by attending the meeting because of a natural disaster or public health emergency, the mayor may, in consultation with the general manager and, as far as is practicable, with each councillor, cancel the meeting. Where a meeting is cancelled, notice of the cancellation must be published on the council's website and in such other manner that the council is satisfied is likely to bring notice of the cancellation to the attention of as many people as possible.

5.14 Where a meeting is cancelled under clause 5.13, the business to be considered at the meeting may instead be considered, where practicable, at the next ordinary meeting of the council or at an extraordinary meeting called under clause 3.2.

<u>Meetings held by audio-visual link</u>

5.15 A meeting of the council or a committee of the council may be held by audio-visual link where the mayor determines that the meeting should be held by audio-visual link because of a natural disaster or a public health emergency. The mayor may only make a determination under this clause where they are satisfied that attendance at the meeting may put the health and safety of councillors and staff at risk. The mayor must make a determination under this clause in consultation with the general manager and, as far as is practicable, with each councillor.

5.16 Where the mayor determines under clause 5.15 that a meeting is to be held by audio-visual link, the general manager must:

(a) give written notice to all councillors that the meeting is to be held by audio-visual link, and
(b) take all reasonable steps to ensure that all councillors can participate in the meeting by audio-visual link, and
(c) cause a notice to be published on the council's website and in such other manner the general manager is satisfied will bring it to the attention of as many people as possible, advising that the meeting is to be held by audio-visual link and providing information about where members of the public may view the meeting.

5.17 This code applies to a meeting held by audio-visual link under clause 5.15 in the same way it would if the meeting was held in person.

Note: Where a council holds a meeting by audio-visual link under clause 5.15, it is still required under section 10 of the Act to provide a physical venue for members of the public to attend in person and observe the meeting.

Attendance by councillors at meetings by audio-visual link

5.18 Councillors may attend and participate in meetings of the council and committees of the council by audio-visual link with the approval of the council or the relevant committee.

5.19 A request by a councillor for approval to attend a meeting by audio-visual link must be made in writing to the general manager prior to the meeting in question and must provide reasons why the councillor will be prevented from attending the meeting in person.

5.20 Councillors may request approval to attend more than one meeting by audio-visual link. Where a councillor requests approval to attend more than one meeting by audio-visual link, the request must specify the meetings the request relates to in addition to the information required under clause 5.19. *Such a request shall be lodged by no later than 9.30am on the day of the meeting to assist alteration of standard meeting set-up for remote meeting attendance.*

5.21 The council must comply with the Health Privacy Principles prescribed under the *Health Records and Information Privacy Act 2002* when collecting, holding, using and disclosing health information in connection with a request by a councillor to attend a meeting by audio-visual link.

5.22 A councillor who has requested approval to attend a meeting of the council or a committee of the council by audio-visual link may not participate in the meeting by audio-visual link until the council or committee determines whether to approve their request and is to be taken as present at the meeting. The councillor may participate in a decision in relation to their request to attend the meeting by audio-visual link.

5.23 A decision whether to approve a request by a councillor to attend a meeting of the council or a committee of the council by audio-visual link must be made by a resolution of the council or the committee concerned. The resolution must state:

(a) the meetings the resolution applies to, and
(b) the reason why the councillor is being permitted to attend the meetings by audio-visual link where it is on grounds other than illness, disability, or caring responsibilities.

5.24 If the council or committee refuses a councillor's request to attend a meeting by audio-visual link, their link to the meeting is to be terminated.

5.25 A decision whether to approve a councillor's request to attend a meeting by audio-visual link is at the council's or the relevant committee's discretion. The council and committees of the council must act reasonably when considering requests by councillors to attend meetings by audio-visual link. However, the council and committees of the council are under no obligation to approve a councillor's request to attend a meeting by audio-visual link where the technical capacity does not exist to allow the councillor to attend the meeting by these means.

5.26 The council and committees of the council may refuse a councillor's request to attend a meeting by audio-visual link where the council or committee is satisfied that the councillor has failed to appropriately declare and manage conflicts of interest, observe confidentiality or to comply with this code on one or more previous occasions they have attended a meeting of the council or a committee of the council by audio-visual link.

5.27 This code applies to a councillor attending a meeting by audio-visual link in the same way it would if the councillor was attending the meeting in person. Where a councillor is permitted to attend a meeting by audio-visual link under this code, they are to be taken as attending the meeting in person for the purposes of the code and will have the same voting rights as if they were attending the meeting in person.

5.28 A councillor must give their full attention to the business and proceedings of the meeting when attending a meeting by audio-visual link. The councillor's camera must be on at all times during the meeting except as may be otherwise provided for under this code.

5.29 A councillor must be appropriately dressed when attending a meeting by audio-visual link and must ensure that no items are within sight of the meeting that are inconsistent with the maintenance of order at the meeting or that are likely to bring the council or the committee into disrepute.

<u>Entitlement of the public to attend council meetings</u>

5.30 Everyone is entitled to attend a meeting of the council and committees of the council. The council must ensure that all meetings of the council and committees of the council are open to the public.

Note: Clause 5.30 reflects section 10(1) of the Act.

5.31 Clause 5.30 does not apply to parts of meetings that have been closed to the public under section 10A of the Act.

5.32 A person (whether a councillor or another person) is not entitled to be present at a meeting of the council or a committee of the council if expelled from the meeting:

(a) by a resolution of the meeting, or
(b) by the person presiding at the meeting if the council has, by resolution, authorised the person presiding to exercise the power of expulsion.

Note: Clause 5.32 reflects section 10(2) of the Act.

Webcasting of meetings

5.33 Each meeting of the council or a committee of the council is to be recorded by means of an audio or audio-visual device.

5.34 At the start of each meeting of the council or a committee of the council, the chairperson must inform the persons attending the meeting that:

(a) the meeting is being recorded and made publicly available on the council's website, and
(b) persons attending the meeting should refrain from making any defamatory statements.

5.35 The recording of a meeting is to be made publicly available on the council's website:

(a) at the same time as the meeting is taking place, or
(b) as soon as practicable after the meeting.

5.36 The recording of a meeting is to be made publicly available on the council's website for at least 12 months after the meeting.

5.37 Clauses 5.35 and 5.36 do not apply to any part of a meeting that has been closed to the public in accordance with section 10A of the Act.

Note: Clauses 5.33 – 5.37 reflect section 236 of the Regulation.

5.38 Recordings of meetings may be disposed of in accordance with the *State Records Act 1998*.

Attendance of the general manager and other staff at meetings

5.39 The general manager is entitled to attend, but not to vote at, a meeting of the council or a meeting of a committee of the council of which all of the members are councillors.

Note: Clause 5.39 reflects section 376(1) of the Act.

5.40 The general manager is entitled to attend a meeting of any other committee of the council and may, if a member of the committee, exercise a vote.

Note: Clause 5.40 reflects section 376(2) of the Act.

5.41 The general manager may be excluded from a meeting of the council or a committee while the council or committee deals with a matter relating to the standard of performance of the general manager or the terms of employment of the general manager.

Note: Clause 5.41 reflects section 376(3) of the Act.

5.42 The attendance of other council staff at a meeting, (other than as members of the public) shall be with the approval of the general manager.

5.43 The general manager and other council staff may attend meetings of the council and committees of the council by audio-visual-link. Attendance by council staff at meetings by audio-visual link (other than as members of the public) shall be with the approval of the general manager.

6 THE CHAIRPERSON

The chairperson at meetings

6.1 The mayor, or at the request of or in the absence of the mayor, the deputy mayor (if any) presides at meetings of the council.

Note: Clause 6.1 reflects section 369(1) of the Act.

6.2 If the mayor and the deputy mayor (if any) are absent, a councillor elected to chair the meeting by the councillors present presides at a meeting of the council.

Note: Clause 6.2 reflects section 369(2) of the Act.

Election of the chairperson in the absence of the mayor and deputy mayor

6.3 If no chairperson is present at a meeting of the council at the time designated for the holding of the meeting, the first business of the meeting must be the election of a chairperson to preside at the meeting.

6.4 The election of a chairperson must be conducted:

(a) by the general manager or, in their absence, an employee of the council designated by the general manager to conduct the election, or
(b) by the person who called the meeting or a person acting on their behalf if neither the general manager nor a designated employee is present at the meeting, or if there is no general manager or designated employee.

6.5 If, at an election of a chairperson, two (2) or more candidates receive the same number of votes and no other candidate receives a greater number of votes, the chairperson is to be the candidate whose name is chosen by lot.

6.6 For the purposes of clause 6.5, the person conducting the election must:

(a) arrange for the names of the candidates who have equal numbers of votes to be written on similar slips, and
(b) then fold the slips so as to prevent the names from being seen, mix the slips and draw one of the slips at random.

6.7 The candidate whose name is on the drawn slip is the candidate who is to be the chairperson.

6.8 Any election conducted under clause 6.3, and the outcome of the vote, are to be recorded in the minutes of the meeting.

Chairperson to have precedence

6.9 When the chairperson rises or speaks during a meeting of the council:

(a) any councillor then speaking or seeking to speak must cease speaking and, if standing, immediately resume their seat, and
(b) every councillor present must be silent to enable the chairperson to be heard without interruption.

7 MODES OF ADDRESS

7.1 If the chairperson is the mayor, they are to be addressed as 'Mr Mayor' or 'Madam Mayor'.

7.2 Where the chairperson is not the mayor, they are to be addressed as either 'Mr Chairperson' or 'Madam Chairperson'.

7.3 A councillor is to be addressed as 'Councillor [surname]'.

7.4 A council officer is to be addressed by their official designation or as Mr/Ms [position title].

8 ORDER OF BUSINESS FOR ORDINARY COUNCIL MEETINGS

8.1 Deleted

8.2 The general order of business for an ordinary meeting of the council shall be:

(1) Livestreaming Video and Audio Check
(2) Recording of Meeting StatementApologies for non-attendance, applications for leave of absence or by attendance by audio-visual link by councillors
(3) Acknowledgment of Country
(4) Disclosure(s) of Interests
(5) Statement of Ethical Obligations
(6) Public Forum
(7) Mayoral Minute
(8) Confirmation of Minutes of previous meeting(s)
(9) Matters arising from Minutes
(10) Notice(s) of Motion
(11) Reports of Staff
    I. Executive Services
    II. Corporate Services
    III. Infrastructure Services
    IV. Planning and Environmental Services
(12) Committee Meeting Minutes
(13) Delegate Reports
(14) Questions from Councillors
(15) Closed Meeting

8.3 The order of business as fixed under clause 8.2 may be altered for a particular meeting of the council if a motion to that effect is passed at that meeting. Such a motion can be moved without notice.

8.4 Despite clauses 10.20–10.30, only the mover of a motion referred to in clause 8.3 may speak to the motion before it is put.

9 CONSIDERATION OF BUSINESS AT COUNCIL MEETINGS

Business that can be dealt with at a council meeting

9.1 The council must not consider business at a meeting of the council:

(a) unless a councillor has given notice of the business, as required by clause 3.10, and
(b) unless notice of the business has been sent to the councillors in accordance with clause 3.7 in the case of an ordinary meeting or clause 3.9 in the case of an extraordinary meeting called in an emergency.

9.2 Clause 9.1 does not apply to the consideration of business at a meeting, if the business:

(a) is already before, or directly relates to, a matter that is already before the council, or
(b) is the election of a chairperson to preside at the meeting, or
(c) subject to clause 9.9, is a matter or topic put to the meeting by way of a mayoral minute, or
(d) is a motion for the adoption of recommendations of a committee, including, but not limited to, a committee of the council.

9.3 Despite clause 9.1, business may be considered at a meeting of the council even though due notice of the business has not been given to the councillors if:

(a) a motion is passed to have the business considered at the meeting, and
(b) the business to be considered is ruled by the chairperson to be of great urgency on the grounds that it requires a decision by the council before the next scheduled ordinary meeting of the council.

9.4 A motion moved under clause 9.3(a) can be moved without notice. Despite clauses 10.20–10.30, only the mover of a motion referred to in clause 9.3(a) can speak to the motion before it is put.

9.5 A motion of dissent cannot be moved against a ruling by the chairperson under clause 9.3(b).

Mayoral minutes

9.6 Subject to clause 9.9, if the mayor is the chairperson at a meeting of the council, the mayor may, by minute signed by the mayor, put to the meeting without notice any matter or topic that is within the jurisdiction of the council, or of which the council has official knowledge.

9.7 A mayoral minute, when put to a meeting, takes precedence over all business on the council's agenda for the meeting. The chairperson (but only if the chairperson is the mayor) may move the adoption of a mayoral minute without the motion being seconded.

9.8 A recommendation made in a mayoral minute put by the mayor is, so far as it is adopted by the council, a resolution of the council.

9.9 A mayoral minute must not be used to put without notice matters that are routine and not urgent or matters for which proper notice should be given because of their complexity. For the purpose of this clause, a matter will be urgent where it requires a decision by the council before the next scheduled ordinary meeting of the council.

9.10 Where a mayoral minute makes a recommendation which, if adopted, would require the expenditure of funds on works and/or services other than those already provided for in the council's current adopted operational plan, it must identify the source of funding for the expenditure that is the subject of the recommendation. If the mayoral minute does not identify a funding source, the council must defer consideration of the matter, pending a report from the general manager on the availability of funds for implementing the recommendation if adopted.

Staff reports

9.11 A recommendation made in a staff report is, so far as it is adopted by the council, a resolution of the council.

Reports of committees of council

9.12 The recommendations of a committee of the council are, so far as they are adopted by the council, resolutions of the council.

9.13 If in a report of a committee of the council distinct recommendations are made, the council may make separate decisions on each recommendation.

Questions

9.14 A question must not be asked at a meeting of the council unless it concerns a matter on the agenda of the meeting or notice has been given of the question in accordance with clauses 3.10 and 3.14.

9.15 A councillor may, through the chairperson, put a question to another councillor about a matter on the agenda.

9.16 A councillor may, through the general manager, put a question to a council employee about a matter on the agenda. Council employees are only obliged to answer a question put to them through the general manager at the direction of the general manager.

9.17 A councillor or council employee to whom a question is put is entitled to be given reasonable notice of the question and, in particular, sufficient notice to enable reference to be made to other persons or to information. Where a councillor or council employee to whom a question is put is unable to respond to the question at the meeting at which it is put, they may take it on notice and report the response to the next meeting of the council.

9.18 Councillors must put questions directly, succinctly, respectfully and without argument.

9.19 The chairperson must not permit discussion on any reply to, or refusal to reply to, a question put to a councillor or council employee.

10 RULES OF DEBATE

Motions to be seconded

10.1 Unless otherwise specified in this code, a motion or an amendment cannot be debated unless or until it has been seconded.

Notices of motion

10.2 A councillor who has submitted a notice of motion under clause 3.10 is to move the motion the subject of the notice of motion at the meeting at which it is to be considered.

10.3 If a councillor who has submitted a notice of motion under clause 3.10 wishes to withdraw it after the agenda and business paper for the meeting at which it is to be considered have been sent to councillors, the councillor may request the withdrawal of the motion when it is before the council.

10.4 In the absence of a councillor who has placed a notice of motion on the agenda for a meeting of the council:

(a) any other councillor may, with the leave of the chairperson, move the motion at the meeting, or
(b) the chairperson may defer consideration of the motion until the next meeting of the council.

Chairperson's duties with respect to motions

10.5 It is the duty of the chairperson at a meeting of the council to receive and put to the meeting any lawful motion that is brought before the meeting.

10.6 The chairperson must rule out of order any motion or amendment to a motion that is unlawful or the implementation of which would be unlawful.

10.7 Before ruling out of order a motion or an amendment to a motion under clause 10.6, the chairperson is to give the mover an opportunity to clarify or amend the motion or amendment.

10.8 Any motion, amendment, or other matter that the chairperson has ruled out of order is taken to have been lost.

Motions requiring the expenditure of funds

10.9 A motion or an amendment to a motion which if passed would require the expenditure of funds on works and/or services other than those already provided for in the council's current adopted operational plan must identify the source of funding for the expenditure that is the subject of the motion. If the motion does not identify a funding source, the council must defer consideration of the matter, pending a report from the general manager on the availability of funds for implementing the motion if adopted.

Amendments to motions

10.10 An amendment to a motion must be moved and seconded before it can be debated.

10.11 An amendment to a motion must relate to the matter being dealt with in the original motion before the council and must not be a direct negative of the original motion. An amendment to a motion which does not relate to the matter being dealt with in the original motion, or which is a direct negative of the original motion, must be ruled out of order by the chairperson.

10.12 The mover of an amendment is to be given the opportunity to explain any uncertainties in the proposed amendment before a seconder is called for.

10.13 If an amendment has been lost, a further amendment can be moved to the motion to which the lost amendment was moved, and so on, but no more than one (1) motion and one (1) proposed amendment can be before council at any one time.

10.14 While an amendment is being considered, debate must only occur in relation to the amendment and not the original motion. Debate on the original motion is to be suspended while the amendment to the original motion is being debated.

10.15 If the amendment is carried, it becomes the motion and is to be debated. If the amendment is lost, debate is to resume on the original motion.

10.16 An amendment may become the motion without debate or a vote where it is accepted by the councillor who moved the original motion.

Foreshadowed motions

10.17 A councillor may propose a foreshadowed motion in relation to the matter the subject of the original motion before the council, without a seconder during debate on the original motion. The foreshadowed motion is only to be considered if the original motion is lost or withdrawn and the foreshadowed motion is then moved and seconded. If the original motion is carried, the foreshadowed motion lapses.

10.18 Where an amendment has been moved and seconded, a councillor may, without a seconder, foreshadow a further amendment that they propose to move after the first amendment has been dealt with. There is no limit to the number of foreshadowed amendments that may be put before the council at any time. However, no discussion can take place on foreshadowed amendments until the previous amendment has been dealt with and the foreshadowed amendment has been moved and seconded.

10.19 Foreshadowed motions and foreshadowed amendments are to be considered in the order in which they are proposed. However, foreshadowed motions cannot be considered until all foreshadowed amendments have been dealt with.

Limitations on the number and duration of speeches

10.20 A councillor who, during a debate at a meeting of the council, moves an original motion, has the right to speak on each amendment to the motion and a right of general reply to all observations that are made during the debate in relation to the motion, and any amendment to it at the conclusion of the debate before the motion (whether amended or not) is finally put.

10.21 A councillor, other than the mover of an original motion, has the right to speak once on the motion and once on each amendment to it.

10.22 A councillor must not, without the consent of the council, speak more than once on a motion or an amendment, or for longer than five (5) minutes at any one time.

10.23 Despite clause 10.22, the chairperson may permit a councillor who claims to have been misrepresented or misunderstood to speak more than once on a motion or an amendment, and for longer than five (5) minutes on that motion or amendment to enable the councillor to make a statement limited to explaining the misrepresentation or misunderstanding.

10.24 Despite clause 10.22, the council may resolve to shorten the duration of speeches to expedite the consideration of business at a meeting.

10.25 Despite clauses 10.20 and 10.21, a councillor may move that a motion or an amendment be now put:

(a) if the mover of the motion or amendment has spoken in favour of it and no councillor expresses an intention to speak against it, or
(b) if at least two (2) councillors have spoken in favour of the motion or amendment and at least two (2) councillors have spoken against it.

10.26 The chairperson must immediately put to the vote, without debate, a motion moved under clause 10.25. A seconder is not required for such a motion.

10.27 If a motion that the original motion or an amendment be now put is passed, the chairperson must, without further debate, put the original motion or amendment to the vote immediately after the mover of the original motion has exercised their right of reply under clause 10.20.

10.28 If a motion that the original motion or an amendment be now put is lost, the chairperson must allow the debate on the original motion or the amendment to be resumed.

10.29 All councillors must be heard without interruption and all other councillors must, unless otherwise permitted under this code, remain silent while another councillor is speaking.

10.30 Once the debate on a matter has concluded and a matter has been dealt with, the chairperson must not allow further debate on the matter.

11 VOTING

Voting entitlements of councillors

11.1 Each councillor is entitled to one (1) vote.

Note: Clause 11.1 reflects section 370(1) of the Act.

11.2 The person presiding at a meeting of the council has, in the event of an equality of votes, a second or casting vote.

Note: Clause 11.2 reflects section 370(2) of the Act.

11.3 Where the chairperson declines to exercise, or fails to exercise, their second or casting vote, in the event of an equality of votes, the motion being voted upon is lost.

Voting at council meetings

11.4 A councillor who is present at a meeting of the council but who fails to vote on a motion put to the meeting is taken to have voted against the motion.

11.5 If a councillor who has voted against a motion put at a council meeting so requests, the general manager must ensure that the councillor's dissenting vote is recorded in the council's minutes.

11.6 The decision of the chairperson as to the result of a vote is final unless the decision is immediately challenged and not fewer than two (2) councillors rise and call for a division.

11.7 When a division on a motion is called, the chairperson must ensure that the division takes place immediately. The general manager must ensure that the names of those who vote for the motion and those who vote against it are recorded in the council's minutes for the meeting.

11.8 When a division on a motion is called, any councillor who fails to vote will be recorded as having voted against the motion in accordance with clause 11.4 of this code.

11.9 Voting at a meeting, including voting in an election at a meeting, is to be by open means (such as on the voices, by show of hands or by a visible electronic voting system). However, the council may resolve that the voting in any election by councillors for mayor or deputy mayor is to be by secret ballot.

Voting on planning decisions

11.10 The general manager must keep a register containing, for each planning decision made at a meeting of the council or a council committee (including, but not limited to a committee of the council), the names of the councillors who supported the decision and the names of any councillors who opposed (or are taken to have opposed) the decision.

11.11 For the purpose of maintaining the register, a division is taken to have been called whenever a motion for a planning decision is put at a meeting of the council or a council committee.

11.12 Each decision recorded in the register is to be described in the register or identified in a manner that enables the description to be obtained from another publicly available document.

11.13 Clauses 11.10–11.12 apply also to meetings that are closed to the public.

Note: Clauses 11.10–11.13 reflect section 375A of the Act.

12 COMMITTEE OF THE WHOLE

12.1 The council may resolve itself into a committee to consider any matter before the council.

Note: Clause 12.1 reflects section 373 of the Act.

12.2 All the provisions of this code relating to meetings of the council, so far as they are applicable, extend to and govern the proceedings of the council when in committee of the whole, except the provisions limiting the number and duration of speeches.

Note: Clauses 10.20–10.30 limit the number and duration of speeches.

12.3 The general manager or, in the absence of the general manager, an employee of the council designated by the general manager, is responsible for reporting to the council the proceedings of the committee of the whole. It is not necessary to report the proceedings in full, but any recommendations of the committee must be reported.

12.4 The council must ensure that a report of the proceedings (including any recommendations of the committee) is recorded in the council's minutes. However, the council is not taken to have adopted the report until a motion for adoption has been made and passed.

13 DEALING WITH ITEMS BY EXCEPTION

13.1 The council or a committee of council may, at any time, resolve to adopt multiple items of business on the agenda together by way of a single resolution.

13.2 Before the council or committee resolves to adopt multiple items of business on the agenda together under clause 13.1, the chairperson must list the items of business to be adopted and ask councillors to identify any individual items of business listed by the chairperson that they intend to vote against the recommendation made in the business paper or that they wish to speak on.

13.3 The council or committee must not resolve to adopt any item of business under clause 13.1 that a councillor has identified as being one they intend to vote against the recommendation made in the business paper or to speak on.

13.4 Where the consideration of multiple items of business together under clause 13.1 involves a variation to the order of business for the meeting, the council or committee must resolve to alter the order of business in accordance with clause 8.3.

13.5 A motion to adopt multiple items of business together under clause 13.1 must identify each of the items of business to be adopted and state that they are to be adopted as recommended in the business paper.

13.6 Items of business adopted under clause 13.1 are to be taken to have been adopted unanimously.

13.7 Councillors must ensure that they declare and manage any conflicts of interest they may have in relation to items of business considered together under clause 13.1 in accordance with the requirements of the council's code of conduct.

14 CLOSURE OF COUNCIL MEETINGS TO THE PUBLIC

Grounds on which meetings can be closed to the public

14.1 The council or a committee of the council may close to the public so much of its meeting as comprises the discussion or the receipt of any of the following types of matters:

(a) personnel matters concerning particular individuals (other than councillors),
(b) the personal hardship of any resident or ratepayer,
(c) information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business,
(d) commercial information of a confidential nature that would, if disclosed:
    (i) prejudice the commercial position of the person who supplied it, or
    (ii) confer a commercial advantage on a competitor of the council, or
    (iii) reveal a trade secret,
(e) information that would, if disclosed, prejudice the maintenance of law,

(f) matters affecting the security of the council, councillors, council staff or council property,
(g) advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege,
(h) information concerning the nature and location of a place or an item of Aboriginal significance on community land,
(i) alleged contraventions of the council's code of conduct.

Note: Clause 14.1 reflects section 10A(1) and (2) of the Act.

14.2 The council or a committee of the council may also close to the public so much of its meeting as comprises a motion to close another part of the meeting to the public.

Note: Clause 14.2 reflects section 10A(3) of the Act.

Matters to be considered when closing meetings to the public

14.3 A meeting is not to remain closed during the discussion of anything referred to in clause 14.1:

(a) except for so much of the discussion as is necessary to preserve the relevant confidentiality, privilege or security, and
(b) if the matter concerned is a matter other than a personnel matter concerning particular individuals, the personal hardship of a resident or ratepayer or a trade secret – unless the council or committee concerned is satisfied that discussion of the matter in an open meeting would, on balance, be contrary to the public interest.

Note: Clause 14.3 reflects section 10B(1) of the Act.

14.4 A meeting is not to be closed during the receipt and consideration of information or advice referred to in clause 14.1(g) unless the advice concerns legal matters that:

(a) are substantial issues relating to a matter in which the council or committee is involved, and
(b) are clearly identified in the advice, and
(c) are fully discussed in that advice.

Note: Clause 14.4 reflects section 10B(2) of the Act.

14.5 If a meeting is closed during the discussion of a motion to close another part of the meeting to the public (as referred to in clause 14.2), the consideration of the motion must not include any consideration of the matter or information to be discussed in that other part of the meeting other than consideration of whether the matter concerned is a matter referred to in clause 14.1.

Note: Clause 14.5 reflects section 10B(3) of the Act.

14.6 For the purpose of determining whether the discussion of a matter in an open meeting would be contrary to the public interest, it is irrelevant that:

(a) a person may misinterpret or misunderstand the discussion, or
(b) the discussion of the matter may:
  (i) cause embarrassment to the council or committee concerned, or to councillors or to employees of the council, or
  (ii) cause a loss of confidence in the council or committee.

Note: Clause 14.6 reflects section 10B(4) of the Act.

14.7 In deciding whether part of a meeting is to be closed to the public, the council or committee concerned must consider any relevant guidelines issued by the Departmental Chief Executive of the Office of Local Government.

Note: Clause 14.7 reflects section 10B(5) of the Act.

Notice of likelihood of closure not required in urgent cases

14.8 Part of a meeting of the council, or of a committee of the council, may be closed to the public while the council or committee considers a matter that has not been identified in the agenda for the meeting under clause 3.21 as a matter that is likely to be considered when the meeting is closed, but only if:

(a) it becomes apparent during the discussion of a particular matter that the matter is a matter referred to in clause 14.1, and
(b) the council or committee, after considering any representations made under clause 14.9, resolves that further discussion of the matter:
  (i) should not be deferred (because of the urgency of the matter), and
  (ii) should take place in a part of the meeting that is closed to the public.

Note: Clause 14.8 reflects section 10C of the Act.

Representations by members of the public

14.9 The council, or a committee of the council, may allow members of the public to make representations to or at a meeting, before any part of the meeting is closed to the public, as to whether that part of the meeting should be closed.

Note: Clause 14.9 reflects section 10A(4) of the Act.

14.10 A representation under clause 14.9 is to be made after the motion to close the part of the meeting is moved and seconded.

14.11 Where the matter has been identified in the agenda of the meeting under clause 3.20 as a matter that is likely to be considered when the meeting is closed to the public, in order to make representations under clause 14.9, members of the public must first make an application to the council in the approved form. Applications for in-person representations must be received by 4.30pm or by audio-visual-link by 9.30am on day of the meeting at which the matter is to be considered.14.12 The general manager (or their delegate) may

refuse an application made under clause 14.11. The general manager or their delegate must give reasons in writing for a decision to refuse an application.

14.13 If more than the permitted number of speakers apply to make representations under clause 14.9, the general manager or their delegate may request the speakers to nominate from among themselves the persons who are to make representations to the council. If the speakers are not able to agree on whom to nominate to make representations under clause 14.9, the general manager or their delegate is to determine who will make representations to the council.

14.14 The general manager (or their delegate) is to determine the order of speakers.

14.15 Where the council or a committee of the council proposes to close a meeting or part of a meeting to the public in circumstances where the matter has not been identified in the agenda for the meeting under clause 3.20 as a matter that is likely to be considered when the meeting is closed to the public, the chairperson is to invite representations from the public under clause 14.9 after the motion to close the part of the meeting is moved and seconded.

14.16 Each speaker will be allowed 5 (five) minutes to make representations, and this time limit is to be strictly enforced by the chairperson. Speakers must confine their representations to whether the meeting should be closed to the public. If a speaker digresses to irrelevant matters, the chairperson is to direct the speaker not to do so. If a speaker fails to observe a direction from the chairperson, the speaker will not be further heard.

Expulsion of non-councillors from meetings closed to the public

14.17 If a meeting or part of a meeting of the council or a committee of the council is closed to the public in accordance with section 10A of the Act and this code, any person who is not a councillor and who fails to leave the meeting when requested, may be expelled from the meeting as provided by section 10(2)(a) or (b) of the Act.

14.18 If any such person, after being notified of a resolution or direction expelling them from the meeting, fails to leave the place where the meeting is being held, a police officer, or any person authorised for the purpose by the council or person presiding, may, by using only such force as is necessary, remove the first-mentioned person from that place and, if necessary restrain that person from re-entering that place for the remainder of the meeting.

Obligations of councillors attending meetings by audio-visual link

14.19 Councillors attending a meeting by audio-visual link must ensure that no other person is within sight or hearing of the meeting at any time that the meeting is closed to the public under section 10A of the Act.

Information to be disclosed in resolutions closing meetings to the public

14.20 The grounds on which part of a meeting is closed must be stated in the decision to close that part of the meeting and must be recorded in the minutes of the meeting. The grounds must specify the following:

(a) the relevant provision of section 10A(2) of the Act,
(b) the matter that is to be discussed during the closed part of the meeting,
(c) the reasons why the part of the meeting is being closed, including (if the matter concerned is a matter other than a personnel matter concerning particular individuals, the personal hardship of a resident or ratepayer or a trade secret) an explanation of the way in which discussion of the matter in an open meeting would be, on balance, contrary to the public interest.

Note: Clause 14.20 reflects section 10D of the Act.

Resolutions passed at closed meetings to be made public

14.21 If the council passes a resolution during a meeting, or a part of a meeting, that is closed to the public, the chairperson must make the resolution public as soon as practicable after the meeting, or the relevant part of the meeting, has ended, and the resolution must be recorded in the publicly available minutes of the meeting.

14.22 Resolutions passed during a meeting, or a part of a meeting, that is closed to the public must be made public by the chairperson under clause 14.21 during a part of the meeting that is webcast.

15 KEEPING ORDER AT MEETINGS

Points of order

15.1 A councillor may draw the attention of the chairperson to an alleged breach of this code by raising a point of order. A point of order does not require a seconder.

15.2 A point of order cannot be made with respect to adherence to the principles contained in clause 2.1.

15.3 A point of order must be taken immediately it is raised. The chairperson must suspend the business before the meeting and permit the councillor raising the point of order to state the provision of this code they believe has been breached. The chairperson must then rule on the point of order – either by upholding it or by overruling it.

Questions of order

15.4 The chairperson, without the intervention of any other councillor, may call any councillor to order whenever, in the opinion of the chairperson, it is necessary to do so.

15.5 A councillor who claims that another councillor has committed an act of disorder, or is out of order, may call the attention of the chairperson to the matter.

15.6 The chairperson must rule on a question of order immediately after it is raised but, before doing so, may invite the opinion of the council.

15.7 The chairperson's ruling must be obeyed unless a motion dissenting from the ruling is passed.

Motions of dissent

15.8 A councillor can, without notice, move to dissent from a ruling of the chairperson on a point of order or a question of order. If that happens, the chairperson must suspend the business before the meeting until a decision is made on the motion of dissent.

15.9 If a motion of dissent is passed, the chairperson must proceed with the suspended business as though the ruling dissented from had not been given. If, as a result of the ruling, any motion or business has been rejected as out of order, the chairperson must restore the motion or business to the agenda and proceed with it in due course.

15.10 Despite any other provision of this code, only the mover of a motion of dissent and the chairperson can speak to the motion before it is put. The mover of the motion does not have a right of general reply.

Acts of disorder

15.11 A councillor commits an act of disorder if the councillor, at a meeting of the council or a committee of the council:

(a) contravenes the Act, the Regulation or this code, or
(b) assaults or threatens to assault another councillor or person present at the meeting, or
(c) moves or attempts to move a motion or an amendment that has an unlawful purpose or that deals with a matter that is outside the jurisdiction of the council or the committee, or addresses or attempts to address the council or the committee on such a motion, amendment or matter, or
(d) insults or makes personal reflections on or imputes improper motives to any other council official, or alleges a breach of the council's code of conduct, or
(e) says or does anything that is inconsistent with maintaining order at the meeting or is likely to bring the council or the committee into disrepute.

Note: Clause 15.11 reflects section 182 of the Regulation.

15.12 The chairperson may require a councillor:

(a) to apologise without reservation for an act of disorder referred to in clauses 15.11(a) or (b), or
(b) to withdraw a motion or an amendment referred to in clause 15.11(c) and, where appropriate, to apologise without reservation, or
(c) to retract and apologise without reservation for an act of disorder referred to in clauses 15.11(d) and (e).

Note: Clause 15.12 reflects section 233 of the Regulation.

How disorder at a meeting may be dealt with

15.13 If disorder occurs at a meeting of the council, the chairperson may adjourn the meeting for a period of not more than fifteen (15) minutes and leave the chair. The council, on reassembling, must, on a question put from the chairperson, decide without debate whether the business is to be proceeded with or not. This clause applies to disorder arising from the conduct of members of the public as well as disorder arising from the conduct of councillors.

Expulsion from meetings

15.14 All chairpersons of meetings of the council and committees of the council are authorised under this code to expel any person other than a councillor, from a council or committee meeting, for the purposes of section 10(2)(b) of the Act. Councillors may only be expelled by resolution of the council or the committee of the council.

15.15 Clause15.14 does not limit the ability of the council or a committee of the council to resolve to expel a person, including a councillor, from a council or committee meeting, under section 10(2)(a) of the Act.

15.16 A councillor may, as provided by section 10(2)(a) or (b) of the Act, be expelled from a meeting of the council for having failed to comply with a requirement under clause 15.11. The expulsion of a councillor from the meeting for that reason does not prevent any other action from being taken against the councillor for the act of disorder concerned.

Note: Clause 15.16 reflects section 233(2) of the Regulation

15.17 A member of the public may, as provided by section 10(2)(a) or (b) of the Act, be expelled from a meeting of the council for engaging in or having engaged in disorderly conduct at the meeting.

15.18 Where a councillor or a member of the public is expelled from a meeting, the expulsion and the name of the person expelled, if known, are to be recorded in the minutes of the meeting.

15.19 If a councillor or a member of the public fails to leave the place where a meeting of the council is being held immediately after they have been expelled, a police officer, or any person authorised for the purpose by the council or person presiding, may, by using only such force as is necessary, remove the councillor or member of the public from that place and, if necessary, restrain the councillor or member of the public from re-entering that place for the remainder of the meeting.

How disorder by councillors attending meetings by audio-visual link may be dealt with

15.20 Where a councillor is attending a meeting by audio-visual link, the chairperson or a person authorised by the chairperson may mute the councillor's audio link to the meeting for the purposes of enforcing compliance with this code.

15.21 If a councillor attending a meeting by audio-visual link is expelled from a meeting for an act of disorder, the chairperson of the meeting or a person authorised by the chairperson, may terminate the councillor's audio-visual link to the meeting.

Use of mobile phones and the unauthorised recording of meetings

15.22 Councillors, council staff and members of the public must ensure that mobile phones are turned to silent during meetings of the council and committees of the council.

15.23 A person must not live stream or use an audio recorder, video camera, mobile phone or any other device to make a recording of the proceedings of a meeting of the council or a committee of the council without the prior authorisation of the council or the committee.

15.24 Without limiting clause 15.17, a contravention of clause 15.23 or an attempt to contravene that clause, constitutes disorderly conduct for the purposes of clause 15.17. Any person who contravenes or attempts to contravene clause 15.23, may be expelled from the meeting as provided for under section 10(2) of the Act.

15.25 If any such person, after being notified of a resolution or direction expelling them from the meeting, fails to leave the place where the meeting is being held, a police officer, or any person authorised for the purpose by the council or person presiding, may, by using only such force as is necessary, remove the first-mentioned person from that place and, if necessary, restrain that person from re-entering that place for the remainder of the meeting.

16 CONFLICTS OF INTEREST

16.1 All councillors and, where applicable, all other persons, must declare and manage any conflicts of interest they may have in matters being considered at meetings of the council and committees of the council in accordance with the council's code of conduct. All declarations of conflicts of interest and how the conflict of interest was managed by the person who made the declaration must be recorded in the minutes of the meeting at which the declaration was made.

16.2 Councillors attending a meeting by audio-visual link must declare and manage any conflicts of interest they may have in matters being considered at the meeting in accordance with the council's code of conduct. Where a councillor has declared a pecuniary or significant non-pecuniary conflict of interest in a matter being discussed at the meeting, the councillor's audio-visual link to the meeting must be suspended or terminated and the councillor must not be in sight or hearing of the meeting at any time during which the matter is being considered or discussed by the council or committee, or at any time during which the council or committee is voting on the matter.

17 DECISIONS OF THE COUNCIL

Council decisions

17.1 A decision supported by a majority of the votes at a meeting of the council at which a quorum is present is a decision of the council.

Note: Clause 17.1 reflects section 371 of the Act

17.2 Decisions made by the council must be accurately recorded in the minutes of the meeting at which the decision is made.

Rescinding or altering council decisions

17.3 A resolution passed by the council may not be altered or rescinded except by a motion to that effect of which notice has been given under clause 3.9.

Note: Clause 17.3 reflects section 372(1) of the Act.

17.4 If a notice of motion to rescind a resolution is given at the meeting at which the resolution is carried, the resolution must not be carried into effect until the motion of rescission has been dealt with.

Note: Clause 17.4 reflects section 372(2) of the Act.

17.5 If a motion has been lost, a motion having the same effect must not be considered unless notice of it has been duly given in accordance with clause 3.9.

Note: Clause 17.5 reflects section 372(3) of the Act.

17.6 A notice of motion to alter or rescind a resolution, and a notice of motion which has the same effect as a motion which has been lost, must be signed by three (3) councillors if less than three (3) months has elapsed since the resolution was passed, or the motion was lost.

Note: Clause 17.6 reflects section 372(4) of the Act.

17.7 If a motion to alter or rescind a resolution has been lost, or if a motion which has the same effect as a previously lost motion is lost, no similar motion may be brought forward within three (3) months of the meeting at which it was lost. This clause may not be evaded by substituting a motion differently worded, but in principle the same.

Note: Clause 17.7 reflects section 372(5) of the Act.

17.8 The provisions of clauses 17.5–17.7 concerning lost motions do not apply to motions of adjournment.

Note: Clause 17.8 reflects section 372(7) of the Act.

17.9 A notice of motion submitted in accordance with clause 17.6 may only be withdrawn under clause 3.10 with the consent of all signatories to the notice of motion.

17.10 A notice of motion to alter or rescind a resolution relating to a development application must be submitted to the general manager no later than 5pm on the day after the meeting at which the resolution was adopted.

17.11 A motion to alter or rescind a resolution of the council may be moved on the report of a committee of the council and any such report must be recorded in the minutes of the meeting of the council.

Note: Clause 17.11 reflects section 372(6) of the Act.

17.12 Subject to clause 17.7, in cases of urgency, a motion to alter or rescind a resolution of the council may be moved at the same meeting at which the resolution was adopted, where:

(a) a notice of motion signed by three councillors is submitted to the chairperson, and
(b) a motion to have the motion considered at the meeting is passed, and
(c) the chairperson rules the business that is the subject of the motion is of great urgency on the grounds that it requires a decision by the council before the next scheduled ordinary meeting of the council.

17.13 A motion moved under clause 17.12(b) can be moved without notice. Despite clauses 10.20–10.30, only the mover of a motion referred to in clause 17.12(b) can speak to the motion before it is put.

17.14 A motion of dissent cannot be moved against a ruling by the chairperson under clause 17.12(c).

<u>Recommitting resolutions to correct an error</u>

17.15 Despite the provisions of this Part, a councillor may, with the leave of the chairperson, move to recommit a resolution adopted at the same meeting:

(a) to correct any error, ambiguity or imprecision in the council's resolution, or
(b) to confirm the voting on the resolution.

17.16 In seeking the leave of the chairperson to move to recommit a resolution for the purposes of clause 17.15(a), the councillor is to propose alternative wording for the resolution.

17.17 The chairperson must not grant leave to recommit a resolution for the purposes of clause 17.15(a), unless they are satisfied that the proposed alternative wording of the resolution would not alter the substance of the resolution previously adopted at the meeting.

17.18 A motion moved under clause 17.15 can be moved without notice. Despite clauses 10.20–10.30, only the mover of a motion referred to in clause 17.15 can speak to the motion before it is put.

17.19 A motion of dissent cannot be moved against a ruling by the chairperson under clause 17.15.

17.20 A motion moved under clause 17.15 with the leave of the chairperson cannot be voted on unless or until it has been seconded.

18 TIME LIMITS ON COUNCIL MEETINGS

18.1 Meetings of the council and committees of the council are to conclude no later than **10pm.**

18.2 If the business of the meeting is unfinished at **10pm**, the council or the committee may, by resolution, extend the time of the meeting.

18.3 If the business of the meeting is unfinished at **10pm**, and the council does not resolve to extend the meeting, the chairperson must either:

(a) defer consideration of the remaining items of business on the agenda to the next ordinary meeting of the council, or
(b) adjourn the meeting to a time, date and place fixed by the chairperson.

18.4 Clause 18.3 does not limit the ability of the council or a committee of the council to resolve to adjourn a meeting at any time. The resolution adjourning the meeting must fix the time, date and place that the meeting is to be adjourned to.

18.5 Where a meeting is adjourned under clause 18.3 or 18.4, the general manager must:

(a) individually notify each councillor of the time, date and place at which the meeting will reconvene, and
(b) publish the time, date and place at which the meeting will reconvene on the council's website and in such other manner that the general manager is satisfied is likely to bring notice of the time, date and place of the reconvened meeting to the attention of as many people as possible.

19 AFTER THE MEETING

Minutes of meetings

19.1 The council is to keep full and accurate minutes of the proceedings of meetings of the council.

Note: Clause 19.1 reflects section 375(1) of the Act.

19.2 At a minimum, the general manager must ensure that the following matters are recorded in the council's minutes:

(a) the names of councillors attending a council meeting and whether they attended the meeting in person or by audio-visual link,
(b) details of each motion moved at a council meeting and of any amendments moved to it,
(c) the names of the mover and seconder of the motion or amendment,
(d) whether the motion or amendment was passed or lost, and
(e) such other matters specifically required under this code.

19.3 The minutes of a council meeting must be confirmed at a subsequent meeting of the council.

Note: Clause 19.3 reflects section 375(2) of the Act.

19.4 Any debate on the confirmation of the minutes is to be confined to whether the minutes are a full and accurate record of the meeting they relate to.

19.5 When the minutes have been confirmed, they are to be signed by the person presiding at the subsequent meeting.

Note: Clause 19.5 reflects section 375(2) of the Act.

19.6 The confirmed minutes of a meeting may be amended to correct typographical or administrative errors after they have been confirmed. Any amendment made under this clause must not alter the substance of any decision made at the meeting.

19.7 The confirmed minutes of a council meeting must be published on the council's website. This clause does not prevent the council from also publishing unconfirmed minutes of its meetings on its website prior to their confirmation.

Access to correspondence and reports laid on the table at, or submitted to, a meeting

19.8 The council and committees of the council must, during or at the close of a meeting, or during the business day following the meeting, give reasonable access to any person to inspect correspondence and reports laid on the table at, or submitted to, the meeting.

Note: Clause 19.8 reflects section 11(1) of the Act.

19.9 Clause 19.8 does not apply if the correspondence or reports relate to a matter that was received or discussed or laid on the table at, or submitted to, the meeting when the meeting was closed to the public.

Note: Clause 19.9 reflects section 11(2) of the Act.

19.10 Clause 19.8 does not apply if the council or the committee resolves at the meeting, when open to the public, that the correspondence or reports are to be treated as confidential because they relate to a matter specified in section 10A(2) of the Act.

Note: Clause 19.10 reflects section 11(3) of the Act.

19.11 Correspondence or reports to which clauses 19.9 and 19.10 apply are to be marked with the relevant provision of section 10A(2) of the Act that applies to the correspondence or report.

Implementation of decisions of the council

17.12 The general manager is to implement, without undue delay, lawful decisions of the council.

Note: Clause 19.12 reflects section 335(b) of the Act.

20 COUNCIL COMMITTEES

Application of this Part

20.1 This Part only applies to committees of the council whose members are all councillors.

Council committees whose members are all councillors

20.2 The council may, by resolution, establish such committees as it considers necessary.

20.3 A committee of the council is to consist of the mayor and such other councillors as are elected by the councillors or appointed by the council.

20.4 The quorum for a meeting of a committee of the council is to be:

(a) such number of members as the council decides, or
(b) if the council has not decided a number – a majority of the members of the committee.

Functions of committees

20.5 The council must specify the functions of each of its committees when the committee is established but may from time to time amend those functions.

Notice of committee meetings

20.6 The general manager must send to each councillor, regardless of whether they are a committee member, at least three (3) days before each meeting of the committee, a notice specifying:

(a) the time, date and place of the meeting, and
(b) the business proposed to be considered at the meeting.

20.7 Notice of less than three (3) days may be given of a committee meeting called in an emergency.

Attendance at committee meetings

20.8 A committee member (other than the mayor) ceases to be a member of a committee if the committee member:

(a) has been absent from three (3) consecutive meetings of the committee without having given reasons acceptable to the committee for the member's absences, or
(b) has been absent from at least half of the meetings of the committee held during the immediately preceding year without having given to the committee acceptable reasons for the member's absences.

20.9 Clause 20.8 does not apply if all of the members of the council are members of the committee.

Non-members entitled to attend committee meetings

20.10 A councillor who is not a member of a committee of the council is entitled to attend, and to speak at a meeting of the committee. However, the councillor is not entitled:

(a) to give notice of business for inclusion in the agenda for the meeting, or
(b) to move or second a motion at the meeting, or
(c) to vote at the meeting.

Chairperson and deputy chairperson of council committees

20.11 The chairperson of each committee of the council must be:

(a) the mayor, or
(b) if the mayor does not wish to be the chairperson of a committee, a member of the committee elected by the council, or
(c) if the council does not elect such a member, a member of the committee elected by the committee.

20.12 The council may elect a member of a committee of the council as deputy chairperson of the committee. If the council does not elect a deputy chairperson of such a committee, the committee may elect a deputy chairperson.

20.13 If neither the chairperson nor the deputy chairperson of a committee of the council is able or willing to preside at a meeting of the committee, the committee must elect a member of the committee to be acting chairperson of the committee.

20.14 The chairperson is to preside at a meeting of a committee of the council. If the chairperson is unable or unwilling to preside, the deputy chairperson (if any) is to preside at the meeting, but if neither the chairperson nor the deputy chairperson is able or willing to preside, the acting chairperson is to preside at the meeting.

Procedure in committee meetings

20.15 Subject to any specific requirements of this code, each committee of the council may regulate its own procedure. The provisions of this code are to be taken to apply to all committees of the council unless the council or the committee determines otherwise in accordance with this clause.

20.16 Whenever the voting on a motion put to a meeting of the committee is equal, the chairperson of the committee is to have a casting vote as well as an original vote unless the council or the committee determines otherwise in accordance with clause 20.15.

20.17 Voting at a council committee meeting is to be by open means (such as on the voices, by show of hands or by a visible electronic voting system).

Closure of committee meetings to the public

20.18 The provisions of the Act and Part 14 of this code apply to the closure of meetings of committees of the council to the public in the same way they apply to the closure of meetings of the council to the public.

20.19 If a committee of the council passes a resolution, or makes a recommendation, during a meeting, or a part of a meeting that is closed to the public, the chairperson must make the resolution or recommendation public as soon as practicable after the meeting or part of the meeting has ended, and report the resolution or recommendation to the next meeting of the council. The resolution or recommendation must also be recorded in the publicly available minutes of the meeting.

20.20 Resolutions passed during a meeting, or a part of a meeting that is closed to the public must be made public by the chairperson under clause 18.18 during a part of the meeting that is webcast.

Disorder in committee meetings

20.21 The provisions of the Act and this code relating to the maintenance of order in council meetings apply to meetings of committees of the council in the same way as they apply to meetings of the council.

Minutes of council committee meetings

20.23 Each committee of the council is to keep full and accurate minutes of the proceedings of its meetings. At a minimum, a committee must ensure that the following matters are recorded in the committee's minutes:

(a) the names of councillors attending a meeting and whether they attended the meeting in person or by audio-visual link,
(b) details of each motion moved at a meeting and of any amendments moved to it,
(c) the names of the mover and seconder of the motion or amendment,
(d) whether the motion or amendment was passed or lost, and
(e) such other matters specifically required under this code.

20.24 All voting at meetings of committees of the council (including meetings that are closed to the public), must be recorded in the minutes of meetings with the names of councillors who voted for and against each motion or amendment, (including the use of the casting vote), being recorded.

20.25 The minutes of meetings of each committee of the council must be confirmed at a subsequent meeting of the committee.

20.26 Any debate on the confirmation of the minutes is to be confined to whether the minutes are a full and accurate record of the meeting they relate to.

20.27 When the minutes have been confirmed, they are to be signed by the person presiding at that subsequent meeting.

20.28 The confirmed minutes of a meeting may be amended to correct typographical or administrative errors after they have been confirmed. Any amendment made under this clause must not alter the substance of any decision made at the meeting.

20.29 The confirmed minutes of a meeting of a committee of the council must be published on the council's website. This clause does not prevent the council from also publishing unconfirmed minutes of meetings of committees of the council on its website prior to their confirmation.

21 IRREGULARITES

21.1 Proceedings at a meeting of a council or a council committee are not invalidated because of:

(a) a vacancy in a civic office, or
(b) a failure to give notice of the meeting to any councillor or committee member, or
(c) any defect in the election or appointment of a councillor or committee member, or
(d) a failure of a councillor or a committee member to declare a conflict of interest, or to refrain from the consideration or discussion of, or vote on, the relevant matter, at a council or committee meeting in accordance with the council's code of conduct, or
(e) a failure to comply with this code.

Note: Clause 21.1 reflects section 374 of the Act.

22 DEFINITIONS

the Act	means the *Local Government Act 1993*
act of disorder	means an act of disorder as defined in clause 15.11 of this code
amendment	in relation to an original motion, means a motion moving an amendment to that motion
audio recorder	any device capable of recording speech
audio-visual link	means a facility that enables audio and visual communication between persons at different places
business day	means any day except Saturday or Sunday or any other day the whole or part of which is observed as a public holiday throughout New South Wales
chairperson	in relation to a meeting of the council – means the person presiding at the meeting as provided by section 369 of the Act and clauses 6.1 and 6.2 of this code, and in relation to a meeting of a committee – means the person presiding at the meeting as provided by clause 20.11 of this code
this code	means the council's adopted code of meeting practice
committee of the council	means a committee established by the council in accordance with clause 20.2 of this code (being a committee consisting only of councillors) or the council when it has resolved itself into committee of the whole under clause 12.1
council official	has the same meaning it has in the Model Code of Conduct for Local Councils in NSW
day	means calendar day
division	means a request by two councillors under clause 11.7 of this code requiring the recording of the names of the councillors who voted both for and against a motion
foreshadowed amendment	means a proposed amendment foreshadowed by a councillor under clause 10.18 of this code during debate on the first amendment
foreshadowed motion	means a motion foreshadowed by a councillor under clause 10.17 of this code during debate on an original motion
open voting	means voting on the voices or by a show of hands or by a visible electronic voting system or similar means
planning decision	means a decision made in the exercise of a function of a council under the *Environmental Planning and Assessment Act 1979* including any decision relating to a development application, an environmental planning instrument, a development control plan or a development contribution plan under that Act, but not including the making of an order under Division 9.3 of Part 9 of that Act
performance improvement order	means an order issued under section 438A of the Act
quorum	means the minimum number of councillors or committee members necessary to conduct a meeting

the Regulation	means the *Local Government (General) Regulation 2021*
webcast	a video or audio broadcast of a meeting transmitted across the internet either concurrently with the meeting or at a later time
year	means the period beginning 1 July and ending the following 30 June

End

Adopted:	**11/10/1999**	**681**
Last Reviewed:	**11/09/2000**	**525**
	11/12/2000	**722**
	09/04/2001	**182**
	09/07/2001	**340**
	13/08/2001	**371**
	15/04/2004	**104**
	08/08/2005	**05/225**
	10/10/2005	**05/280**
	14/05/2007	**07/094**
	08/12/2008	**08/333**
	14/12/2009	**0912/006**
	14/03/2011	**1103/006**
	12/11/2012	**1211/014**
	13/07/2015	**1507/010**
	17/09/2018	**1809/010**
	20/05/2019	**1905/010**
	19/10/2020	**2010/008**
Remote Attendance Guideline	**17/05/2021**	**2105/007**
Remote Attendance Guideline updated	**29/06/2021**	**2106/003**
	15/08/2022	**2208/005**
Section 3.1 updated	**19/09/2022**	**2209/004**
Section 3.1 updated	**19/12/2022**	**2212/003**
Section 3.1 updated	**22/10/2024**	**2410/006**
	26/08/2025	**2508/011**
New 2025 Model Code	**16/12/2025**	**2512/009**
	XX/XX/XX	
Next Reviewed:	**26/03/2029**	

OFFICIAL

The Hon Penny Sharpe MLC
Minister for Climate Change, Minister for Energy,
Minister for the Environment, Minister for Heritage,
Leader of the Government in the Legislative Council

NSW GOVERNMENT

Your ref: R25/0020
Our ref: MD26/104

Mr David Reynolds
Chief Executive
Local Government NSW

By email: lgnsw@lgnsw.org.au

Dear Mr ~~Reynolds~~ David,

Thank you for your letter regarding resolutions on issues raised at the 2025 Local Government NSW (LGNSW) Annual Conference. Responses to the resolutions listed in the letter, relevant to my portfolios, are enclosed.

I want to express my gratitude to the many Mayors and Councils that regularly meet with me and my staff – in person, over the phone and via Teams. I know there are many issues we are working on together and I hope to continue the strong cooperation we have.

I have read the motions from our conference with interest. I note many motions on the issue of renewable energy, strongly focused on the need to make sure that regional communities benefit from the transition. That is an issue I as Minister am very focused on – rolling out the community benefits, job and training opportunities and local infrastructure that supports communities now and into the future. I look forward to continuing to work with Mayors and Councils on this issue.

I note the motions regarding climate adaptation and resilience, particularly regarding the impact of heat on local residents. As you know, The NSW Government convenes the annual Adapt NSW Forum, which attracts more than 500 participants and provides a dedicated platform for collaboration across state agencies, local government, industry and research. I'm pleased that local councils are actively engaged in the Forum through presentations, panels and case studies, ensuring local government adaptation challenges and solutions are shared and elevated.

As always, waste was a big issue raised by Councils. The Government and the EPA has been working closely with councils around the NSW waste crisis – both metropolitan and regional. I understand that Councils want to see stronger support for the waste challenges they face, and support to transition to better facilities and technologies. I'm pleased that strong representaion from both elected councillors and senior council staff are sitting on our Waste Infrastructure Advisory Panel, providing guidance and expertise to government.

I will shortly release Chapter 2 of of the NSW Waste Infrastructure Plan which focuses on recycling and regional waste challenges. I look forward to discussing this further with regional and remote councils.

It would be remiss of me not to mention the Waste Levy. I am aware that Councils are keen for an answer, and are keen to have more of the waste levy go to councils. Government is working through this decision. I am also happy to tell those councils that raised the issue of the definitions of 'end of waste' that this is a matter we are looking at with priority.

52 Martin Place Sydney NSW 2000
GPO Box 5341 Sydney NSW 2001

02 7225 6020
nsw.gov.au/ministers

I note your letter indicated you also wrote to several Ministers about resolutions for the 2025 LGNSW Annual Conference. I can advise that several resolutions listed as being within my portfolio responsibilities fall within the portfolio responsibilities of other Ministers, and I have referred them to those Ministers for response as set out after this letter, for your information.

I have referred the following resolutions to the Minister for Planning and Public Spaces, the Hon Paul Scully MP, for his consideration, noting they fall within his portfolio responsibilities:

- Resolution 99
- Resolution 102
- Resolution 112
- Resolution X49

I have partially referred Resolutions 18 and 109 to Minister Scully, as aspects of this resolution fall within his portfolio responsibilities. Minister Scully also received Resolution 19 and is responding to his portfolio responsibilities – 19.1, 19.3 and 19.4.

I have also partially Resolution 24 to the following Ministers as aspects of this resolution fall within their portfolio responsibilities:

- Minister Scully
- the Minister for Industrial Relations, the Hon Sophie Cotsis MP
- the Minister for Natural Resources, the Hon Courtney Houssos MLC.

As Resolution 24 specifically mentions the Net Zero Economy Authority, which is overseen by the Australian Government, I have also referred your letter to the Federal Minister for Climate Change and Energy, Hon Chris Bowen MP.

Finally, I have also partially referred Resolution 133 to Minister for Veterans, the Hon David Harris MP, as aspects of this resolution fall within his portfolio responsibilities.

Thank you again for taking the time to engage with my office. I look forward to our ongoing conversations.

Sincerely

[redacted]

Penny Sharpe MLC
Minister for Climate Change, Minister for Energy,
Minister for the Environment, Minister for Heritage
27/5/26

Responses to LGNSW 2025 Conference Resolutions

LGNSW Resolution	Climate Change, Energy, Environment, and Heritage Portfolio Response
Resolution 18 - Oberon Council - State significant development - renewable projects That Local Government NSW calls on the NSW Government to work with Local Government NSW to establish guidelines for current and proposed State Significant Development proposals for Renewable Projects (including Solar, Wind, Battery, Pumped Hydro) which: 1. Provide the same benefits to all councils hosting renewable projects as if they are a Renewable Energy Zone.	*Resolutions 18.2- 18.8 have been referred to Minster for Planning and Public Spaces, the Hon Paul Scully MP* In November 2025, NSW Parliament amended the *NSW Electricity Infrastructure Investment Act 2020* to introduce the concept of an 'access area'. The Minister for Energy may declare an access area as a specific geographical area outside of a declared REZ that includes related generation, storage and network infrastructure. The Minister for Energy may declare that an access scheme applies in an access area or to part of it. This would enable the collection of access fees for community and employment purposes. Under access schemes, local governments that are impacted can receive funds to implement for local community benefits. These can include greater planning certainty and coordination of infrastructure developments, economic and community benefits, and improved engagement with local councils to mitigate negative impacts. The NSW Government is carefully considering whether to declare an access area or new access schemes in line with these new provisions.
Resolution 19 - Wagga Wagga City Council - Large-scale renewable energy projects on high- quality agricultural land That Local Government NSW calls on the NSW Government to: 2. Restrict Renewable Energy Zone (REZ) developments to locations outside these protected classifications, ensuring REZ designation applies only to land with demonstrably low agricultural value, minimal environmental sensitivity, and no BSAL status.	*DCCEEW is responding to Resolution 19.2. Resolution 19.1, 19.3 and 19.4 is being responded to by the Minster for Planning and Public Spaces.* The development assessment process considers and addresses the impacts to land use and the environment, including agricultural and biophysical strategic agricultural land, for new electricity transmission and network infrastructure through Environmental Impact Statements and Review of Environmental Factors for individual projects. Generally, Renewable Energy Zones (REZs) in NSW are developed based on an abundance of sun and wind resources, located close to existing transmission lines and with populations large enough to support and benefit from long-term industries they create. Building projects in REZs seek to: • limit the need for new power lines • minimise overall community impacts • build local economies, skills and expertise • add jobs, investment and incomes to regional communities.
Resolution 20 - City of Newcastle - Local energy hubs That Local Government NSW calls on the NSW and Australian Governments to: 1. Establish and fund a network of independent, regionally based Local Energy Hubs in NSW to provide trusted	1. The NSW Government will continue collaborating with the Australian and other state and territory governments through the National Energy Transformation Partnership on initiatives to build and maintain social license for the renewable energy transition and recognises the importance of communities having access to accurate and trusted advice about the transition . 2. EnergyCo is currently exploring an option to establish a local energy hub in partnership with Transgrid in the Hunter region, and is also in early discussions with Muswellbrook Shire Council about hosting a

Responses to LGNSW 2025 Conference Resolutions

LGNSW Resolution	Climate Change, Energy, Environment, and Heritage Portfolio Response
advice on renewables, electrification, energy efficiency and community-led projects, 2. Create a NSW coordination unit to support hubs with shared resources, model materials and training (integrating with national Net Zero Economy Authority work), 3. Use the hubs to strengthen social licence for transmission, wind, solar, storage, and distribution including tailored engagement with farmers, local businesses and First Nations communities.	hub at the proposed Muswellbrook Energy Centre. Opportunities to mobilise similar concepts in other Renewable Energy Zones (REZs) are being considered. 3. EnergyCo is also seeking a co-location opportunity with other Roadmap participants and other government agencies such as Net Zero Economic Authority and Future Jobs and Investment Authority to simplify engagement for communities on projects and initiatives within the region. This work supports the NSW Government's commitment to addressing community concerns, including those of farmers, local businesses and First Nations communities.
Resolution 21 - City of Newcastle - Offshore wind, renewable energy and a just transition That Local Government NSW calls on the NSW and Australian Governments to: 1. Maintain strong support for the timely development of offshore wind in NSW declared areas, including streamlined approvals and supply readiness, 2. Partner with councils and industry to establish domestic manufacturing and assembly hubs at key ports, including the Port of Newcastle, with local content targets, 3. Support workforce transition and training programs for workers from traditional energy sectors or surrounding roles, and 4. Commit to ensuring that any potential marine life and birdlife impacts are assessed and considered as part of the EIS, and mitigation measures are	1. The NSW Government's current priority is delivering the NSW Electricity Infrastructure Roadmap and the implementation of the five declared Renewable Energy Zones. However, the Government is exploring the opportunities and issues around offshore wind, including an analysis of NSW's future energy generation needs, options to meet those needs, barriers to lowest cost solutions, system requirements, and relevant legislative regimes. 2. The establishment of manufacturing hubs is consistent with recommendations of the Renewable Energy Sector Board to co-locate complementary industries where NSW has a competitive and comparative advantage for local supply of key components and materials for the electricity transition. The Department will work with the Renewable Energy Sector Board to consider the addition of local content (social value) requirements for offshore wind in its framework applying to NSW Electricity Roadmap. 3. The Future Jobs and Investment Bill encourages economic growth and development in regions transitioning from traditional energy sectors, including the establishment of a Future Jobs and Investment Authority (Board and Advocate). The Authority will help guide the future economic development of the Hunter region to other economic and employment opportunities. 4. Offshore wind energy developments located more than 3 nautical miles offshore will be assessed and managed by the Australian Government. However, any offshore wind energy developments within the NSW Government's remit and their associated transmission lines will go through a rigorous Environmental Impact Assessment (EIS) which includes several stages of assessment and consultation, including consideration of impacts on marine and birdlife. 5. Currently, NSW and Australian government legislation both prohibit the construction or operation of nuclear facilities for non-research purposes. With the CSIRO and AEMO confirming that firmed

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required in design, approvals and implementation 5. Reaffirm NSW's commitment to a renewables-led energy system and retain prohibitions on nuclear electricity generation in NSW.	renewables remains the cheapest replacement to our aging coal fleet, NSW remains committed to harnessing our state's abundant solar and wind resources to deliver more affordable, clean and reliable energy.
Resolution 22 - Bellingen Shire Council - Updated corporate carbon plan and consistent emissions reporting framework That Local Government NSW advocates to the NSW Government for the development and adoption of a consistent statewide emissions measurement and reporting framework for local government, enabling comparability, transparency, and accountability across all councils.	In 2025, the NSW Government commissioned the development of an emissions measurement and reporting tool purpose-built for councils. The "Cassora" tool was launched in December 2025, primarily to serve regional councils that do not have resourcing for third-party emissions reporting platforms. Cassora is configured for council use, enabling identification of emissions from core functions like waste, wastewater and streetlighting. The aim is for future iterations of the platform to have a comparability or benchmarking function. By providing this custom-made platform, the NSW Government has levelled the playing field for resource-constrained regional councils, with 7066 regional councils having signed up to Cassora as of 4 February 2026. The launch of Cassora means the majority of NSW councils now have access to an emissions measurement and reporting platform. This positions councils to be able to easily pivot should a NSW-wide emissions reporting framework for councils be implemented in future.
Resolution 24 - Dungog Shire Council - Local presence That Local Government NSW calls on the NSW and Federal Governments to embed Net Zero government support services and infrastructure delivery agencies, including (but not limited to) the Net Zero Economy Authority, EnergyCo, Department of Employment and Workplace Relations, Future Jobs and Investment Authority, Department of Transport & Department of Planning within regional communities directly affected by the transition to meet NSW Net Zero targets.	*Resolution 24 has been partly referred to the following Ministers for responses under their portfolio responsibilities: Minster for Planning and Public Spaces, the Minister for Industrial Relations, the Hon Sophie Cotsis MP and the Minister for Natural Resources, Hon Courtney Houssos MLC.* *As Resolution 24 specifically mentions the Net Zero Economy Authority, which is overseen by the Australian Government, this resolution has also been partly referred to the Federal Minister Climate Change and Energy, Hon Chris Bowen MP.* EnergyCo is leading a coordinated and proactive approach to building partnerships with regional communities, businesses and stakeholders across Renewable Energy Zones and other infrastructure projects. Through these partnerships, EnergyCo are enabled to foster community support and have full line of sight to the various initiatives, opportunities and policies that need to be developed and delivered to ensure benefit realisation in regional communities EnergyCo interacts with.
Resolution 29 - Murray River Council - Essential Energy to deliver equity	The NSW Government has imposed strict licence conditions on Essential Energy's Electricity Distributor's Licence requiring compliance with the reliability standards for electricity supply to all customers. These standards (effective since 1 July 2024) apply to ensure equity for all customers.

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That Local Government NSW calls on the NSW Government to direct Essential Energy to ensure equity of service to those communities at the end of the current transmission network.	www.ipart.nsw.gov.au/sites/default/files/cm9_documents/Essential-Energy-licence-December-2025-Emergency-back-stop-mechanism-amendment.PDF
Resolution 30 - Narrandera Shire Council - Electricity supply charges That Local Government NSW lobbies the NSW State Government to require Essential Energy to charge rural consumers daily supply charges commensurate with those being charged to city and coastal consumers.	The Australian Energy Regulator (AER) is responsible for regulating the amount of revenue network businesses can recover from customers. The AER sets network prices so energy consumers pay no more than necessary for the safe and reliable delivery of electricity and gas services. The Essential Energy network typically has higher charges due to maintaining a network over a larger area, with a smaller and more dispersed customer base. Essential Energy has close to 200,000 kilometres of powerlines covering 95% of NSW's land mass. Whereas the two city-based networks together only operate around 80,000 kilometres of powerlines yet have a larger customer base to pay for them. Requiring Essential Energy to set network charges in-line with those of the city-based networks would result in significant under-recovery of costs by Essential Energy that would significantly impact reliability and service delivery to regional and remote customers.
Resolution 31 - LGNSW Board - Skills and workforce That Local Government NSW: 2. Calls for the NSW and Australian Governments to address skills and workforce challenges by: b) Providing funding, training and support for the future Environmental Health Officer workforce necessary to administer councils' implementation of the FOGO mandate,	*Resolution 31 2 b) - was referred to me by the Minister for Skills, TAFE and Tertiary Education, and the Minister for Local Government.* b) Environmental health officers (EHOs) will be able to enforce compliance with the FOGO mandates in the same way they take other enforcement action under the *Protection of the Environment Operations Act 1997*. The EPA holds regular two-day courses for EHOs and is working on including a module on the FOGO mandates soon. The EPA will be running a workshop (online) for council officers on the FOGO mandates in late March 2026. All councils will be notified once the date has been confirmed.
Resolution 58 - LGNSW Board – Enabling infrastructure 7. That the NSW and Australian Governments commit to new funding arrangements to support delivery of local infrastructure that is essential to support and enable the delivery of housing, social infrastructure and	*Resolution 58.7 - was referred to me by the Minister for Planning and Public Spaces for a response regarding matters under my portfolio of responsibilities.* The NSW Government has completed a series of Regional Major Infrastructure Studies to help plan housing and accommodation need of communities in and around the State's first two Renewable Energy Zones (REZ). The NSW Government is already taking a range of actions to address key issues for regional communities related to housing pressures resulting from REZ developments. They include:

NO:

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employment lands to facilitate growth across rural, regional and metro NSW, by: • Establishing a dedicated Rural and Regional Local Housing Infrastructure Fund to provide direct, non-contestable funding for enabling infrastructure - including roads, power, and drainage - and to support councils responding to unique regional housing pressures associated with Renewable Energy Zones, seasonal workforces, and the implementation of local housing strategies.	• Setting up the Regional Housing Taskforce to improve housing supply and affordability in the regions, including key worker housing. It will facilitate the delivery of 127,000 homes for regional NSW in the next 10 years. • Investing $265 million to 15 high-growth regional councils for the faster delivery of home-enabling infrastructure projects like roads and stormwater drainage, under the Accelerated Infrastructure Fund for regional NSW. • Investing in new homes through the Regional Housing Strategic Planning Fund. • Investing $1.25 billion in regional road maintenance this year alone, a record investment in regional road safety with: o $155 million funding a pothole and road-repair blitz across regional NSW o $46 million invested in new safety upgrades. This is on top of $390 million for regional councils through the Regional Emergency Road Repair Fund and $334 million from the Regional Roads Fund. • Investing $11.25 million to Mid-Western Regional Council to build affordable housing in Mudgee for key workers and complete civil works that pave the way for additional homes. • Investing $3.1 million to Warrumbungle Shire Council to develop the Sullivan Street Independent Living project. In addition, the Community and Employment Benefit Program grants are being delivered to improve liveability and community amenity in the Central-West Orana REZ. Legacy Infrastructure Fund projects awarded to councils through this program include: • $3.9 million to Warrumbungle Shire Council for the Coolah Sewage treatment plant. • $2.9 million to Warrumbungle Shire Council for the Dunedoo Sewage treatment plant. • $658,455 to Warrumbungle Shire Council for the Dunedoo Water Supply Scheme. • $500,000 to Warrumbungle Shire Council for the Coolah Water Supply Scheme. • $9.77 million to Upper Hunter Shire Council for the Cassilis Sewerage Treatment Plant. • $1.39 million to Upper Hunter Shire Council for Cassilis Footbridge, Pathways and Landscaping. • $11.25 million to Dubbo Regional Council to build the Renewable Energy Awareness and Career Training (REACT) Centre which will enable more locals to secure renewable energy jobs. • $2.9 million to fund skills and workforce development as part of a partnership between EnergyCo and the NSW Department of Education. This includes funding for women in construction/renewables taster courses, industry-school partnerships, group training organisations and local skills coordinators.

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Resolution 59 - LGNSW Board - Funding and supporting Local Water Utilities That Local Government NSW calls on the NSW government to: 1. Renew and continue capital grant funding allocated to the $1.1 billion Safe and Secure Water Program or its replacement for at least a further 10 years. 2. Renew its commitment to water security for critical human needs across regional NSW through a dedicated water security strategy and implementation program for regional town water supplies. 3. Renew its commitment to maintaining drinking water quality in rural, regional and remote NSW and continue supporting LWUs with a balanced, risk-based approach that considers contaminants of emerging concern such as PFAS chemicals. 4. Reduce unnecessary regulatory burdens on LWUs in rural, regional and remote NSW, including the NSW Regulatory and Assurance Framework, water utility strategic planning and Section 60 approvals. 5. Ensure that local water utilities in NSW remain in local government ownership 6. Ensure water and sewerage service levels are equitable and affordable across all of NSW, including through a Community Service Obligation and sustainable bulk water pricing for LWUs. 7. Incentivise support programs that include regional collaboration between	*LGNSW has referred to Resolution 59.1 Minister for Water for a response regarding matters under their portfolio of responsibilities.* Response to Resolution 59.2 – 59.8 Large sewage treatment plants (STPs), serving more than 2,500 people, operate under strict Environment Protection Licences (licences) issued by the NSW Environment Protection Authority (EPA) to protect waterways, ecosystems and, where relevant, drinking water supplies. There are around 267 licences for sewage treatment systems in NSW. The EPA takes a tailored approach to licensing for STPs, working with licensees (including councils) to develop site-specific conditions that are achievable and reflect both best practice and the level of environmental risk in the receiving waters. Where a discharge is unavoidable, the EPA requires the licensee to demonstrate all reasonable and practical measures have been implemented to minimise or mitigate the pollution and restore or maintain the environmental values of the waterway. There are many small STPs in NSW serving populations of fewer than 2500 persons. These plants are not licensed but required to comply with the Protection of the Environment Operations Act 1997 (not pollute waters). They are usually operated by local councils and regulated by the EPA as the Appropriate Regulatory Authority. There are a small number of privately owned and operated STPs in NSW regulated by Independent Pricing and Regulatory Tribunal (IPART) under the Water Industry Competition Act 2006. Between April and November 2025, the EPA, with the support of NSW Health, Water agencies and councils/local water utilities, led a private bore water screening program for per- and polyfluoroalkyl substances (PFAS) in four affected catchments of NSW.

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LWUs and digitisation of water and sewerage infrastructure to improve service levels such as the NSW DCCEEW's Regional Leakage Management Program and Advanced Operational Support Program. 8. Invest in measures to improve water quality and waterway health such as carp control, salinity reduction and management of algal blooms.	
Resolution 60 - The Hills Shire Council - Establishment of an independent authority for the Hawkesbury-Nepean river That Local Government NSW calls on the NSW Government to establish an independent oversight authority governing the use, management and health of the Hawkesbury-Nepean River.	In recent years, the NSW Government has supported The Hills Shire Council to develop a Coastal Management Program (CMP) for the Hawkesbury-Nepean River, by providing Council with technical advice along with funding through the Coastal and Estuary Grants program. The Hills Shire Council is one of six councils that have worked in partnership to develop the CMP. The councils will shortly submit the CMP to the Minister for the Environment for certification. Once certified and gazetted, the CMP will provide a long-term, strategic plan for how the councils will protect, manage, and improve the coastal and estuarine environments of the Hawkesbury-Nepean River. An action of the CMP is to adopt a governance framework to oversee and drive the delivery of CMP actions.
Resolution 85 - City of Newcastle - Undergrounding electricity poles and wires That Local Government NSW calls on the NSW Government to commit to a program to transition power lines and power grid network infrastructure to be undergrounded where able to build disaster capacity and resilience in our communities.	The cost of undergrounding electricity assets is significant and does not necessarily make the network more reliable. When an underground fault occurs, the cost of finding its location, trenching, cable jointing and re-embedding the line can sometimes be significantly more than repairing a fault in an overhead line where the conductors are visible, readily accessible and easier to repair.
Resolution 86 - City of Canterbury-Bankstown Council - Heatwave response planning That Local Government NSW calls on the NSW Government to resource all NSW councils to support the NSW Heatwave	The updated NSW State Heatwave Sub Plan was published in December 2024. Ambulance NSW is the lead agency responsible for its development and implementation. The plan details state-level emergency response arrangements in the event of a heatwave but does not extend to emergency arrangements for extreme heat events. The NSW Government is currently developing a whole-of-government response to the Net Zero Commission's letter on extreme heat and humidity events, which outlined a range of recommendations. Recommendations being considered include testing and evaluating community Cool Centres (Action 30 of Greater Sydney Heat Smart City Plan) to inform future efforts to expand this

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Sub-Plan and, where appropriate, the Greater Sydney Heat Smart City Plan.	initiative, joint leadership of the Greater Sydney Heat Smart City Plan and a governance framework with identification of roles and responsibilities for management of chronic heat risks.
Resolution 88 - City of Newcastle - Local climate adaptation and resilience support That Local Government NSW calls on the NSW Government to: 1. Convene a Climate Adaptation Summit with LGNSW and councils; and 2. Create a dedicated adaptation support program providing funding and technical assistance for risk assessments, adaptation plans and priority resilience works (heat, flood, coastal hazards, extreme weather, and community and critical asset protection).	**1. Convene a Climate Adaptation Summit with LGNSW and councils** • The NSW Government already convenes the annual Adapt NSW Forum, which attracts more than 500 participants and provides a dedicated platform for collaboration across state agencies, local government, industry and research. • Local councils are actively engaged in the Forum through presentations, panels and case studies, ensuring local government adaptation challenges and solutions are shared and elevated. • The Forum complements ongoing engagement with LGNSW and councils throughout the year, supporting knowledge exchange, capability building and alignment on adaptation priorities. **2. Create a dedicated adaptation support program (funding and technical assistance)** • The NSW Government, as per its response to the Parliamentary Inquiry *Planning system and the impacts of climate change on the environment and communities,* has committed to developing a more comprehensive and coordinated climate adaptation framework for implementation at a local scale. • The NSW Government already has a range of measures in place to support councils in conducting and implementing risk assessments and adaptation planning. • The NSW Reconstruction Authority is leading regional scale, place-based disaster adaptation planning across the state, working with community, government and industry to reduce disaster risk. • The AdaptNSW website provides information and resources tailored specifically for local government to inform and empower climate adaptation: www.climatechange.environment.nsw.gov.au/how-adapt/local-councils-and-authorities. • Support to councils is also provided through access to NARCliM climate projections via regional climate snapshots, Interactive Climate Change Projections Map or the NSW Climate Data Portal enabling evidence-based local-scale risk assessments. • A selection of local government NARCliM case studies explore approaches and learnings of working with the data. All NARCliM projections and information can be accessed at: www.climatechange.environment.nsw.gov.au/news/new-climate-projections-for-nsw. • Coastal councils can also access the latest data and information to better understand 3 key coastal hazards along the NSW coastline. • End-users can access high-level snapshots or more detailed information in the technical report and the NSW Government SEED Climate Adaptation Hub.

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	• Information about coastal hazards and the technical report is available at: www.climatechange.environment.nsw.gov.au/resources-and-research/sea-level-rise-and-coastal-hazards, and the SEED Hub can be accessed at: www.seed.nsw.gov.au/ • The recently published Restore and Renew Tool further supports councils to integrate climate resilience into land-use and strategic planning, particularly in areas exposed to current and future climate risks. • The Tool can be accessed at www.climatechange.environment.nsw.gov.au/resources/restore-and-renew-webtool.
Resolution 89 - LGNSW Board - Waste Levy reform That Local Government NSW calls on the NSW Government to: 1. Fully reinvest the Waste Levy into waste infrastructure, programs and circular economy solutions including infrastructure for the processing and composting of Food Organics and Garden Organics (FOGO), funding to offset operational implementation costs of the FOGO mandate, and to offset the costs of legacy landfill monitoring and remediation. 2. Urgently abolish the Waste Levy on asbestos-containing materials. 3. Waive the Waste Levy charged by the NSW State Government to NSW councils following adverse weather events or disasters. 4. Waive the Waste Levy charged to the community on landfill cover material used to cover the waste that is levy-exempt.	1. The waste levy is collected by the EPA and transferred to the NSW Government's Consolidated Fund. Funding from the Consolidated Fund is allocated in accordance with government budget processes managed by NSW Treasury. Any funding proposal would need to meet rigorous criteria to ensure the proper expenditure of public monies. 2. The NSW Government is considering proposals for changes to waste levy settings arising from the waste levy review, including a proposed waiver to asbestos-containing material. 3. The EPA works with the relevant Coordinator and NSW Reconstruction Authority in response to disasters and emergencies and typically will grant a waste levy exemption on waste arising from an event once it is satisfied that the scale and impact of the event warrant the exemption. This allows the recovery process to begin as soon as it is safe to do so. 4. In addition, the NSW Government provides a range of financial and non-financial assistance through the NSW Disaster Assistance Guidelines 2021 to support relief and recovery from disasters and emergencies. They include options for local councils to fully recover disaster management costs including labour, plant, equipment and materials (including daily cover), but does not cover any profit margins to councils or other organisations.
Resolution 90 - Goulburn Mulwaree Council - Energy from waste	1. Without action, Greater Sydney is set to run out of landfill space in four years, and many regional landfills will approach capacity as waste volumes grow. The NSW Government is taking a strategic

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That Local Government NSW: 1. Advocates for recognition that proposed large scale (including household waste) waste to energy projects will have an impact on the regional centres where they are proposed and continues to advocate for other means to manage the increasing quantities of waste from Sydney. 2. Seeks that should a facility be approved in a Local Government Area (LGA), that this be limited to one large scale facility per LGA and that the community be financially compensated for hosting this facility.	approach to the role of energy from waste to reduce our reliance on landfill and build resilience in waste management, while maintaining strong protections for communities, the circular economy and the environment. NSW has some of the world's best-practice environmental standards for energy from waste, including some of the most stringent emission limits in the world. The state's designated energy from waste precincts were chosen in 2021 due to their proximity to existing or planned infrastructure and transport links. 2. Any proposed facility will be subject to a rigorous merit-based assessment by the Department of Planning, Housing and Infrastructure, including detailed environmental assessments and public consultation. This stringent planning process and the EPA's rigorous regulatory framework mean any energy from waste facility would be highly controlled and closely monitored to protect community health and the environment.
Resolution 91 - Lake Macquarie City Council - Safe battery disposal and product stewardship That the NSW Government works with the Australian Government to provide adequate funding to local councils for the increased establishment of collection points, logistics and processing solutions to manage the safe disposal of battery-powered products.	In response to growing fire-related risks from batteries, the EPA is developing the Product Lifecycle Responsibility Regulation 2026, which will establish a mandatory product stewardship scheme in NSW for loose and removable batteries. Under the scheme, brand owners will be required to pay a levy to support the safe disposal and recycling of batteries through dedicated collection points, such as those at Community Recycling Centres. NSW is the first state to implement mandatory product stewardship for batteries. The EPA has worked collaboratively with the Commonwealth, States and Territories on the development of the regulation. The EPA is considering further regulations to address the ongoing fire risks of embedded battery products.
Resolution 92 - Northern Beaches Council - Tackling plastic waste That Local Government NSW calls upon the NSW and Federal Governments for legislative and policy reform to: 1. Develop a program to phase out the use of 'difficult to recycle' plastics such as soft plastics and polystyrene. 2. Develop and implement a national product stewardship scheme for plastics, where organisations that make	1. The NSW Government has set targets to triple the plastics recycling rate by 2030, reduce problematic and single-use plastics in circulation and reduce plastic litter by 30% by 2025. In November 2025, the NSW Government released the NSW Plastics Plan 2.0 to support these targets. It sets out actions to reduce plastic waste and increase plastic recycling. These include phasing out certain types of expanded polystyrene packaging and developing a product stewardship scheme for highly littered takeaway food and beverage packaging items. 2. The NSW Government also supports the Commonwealth Government's reform of national packaging regulations to reduce the impact of packaging waste on the environment. This follows a commitment made by Australia's Environment Ministers in 2023 to make industry responsible for the packaging they place on the market.

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and sell plastics also take responsibility for managing adverse impacts and disposal. a. Providing an appropriate level of funding to help build infrastructure to recover valuable materials from recyclable plastics. b. Developing sustainable markets for recovered plastics.	a) The NSW and Australian Governments invested $11.2 million under the Recycling Modernisation Fund in two projects that will divert over 17,000 tonnes a year of hard-to-recycle plastics, including soft-plastic packaging. b) The EPA has a representative on the Stakeholder Advisory Council for the Soft Plastics Stewardship Australia national product stewardship scheme for soft plastics.
Resolution 94 - MidCoast Council - End of Waste definition That Local Government NSW advocates to the NSW Government and EPA to reform the End of Waste definition and framework to: 1. establish a clear pathway for recovered materials to achieve End of Waste status when they meet environmental and product standards, and 2. support councils and industry to expand resource recovery and build stronger markets for recycled products.	Under the Towards a Circular Economy Action Plan in response to Dr Wilkinson's review of the waste and resource recovery framework, the EPA continues to investigate and develop a range of measures to relieve unnecessary regulatory burden, facilitate end-of-waste outcomes and pathways while maintaining strong protections for human health and the environment. 1. The focus of this work, and any potential regulatory reforms, is on suitable, common, low-risk materials with strong markets used in circular activities such as remanufacturing. Any proposed reforms will be included for consultation and feedback as part of the review and remake of the Protection of the Environment Operations (Waste) Regulation, likely to take place in the second quarter of 2026. 2. In 2025, the NSW Parliament passed legislation to mandate food organics and garden organics collection (FOGO) services for households by July 2030 and for businesses and institutions in stages from July 2026. An estimated 500,000 tonnes per annum of additional compost is expected to be generated because of these reforms. Research estimates that more than 100,000 tonnes per annum of FOGO compost could feasibly be used in local government urban amenity applications, particularly as a soil amendment for sports fields. To support councils in creating and testing opportunities to use FOGO compost, a new Circular Markets program will provide grants of up to $50,000. Applications are open until March 2026. The EPA has also provided funding support through grant programs that address infrastructure, resource recovery, and remanufacturing for other priority materials and the use of recycled content, including completing research and data projects to improve strategic information to help councils and industry with investment decisions.
Resolution 95 - Glen Innes Severn Council – Biochar That Local Government NSW calls on both the NSW and Australian Governments to support implementation of the Australian Biochar Industry 2030 Roadmap, where source material quality and the processes	The NSW Government is committed to the reuse of waste and specifically to the recycling of organics. The EPA is supportive of the generation and use of biochar as a soil amendment where the benefits to soil are demonstrable, and the risks are minimal and/or mitigated. The EPA also encourages innovative uses of biochar in industrial applications that are scalable. The EPA is an active member of the Australian Standards Committee working towards the production of a standard for the grading of biochar, biocarbons and related products.

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employed ensure beneficial environmental outcomes and contribute to negative carbon emissions.	The EPA also co-chairs the Agriculture Climate Change Advisory Committee with the Department of Primary Industries and Regional Development, which is actively working together on the generation of biochar from agricultural wastes.
Resolution 96 - Maitland City Council - Return and earn That Local Government NSW advocates to the NSW Government to further expand the roll out of Return and Earn recycling and consider an increase to the reward from 10 cents per item to 20 cents so as to balance objectives of encouraging recycling, national harmonisation and cost of living pressures.	On 19 November 2025, the NSW Legislative Council gave its bipartisan support for the Government to begin analysing the business case for increasing the Container Deposit Scheme (CDS) refund amount, in cooperation with other States and Territories. In considering whether and how the refund amount could change, the NSW Government will need to conduct a thorough analysis of this proposal, which considers the broader economic impacts of changing the CDS refund amount, including potential costs to businesses. An increase in the refund amount must be balanced against the possible increase in beverage prices and the impact this may have on the cost of living. While the NSW Government is open to considering these changes, it is also essential that all State and Territory governments move together on this matter. With container deposit schemes now operational in all Australian states and territories, the need for harmonisation across borders is greater than ever. The EPA continues to monitor CDS redemption rates (currently 68%) and participation rates and to explore all opportunities to continue to drive these up. From the EPA's behavioural research, we know the refund amount is only one factor influencing participation and there are additional levers beyond changing the refund amount, such as ensuring that the CDS is accessible and offers a good consumer experience.
Resolution 97 - Wollongong City Council - Domestic waste reserves That Local Government NSW: 1. Includes in its policy platform a position that allows council to use Domestic Waste Reserves to clean up illegal dumping. 2. Advocates for the EPA to better support and fund programs that allow the more urgently needed clean-up of illegal waste, predominantly illegal commercial waste, and continue to focus on education programs.	1. The NSW Illegal Dumping Prevention Strategy (the Strategy) sets out the approach to target illegal dumping until 2027. 2. This Strategy, backed with $16 million of funding, strongly supports education and behaviour change initiatives through funding the illegal dumping grants prevention program, delivering social media campaigns to raise awareness and trialling interventions with key stakeholders.
Resolution 99 - City of Newcastle - Safe buffer zones for homes to waste facilities	*Resolution 99 has been fully referred to the Minister for Planning and Public Spaces.*

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That Local Government NSW calls on the NSW Government to legislate the EPA recommendation that no new housing should be located within 1000m of a solid waste landfill.	
Resolution 100 - Randwick City Council - Protecting communities from the impacts of PFAS contamination That Local Government NSW calls on the NSW Government to: 1. Acknowledge significant community concerns regarding PFAS as detailed in the NSW Parliament Select Committee Inquiry into PFAS Contamination in Waterways and Drinking Water Supplies Throughout NSW with sites across NSW including Department of Defence lands, airports, waterways, drinking water catchments and neighbouring communities affected; 2. Acknowledge the devastating health and social impacts on individuals and communities revealed in these submissions and hearings; and 3. Accept the findings and adopt the recommendations detailed in the NSW Parliament Select Committee Inquiry into PFAS Contamination in Waterways and Drinking Water Supplies Throughout NSW report published on 11 September 2025.	On 10 December 2025, the NSW Government tabled the response to the PFAS inquiry. The NSW Government appreciates the community's concerns about PFAS and is committed to continuously improving its approach in line with national guidelines and the latest evidence. The NSW Government's management of PFAS is informed by the best science and evidence and continues to operate with an abundance of caution when it comes to the presence of PFAS in drinking water.
Resolution 101 - Woollahra Municipal Council - Protection of water and waterways	The Minister for the Environment shares responsibility for the *Marine Estate Management Act 2014* with the Minister for Agriculture, the Hon Tara Moriarty MLC. This includes management of the statewide Marine Estate Management Strategy (MEMS), management of existing marine parks and aquatic reserves, and joint declaration of any new marine protected areas.

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That Local Government NSW lobbies the State Government to step up its efforts to protect drinking water supply, significant waterways and coastal waters by: 1. Accelerating the roll out of state-of-the-art wastewater treatment systems; and 2. Spearheading the establishment of new marine parks, particularly in and around urban coastal areas.	There are 6 marine parks and 12 aquatic reserves in NSW waters. 10 of the 12 aquatic reserves are in the Sydney region. There are currently no plans for new marine parks in NSW. An upcoming review will determine whether management rules for marine parks and aquatic reserves remain appropriate for securing the primary purpose of marine parks and aquatic reserves. The marine protected area network is complemented by the delivery of the 10-year Marine Estate Management Strategy 2018–2028 (the strategy). To deliver the strategy, the Government has invested over $286 million in three stages, addressing a range of key threats to the marine environment both inside and outside of our marine parks, including the impacts of development, climate change, and water pollution. A key initiative of the Strategy is to improve water quality and reduce litter. Sydney-based projects in this initiative include estuary water quality monitoring, marine debris monitoring, oyster reef restoration research, mapping outflow events and helping waterway managers and industry understand how to apply the 'Risk-based Framework for Considering Waterway Health Outcomes in Strategic Land-use Planning Decisions.' The NSW Government's multi-agency *Seabirds to Seascapes* project is working to restore Posidonia seagrass meadows and seaweed forests and installing Living Seawall panels and Reef Pods across various locations within Sydney Harbour. There are also two Coastal Management Programs in development for Sydney Harbour, which may include actions targeting water quality.
Resolution 102 - Northern Beaches Council - Enhanced regulation for tree removal and urban canopy protection That Local Government NSW calls on the NSW Government to implement enhanced regulations for tree removal and urban canopy protection. Specifically, the Conference urges the Government to:	*Resolution 102 has been referred to the Minister for Planning and Public Spaces.*

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LGNSW Resolution	Climate Change, Energy, Environment, and Heritage Portfolio Response
1. Introduce stricter guidelines for tree removal decisions made by private building certifiers. 2. Require certifiers to obtain explicit approval from local councils before authorising removal of trees marked for retention. 3. Establish robust monitoring and enforcement mechanisms, and increase penalties for unauthorised tree removal. 4. Create an accreditation and licensing system for arborists, along with clear industry guidelines, improved safety standards and appropriate regulatory mechanisms. 5. Identify whole of government targets for the long-term protection and management of the urban tree canopy across NSW. 6. Better protect street tree canopy on council verges from energy company contractors, due to widespread non-compliance with the Electricity Supply Act (1995) and Australian Tree Pruning Standard (2007) AS4373-2007 when clearing vegetation from the vicinity of power lines.	
Resolution 106 - Singleton Council - Funding contemporary air quality and particulate studies statewide That Local Government NSW calls on the NSW Government to undertake contemporary cumulative air quality impact studies across the state, including particulate characterisation in areas of net zero transition and high woodsmoke.	NSW operates an air quality monitoring network of over 100 permanent monitoring stations and continues to implement improvements to recording and reporting air quality information. Air quality data from the network, updated hourly, is available at www.airquality.nsw.gov.au/. Particle Characterisation Studies were completed for the Upper Hunter in 2013 and for the Lower Hunter in 2016.

Responses to LGNSW 2025 Conference Resolutions

LGNSW Resolution	Climate Change, Energy, Environment, and Heritage Portfolio Response
Resolution 107 - Shoalhaven City Council - Remove council co-contribution to Coastal Management Programs projects That Local Government NSW requests the NSW Government to remove the requirement for co-contributions from council when applying for funding from DCCEEW's Coast and Estuary Grant Program to allow implementation of high priority actions under certified Coastal Management Programs.	Following an independent review of the Coastal and Estuary Grants Program in 2019, the funding contribution was enhanced from a 50:50 model to a $2 State investment for every $1 contributed by councils, for actions identified in certified Coastal Management Programs and approved under the grants program. Shared financial responsibility with State Government via a partnership model promotes stronger governance, reduces delivery risk, and encourages prudent decision-making throughout the life of the project. An independent evaluation of the Coastal and Estuary Program, including the grants program, is expected to be undertaken during 2026. The evaluation will seek input from local government and other stakeholders and will collate and analyse information to inform future policy and program considerations.
Resolution 108 - Willoughby City Council - Use of rodenticides That Local Government NSW advocates to the NSW Government for: 1. The development and funding of non-toxic, humane rodent control alternatives, including physical deterrents, trapping, and ecological management. 2. A statewide public education campaign on the dangers of rodenticides to native wildlife, pets, and the availability of safer alternatives.	1. The NSW Government is aware of community and environment groups' concerns about off-target harm to native wildlife and pets. It has been contributing to the national review of the use of both first and second-generation anticoagulant rodenticides being conducted by the Australian Pesticides and Veterinary Medicines Authority (APVMA). On 16 December 2025, the APVMA announced a draft decision proposing to suspend second-generation anticoagulant rodenticide (SGAR) products so stricter controls around their use can be implemented quickly. On 27 January 2026, targeted consultation on this proposal closed. Public consultation on the proposed regulatory changes to all anticoagulant rodenticides is open until 16 March 2026. 2. NSW Government will support the APVMA in communicating new restrictions when implemented.
Resolution 109 - City of Newcastle - Protecting Koala populations That Local Government NSW requests to the NSW Government, that as part of the establishment of the Great Koala Park, they: 1. Provide local governments with resources and support for identifying core koala habitat through koala survey and habitat mapping projects	*Resolution 109.2 has been referred to Minster for Planning and Public Spaces.* 1. The NSW Government has provided support to councils to map koala habitat to inform Koala Plans of Management and other strategic habitat protection mechanisms. Under action 2.3 of the NSW Koala Strategy, the Government invested $2.4 million to support local councils to carry out rigorous on-ground ecological assessments, in consultation with the community. DCCEEW also provided survey methodology guidance and assistance to analyse vegetation and koala population data so councils could develop fine-scale koala habitat maps. The completed maps help councils to be strategic in how they protect and conserve koala habitat. Since the start of the Strategy, 12 local councils have been provided financial or in-kind to undertake koala habitat mapping.

Responses to LGNSW 2025 Conference Resolutions

LGNSW Resolution	Climate Change, Energy, Environment, and Heritage Portfolio Response
and the protection through Plans of Management; 2. Strengthen the ability of local governments to regulate environmental zones to protect, manage and restore lands of high ecological value, particularly for the protection of core koala habitat, and 3. Work with local governments to identify potential further areas across NSW for inclusion into the Great Koala Park.	In line with the commitments in the NSW Plan for Nature, the Government is currently reviewing the biodiversity conservation program to support the objectives of no new extinctions and restoring threatened species and ecosystems. This includes considering the NSW Koala Strategy and associated habitat mapping support. 3. In September 2025, the NSW Government announced proposed boundaries of a Great Koala National Park (GKNP). The proposed park will be located on the Mid North Coast of NSW and reserve 176,000 of State forest, combined with existing national parks, to create a network of protected areas encompassing 476,000 hectares between Grafton and Kempsey. The GKNP is not intended to also include other areas of NSW. NPWS works with local government and other NSW Government agencies to facilitate identification, construction and ongoing maintenance of multi-tenure experiences, such as the Grand Cliff Top Walk in the Blue Mountains LGA. DPHI is already leading a multi-tenure working group that is focused on the same themes as this resolution. NPWS is represented on this working group by the Director Assets and Infrastructure, Manager Visitor Infrastructure and Director Visitor Experience and Revenue.
Resolution 112 - Campbelltown City Council - Establish a light pollution policy for NSW That Local Government NSW: 1. Calls on the NSW Government to: a. Investigate the social, environmental and economic impact of light pollution in NSW. b. Establish a state-wide light pollution policy, using the NSW Dark Sky Planning Guidelines as a framework to inform requirements on shielding for lighting fixtures, permitted spectrum of light and amount of light produced. 2. Encourages all local councils to investigate what steps they can take to reduce light pollution within their own LGAs.	*Resolution 112 has been fully referred to the Minister for Planning and Public Spaces.*

Responses to LGNSW 2025 Conference Resolutions

LGNSW Resolution	Climate Change, Energy, Environment, and Heritage Portfolio Response
Resolution 132 - Hornsby Shire Council - Coordinated statewide track and trail strategy for NSW That Local Government NSW advocates to the NSW Government to lead the development of a coordinated, tenure-blind, statewide track and trail network that supports the growing demand for unstructured recreation—including mountain biking, trail running, bushwalking, and multi-day hiking—and ensures equitable investment, strategic planning, and shared responsibility across all levels of government and land tenures.	NPWS is the major supplier of bush walking, trail running and multi-day hiking in NSW. NPWS works with local government and other NSW Government agencies to facilitate identification, construction and ongoing maintenance of multi-tenure experiences, such as the Grand Cliff Top Walk in the Blue Mountains LGA. DPHI is already leading a multi-tenure working group that is focused on the same themes as this resolution. NPWS is represented on this working group by the Director Assets and Infrastructure, Manager Visitor Infrastructure and Director Visitor Experience and Revenue.
Resolution 133 - Shoalhaven City Council - Mandatory heritage guidance and funding for war memorials That Local Government NSW lobbies the NSW Government to: 1. Provide minimum standards for the maintenance and conservation of heritage assets, including war memorials, cenotaphs, and monuments. 2. Establish a Quality Management System (QMS) within Heritage NSW, as recommended by the NSW Audit Office, to ensure consistent oversight, regular audits, and transparent reporting on heritage asset condition. 3. Increase and simplify funding mechanisms, including raising caps under the Community War Memorials Fund, allowing broader eligibility, and creating a dedicated regional stream. 4. Enable councils to plan and budget with certainty by clearly defining	*Resolution 133 has been referred to the Minister for Veterans, the Hon David Harris MP.*

Responses to LGNSW 2025 Conference Resolutions

LGNSW Resolution	Climate Change, Energy, Environment, and Heritage Portfolio Response
maintenance obligations, ensuring this work is incorporated into long-term financial planning. 5. Strengthen collaboration with Defence and veteran organisations to support the maintenance and conservation of war memorials as a shared national responsibility.	
Resolution X22 - Snowy Valleys Council - Lasting legacy for communities impacted by energy projects That Local Government NSW calls on the NSW Government to mandate that all energy projects of State and National significance (such as hydro power, transmission lines, batteries and solar/wind farms) leave a lasting legacy fund to the communities that are impacted by such developments.	The NSW Government is committed to ensuring the long-term prosperity of host regions of renewable energy projects and is continually exploring options to further enhance benefits for communities impacted by this infrastructure. The Department of Planning, Housing and Infrastructure (DPHI) has developed the Benefit Sharing Guideline, which provides information to developers, councils and communities on how benefit sharing should be incorporated into development applications for large scale renewable energy generation and battery storage projects. Benefit sharing can be negotiated with and by the affected community, including councils, community groups, landholders and other stakeholders. These arrangements can also be formalised through Planning Agreements, which help ensure communities receive long term and locally meaningful benefits that genuinely support community needs and share the benefits of such developments.
Resolution X31 - Penrith City Council modelling That Local Government NSW call on the NSW Government to provide clarity to local government, industry and community on flood planning policy and management. This will provide councils and industry with the certainty needed to support future land use outcomes. This can be achieved by finalising risk-based Flood Planning Levels and releasing updated, risk-based evacuation modelling for all catchments to be covered by Disaster Adaptation Plans (DAPs), giving councils and industry confidence to progress housing	*Resolution X31 was referred to me by the Minister for Planning and Public Spaces for a response regarding matters under my portfolio of responsibilities.* The NSW Flood Prone Land Policy outlines that local councils are primarily responsible for flood risk management (FRM) in their LGAs with support from the NSW Government. The role of Councils in managing flood risk is to: • Carry out studies to understand flood risk, examine options to manage it, keep the community informed about flooding, supporting emergency management and assist with flood recovery. This includes identifying risk-based flood planning levels through the NSW Floodplain Management Program. • Link flood risk management with council's service responsibilities including infrastructure management, land-use planning and land management. • Take flooding into account when controlling the development of flood-prone land and in carrying out management actions, such as the investigation, design, construction, operation and maintenance of flood mitigation works.

Responses to LGNSW 2025 Conference Resolutions

LGNSW Resolution	Climate Change, Energy, Environment, and Heritage Portfolio Response
and employment projects in flood-affected LGAs.	The NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW) is the lead flood risk management agency. DCCEEW works with local government to better manage flood-prone land and provides funding and technical assistance to prepare flood studies and flood risk management studies, and to prepare and implement flood risk management plans through the NSW Floodplain Management Program. DCCEEW provides a policy, manual and guidelines to help councils manage flood risk. This includes the 2023 NSW Government Flood Prone Land Policy, the Flood Risk Management Manual and its supporting toolkit. DCCEEW work with a range of Australian, state and local government agencies, and the flood risk management industry to develop this material and policy. The Reconstruction Authority role in the Hawkesbury Nepean Valley (HNV): • in addition to Council responsibilities, the Reconstruction Authority (RA) is developing a flood-focused Disaster Adaptation Plan for the HNV • the RA is also developing the Regional Risk Based Planning Approach for the HNV which will determine a risk-based Flood Planning Level for the regional HNV flooding and provide clear approach for development in the HNV including Penrith • the HNV is a very complex floodplain with one of the highest flood risks in Australia • in 2024, the RA published the Hawkesbury-Nepean River Flood Study. The RA is currently updating the HNV Flood Evacuation Model in accordance with the 2024 Flood Study results.
Resolution X38 - City of Newcastle - Coastal management planning and funding That Local Government NSW: 1. Notes the findings of the Audit Office of NSW Coastal Management Report that the coastal management framework is not being effectively implemented to manage the NSW coastal environment, with most local councils still in the process of developing CMPs seven years after the framework came onto effect, and 2. Calls on the NSW Government and Australian Government to support local governments in developing a Model Coastal Management Program framework, co-defined by communities,	1. The Audit Office of New South Wales delivered the Coastal Management Audit on 10 September 2025. The audit made six recommendations to State agencies, including DCCEEW and DPHI, and two to the audited councils. The NSW Government has accepted all recommendations and commenced implementation. 2. The NSW Government has established an integrated coastal management framework to help build thriving, resilient coastal communities. Coastal Management Programs (CMPs) are central to this framework, providing long-term, coordinated strategies developed in partnership with councils, public authorities and local communities. The NSW Government supports councils to prepare and implement CMPs by providing both technical expertise and financial assistance, including funding to implement actions addressing coastal erosion and climate change impacts.

Responses to LGNSW 2025 Conference Resolutions

LGNSW Resolution	Climate Change, Energy, Environment, and Heritage Portfolio Response
for governance, funding, implementation, and approval pathways. This should include ensuring appropriate resourcing to financially support councils, to equip them to shape approaches to addressing the social, cultural, and economic impacts of coastal erosion due to climate change in ways that are appropriate to their local communities.	
Resolution X44 - Port Macquarie-Hastings Council - Environmental monitoring, planning and decision making That Local Government NSW advocates for the improved usefulness of environmental reporting and calls on the NSW Government to amend the Protection of the Environment Administration Act 1991 to require the NSW EPA to provide for State of the Environment Reporting that includes the ability to observe LGA-scale breakdown to enable more targeted and locally relevant environmental monitoring, planning and decision making.	DCCEEW has released Hillslope Erosion Modelling information as part of the Future Climate and Adaptation Hub on SEED. This information can help local councils plan erosion mitigation, from short-term actions such as barriers and planting to long-term solutions such as land restoration and sustainable farming. The EPA is introducing a series of licensing reforms for Protection of the Environment Operations Act 1997 licence holders to share environmental information in near real-time. Starting with reporting licence non-compliances in the first half of 2026. Digital systems for near-real-time monitoring data submissions are also being explored, with rollout estimated for 2028. This will incorporate a public viewer to improve community access to local monitoring information. Information on the licensing reforms is available at www.epa.nsw.gov.au/Licensing-and-Regulation/Licensing/licensing-reforms.
Resolution X45 - Kempsey Shire Council - Circular economy - local infrastructure That Local Government NSW calls on the NSW Government to fund pathways for regional/rural council areas to become Circular Recovery Centres to reduce pressure on waste. Ensuring that local government is viewed as the primary partner for State Government to meet its short, middle and long-term targets.	The NSW Government recognises the important role local government plays in meeting resource recovery and circular economy goals. The EPA has engaged with local government extensively to inform the development of the Waste and Circular Infrastructure Plan (the Plan). The Plan focuses on actions the NSW Government can take to support local government to plan for, make or incentivise appropriate investments in waste and resource recovery infrastructure in the regions that achieve value for money for local communities. The draft Plan will be released publicly later this year for a period of public exhibition. The release will be communicated to local government stakeholders who are invited to make a submission during the public exhibition.

Responses to LGNSW 2025 Conference Resolutions

LGNSW Resolution	Climate Change, Energy, Environment, and Heritage Portfolio Response
Resolution X46 - Coffs Harbour City Council - NSW Government solutions for disposal of damaged lithium batteries That Local Government NSW calls on the NSW Government to provide: 1. More practicable solutions to dispose of fire damaged lithium batteries and the water used to extinguish them, consequently classified as 'liquid waste'; and 2. Improved information to the public on how to dispose and recycle lithium batteries.	1. The EPA has sampled a range of wastewater used to douse damaged lithium batteries to inform disposal options and is currently finalising disposal advice for councils. 2. The EPA has invested over $1.5 million in safe battery disposal messaging, including: • funding to support regional waste groups and councils to promote battery disposal safety messaging and collection points • development and delivery of the EPA's Never Bin a Battery campaign from November 2025 – June 2026.
Resolution X47 - Maitland City Council - Waste levy That Local Government NSW advocates to the NSW Government and the Environment Protection Authority for a review of categorisations of the waste levy which unfairly places numerous regional councils as "Metropolitan" under the levy. This is despite these councils being categorised by the State Government and LGNSW as "Regional" councils when it comes to grants, road and infrastructure funding and remuneration.	As part of the waste levy review, the NSW Government is currently reviewing the levy boundaries that determine the applicable waste levy rate for each local government area and considering different proposals for change.
Resolution X49 - City of Newcastle - Protecting wetlands ecosystems That Local Government NSW calls on the NSW Government to strengthen regulatory pathways and legislative options to protect wetland ecosystems from encroachment from housing development, and to ensure investigation and compliance, to ensure	*Resolution X49 has been fully referred to the Minister for Planning and Public Spaces.*

Responses to LGNSW 2025 Conference Resolutions

LGNSW Resolution	Climate Change, Energy, Environment, and Heritage Portfolio Response
developments within vegetated riparian zones meet contemporary environmental protection standards, and that community and councils retain the ability to scrutinise outcomes.	
Resolution X51 - The Hills Shire Council - Streamlined management of infrastructure approvals and delivery That Local Government NSW calls on the NSW Government to improve the efficiency of processes associated with the delivery of critical local infrastructure by Councils. This should include a particular focus on: 3. Increased scrutiny of service relocation costs required by utility providers.	*Resolution X51.3 was referred to me by the Minister for Planning and Public Spaces for a response regarding matters under my portfolio of responsibilities.* Electricity asset relocation work is contestable work conducted by Accredited Service Providers (ASP) under the NSW ASP scheme. The Scheme is unique to NSW and offers a competitive environment and consequently competitive pricing for asset relocation services. The prices charged by the distribution networks for ASPs to access their networks are regulated by the Australian Energy Regulator (AER). Should councils seek to influence the way these charges are regulated, a council submission could be made to the AER to review pricing structures and consider providing tighter rules around pricing structures. For gas network assets, any new development other than routine connection, maintenance or repairs requires the network operator to contact the local council at least 40 days prior to construction so that the council can make any recommendations before construction begins (see Section 47 *Gas Supply Act 1996*). The AER also assesses the pricing structure for most gas networks in NSW.

NSW Treasury

Emergency services funding reform

Options paper

April 2026

NSW GOVERNMENT

Acknowledgement of Country

We acknowledge that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia, and the oldest continuing culture in human history.

We pay respect to Elders past and present and commit to respecting the lands we walk on, and the communities we walk with.

We celebrate the deep and enduring connection of Aboriginal and Torres Strait Islander peoples to Country and acknowledge their continuing custodianship of the land, seas and sky.

We acknowledge the ongoing stewardship of Aboriginal and Torres Strait Islander peoples, and the important contribution they make to our communities and economies.

We reflect on the continuing impact of government policies and practices, and recognise our responsibility to work together with and for Aboriginal and Torres Strait Islander peoples, families and communities, towards improved economic, social and cultural outcomes.

Artwork:
Regeneration by Josie Rose | Gumbaynggirr Nation



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Executive summary

This paper presents options for replacing the current Emergency Services Levy (ESL) as part of the NSW Government's announced reform of the emergency services funding system. These funding arrangements contribute to the operations of three emergency services agencies – Fire and Rescue NSW, the NSW Rural Fire Service and the NSW State Emergency Service.

The Government is committed to a funding approach that is fairer, more sustainable, more transparent and improves insurance affordability in the face of a changing climate and rising costs.

The current insurance-based ESL places an unsustainable burden on insured households and businesses. The cost of insurance, which has been increasing rapidly, is made greater still by the ESL. This is exacerbating underinsurance and non-insurance.

The key reform objectives for the Government are to:

1. Reduce insurance costs for households by replacing the ESL with a fairer levy spread across all property owners.
2. Protect pensioners and other vulnerable members of the community from further cost-of-living pressures.
3. Ensure a revenue-neutral model that sustainably funds our emergency services agencies.

NSW is the last mainland state relying on an insurance-based levy. Other states have transitioned to property-based levies. These broader community-funded models provide more equitable outcomes and avoid distorting the insurance market.

In 2024, the Government sought community feedback in response to a consultation paper. This included questions on the design principles and revenue base for the replacement levy. The Government has also conducted extensive stakeholder consultation and collected detailed property insurance and land classifications data. The Government affirms that the design principles of cost recovery, equity, efficiency, simplicity and sustainability must guide any annual replacement levy on property owners.

The Government does not have a preferred approach for a new funding model. The options presented in this paper have been prepared for discussion purposes, applying the principles and high-level levy design framework developed by the Government. The high-level levy design framework consists of increasing fixed charges applied to a revenue base of land values. This framework aligns with the reform objectives and levy design principles. It takes into account stakeholder feedback, tax modelling, previous reform efforts and current emergency services funding models in other states and territories. The options are intended to assist the Legislative Assembly Select Committee on Emergency Services Funding Reform and its inquiry into replacement levy model options for the reform.

This framework reflects a community-based design, recognising that the whole community benefits from the availability and provision of emergency services. It ensures all property owners make a minimum contribution for funding emergency services and that contributions are aligned to property owners' capacity to pay.

In contrast, the ESL burden is dependent on individual choices regarding the level of property insurance coverage taken out, the cost of which depends on the unique insured risk each property faces. The design framework also seeks to moderate, to the extent possible, the impact of changes in levy burden between the current system and a replacement levy, as sharp changes in levy burdens can be disruptive as the community transitions to a new system.

The design framework will reduce the variation between contributions made by owners of properties with similar land values. Owners of properties with higher land values will contribute higher fixed charges, with land values broadly reflecting property owners' capacity to pay. The framework also sets both a floor, that is, a minimum contribution, and a ceiling, limiting the variation in contributions within each property sector.

However, some changes in levy burden are unavoidable under a more community-based system that balances equity and simplicity. This will mean some property owners with properties of similar land values may pay more or pay less compared to the current ESL depending on where the property is located, property type, exposure to risk or level of insurance.

Consistent with the Government's concern about capacity to pay, levy concessions will be provided to pensioners, while consideration will be given to the development of adequate hardship provisions to assist those in special circumstances. The Government will also consider an implementation period that is appropriate to transition to the new system. The transition from the ESL to the new system may be fully implemented overnight on a specific start date or phased in over several years to help property owners adjust.

A funding model consistent with the design framework will deliver a significant efficiency improvement and economic dividend by severing the link between the levy and insurance premiums. The reform will make insurance more affordable and remove the disincentive for property owners to take up adequate levels of insurance. A more efficient property levy will boost average incomes and help improve insurance coverage.

The replacement levy options in this paper have a tiered structure with increasing fixed charges based on land values. This means that owners of properties within a pre-defined range of land values would be subject to a fixed levy amount, with owners of properties in a higher land-value range being subject to a higher fixed levy amount. The differences in levy amounts and the number of land value thresholds would depend on the levy model option.

The five levy model options in this paper vary in complexity and distributional impacts:

- **Option A:** Four tiers of fixed charges
- **Option B:** Four tiers of fixed charges with greater escalation
- **Option C:** Six tiers of fixed charges
- **Option D:** Fixed charges with regional discounts
- **Option E:** Fixed charges with surcharges by property type.

These levy model options are not exhaustive and are presented as instructive examples of the high-level levy design framework. While a levy model option would apply to each financial year, specific levy amounts and land value thresholds would change. This will reflect changes in the annual

funding required for emergency services agencies and changes in land values over time. Box 1 outlines some of the considerations in comparing options in this paper.

Box 1: Key data highlights and design considerations from modelling

This analysis is based on 2023-24 data primarily collected from insurers, local councils and Value NSW (see section 2.3, chapters 3 and 6).

All levy model options improve the funding system and align with design principles differently

All levy model options are expected to deliver a significant efficiency improvement and economic dividend by removing the disincentive for property owners to adequately insure their properties. All options have been designed to ensure cost recovery and sustainability in funding NSW's emergency services and constitute a simpler, more transparent and more certain approach for property owners. However, the options presented prioritise the design principles differently. This highlights the importance of considering trade-offs between the design principles of equity and simplicity along with expected changes in levy burden between the current ESL and the replacement levy.

Around 55% of insured properties in NSW would have incurred a lower levy under the replacement levy compared to the ESL

The cost of the ESL to an individual property owner depends on many factors affecting insurance premiums, particularly the risk their property faces, and on the choice of insurance cover. Comparatively, a more community-based replacement levy, using land values as a measure of capacity to pay, would have significantly less variation in charges across owners of properties with similar land values. The change in the revenue base, from insurance to land values, means that a replacement levy would see some property owners necessarily pay more and some pay less relative to the ESL (see section 3.3 and chapter 6).

Insured residential property owners would have saved an average of $65 per year under a replacement levy

Under all levy model options, the average replacement levy for the residential sector is expected to have been $65 lower than the average ESL burden for insured property. The average levy burden for owners of insured property in the farm and public benefit sectors would have been similar, while average burdens in the commercial and industrial sectors would have been higher under the replacement levy (see sections 3.3 and 4.3). This reflects an assumption under the design framework that homeowners should contribute no more than the current revenue share raised from residential property.

Each levy model option impacts cohorts within property sectors differently

All levy model options canvassed in this paper present different ways of distributing the levy burden across properties within property sectors while maintaining the aggregate burden for each property sector. This means that while the overall number of owners of insured properties expected to pay less under a replacement levy changes only slightly between levy model options, the impact of different options on specific cohorts of properties within each property sector is more pronounced. Variations in the distribution of land values and ESL costs across sectors and cohorts contribute to these differences in levy burden impacts (see chapter 6).

Owners of properties with lower land values are more likely to pay less under a replacement levy

Across each property sector, owners of insured properties with lower land values would be more likely to pay less under the replacement levy than they do under the ESL compared to owners of higher-value insured properties. All levy model options were designed with the consideration that owners of properties with the lowest land values are more likely to have a lower capacity to contribute. For these properties, modelled levy amounts are set to broadly align with median ESL costs for properties of a similar land value. On average, around 62% of owners of insured residential properties in the bottom 75% of land values are estimated to have paid less under a replacement levy than under the ESL. This compares to around 42% of owners of insured residential properties in the top 25% of land values (see chapter 5 and section 6.2).

Owners of properties outside Greater Sydney are more likely to pay less under a replacement levy

Owners of insured residential properties located outside Greater Sydney would have been around twice as likely to have paid less under a replacement levy than under the ESL compared to owners of insured properties in Greater Sydney (see sections 3.2, 3.3 and 6.2). Generally, insured properties outside Greater Sydney have lower land values than those within Greater Sydney but their owners pay higher ESL costs, in part reflecting a higher exposure to risk. A more community-based replacement levy with increasing fixed charges is expected to rebalance this and result in more equitable outcomes based on land values as a measure of capacity to pay.

Owners of houses are more likely to pay less under a replacement levy

Under the current ESL, owners of insured units are found to generally contribute less relative to owners of insured houses with comparable land values. A replacement levy using land values as a measure of capacity to pay would result in more equitable outcomes as owners of properties with similar land values would pay the same levy amount. Owners of units are more likely to see an increase in levy burden and owners of houses are more likely to see a reduction in levy burden when compared to the ESL (see sections 3.2, 3.3 and 6.2).

Savings can be significant under a replacement levy while increases in levy burdens are capped

A key benefit of models based on fixed charges on land values is that levy burdens are capped. This means that any increase in levy burden relative to the current ESL is also capped at the relevant levy amount that applies to each property. Conversely, reductions in levy burdens compared to the current ESL system can be significant (see chapter 5 and section 6.3).

Changes in levy burdens are likely to be smaller for owners of properties with lower land values

Owners of insured properties with lower land values will typically face relatively more moderate changes in levy burdens compared to the changes faced by owners of insured properties with higher land values. This is intended to minimise the impact of the replacement levy on property owners with less capacity to pay while ensuring all property owners make a fair minimum contribution. The potentially more significant changes in levy burdens for owners of insured properties with higher land values reflects a key trade-off between the need to raise sufficient revenue while moderating the impact of changes in levy burdens (see chapter 5 and section 6.3).

Greater escalation in levy amounts can lead to larger changes in levy burdens

All levy model options presented achieve a greater alignment to property owners' capacity to pay, as measured by land values, than the current ESL. However, capacity to pay is only one

consideration in the design framework. Greater alignment to capacity to pay would require lowering replacement levy amounts for properties with lower land values and charging owners of higher-land-value properties more. However, this greater escalation in levy amounts could result in larger changes in levy burdens compared to the ESL, with owners of lower-land-value properties more likely to see greater reductions in burdens and owners of higher land-value properties more likely to see larger increases (see chapter 5 and section 6.3).

1 Introduction

In November 2023, the NSW Government announced its intention to remove the Emergency Services Levy (ESL) and reform the way the state's emergency services are funded. The key reform objectives are:

1. Reduce insurance costs for households by replacing the ESL with a fairer levy across all property owners.
2. Protect pensioners and other vulnerable members of the community from further cost-of-living pressures.
3. Ensure a revenue-neutral model that sustainably funds our emergency services agencies.

Under the current system, NSW's emergency services are funded by the ESL on insurance companies (73.7%), local councils (11.7%) and the State Government (14.6%). This funds the costs of Fire and Rescue NSW, the NSW Rural Fire Service and the NSW State Emergency Service.

The cost of emergency services is expected to increase with climate change and the associated growing instances of natural disasters. This will result in an increase in the required ESL, which in turn will make insurance more unaffordable.

The Government released a consultation paper in April 2024 outlining the need to reform the emergency services funding system and presented four revenue base models and other levy design features for stakeholder feedback.[1]

The Government has undertaken stakeholder engagement while collecting data from insurers and local councils to inform the development of levy model options and supporting analysis.

1.1 Purpose of the paper

This options paper provides an update on reform progress and details five instructive examples of levy model options for a replacement levy.

These options have been developed to assist the Legislative Assembly Select Committee on Emergency Services Funding Reform and its inquiry, using a high-level levy design framework of increasing fixed charges applied to a revenue base of land values. This framework is guided by the design principles of cost recovery, equity, efficiency, simplicity and sustainability, as set out in the 2024 consultation paper.

The levy model options presented in chapter 5 vary depending on the prioritisation placed on particular design principles. Common to all options presented under this new approach is the design to make the replacement levy simpler and more equitable compared to the current insurance-based system. This more community-based design acknowledges that the whole community benefits from emergency services. It seeks to ensure that all property owners make a minimum contribution to

[1] The consultation paper is available at: https://www.nsw.gov.au/sites/default/files/noindex/2025-04/emergency-services-funding-reform-consultation-paper.pdf.

funding our emergency services and that the replacement levy is aligned to property owners' capacity to pay. In contrast, the current ESL burden is highly dependent on individuals' choices on the level of insurance coverage they take out for their property and the unique risk their property faces. The design framework also seeks to moderate, to the extent possible, the impact of changes in levy burden between the current system and a replacement levy, as sharp changes in levy burdens can be disruptive while the community adjusts to a new system.

The options paper is structured as six chapters:

- **Chapter 1** outlines the Government's reform objectives, the case for reform, a new approach for emergency services funding and funding approaches across Australian states and territories.
- **Chapter 2** provides an update on reform progress and presents the high-level levy design framework for the replacement levy that underpins the new approach.
- **Chapter 3** presents an overview of the property insurance and land classification data that supports the modelling, along with key insights into the distribution of land values and the current burden imposed by the ESL across property sectors.
- **Chapter 4** provides details of key levy design parameters for levy concessions and transition arrangements, and assumptions for the revenue target, property sectors and sectoral contributions.
- **Chapter 5** sets out five example options for the replacement of the ESL, developed in line with the design framework.
- **Chapter 6** indicates the estimated distributional impacts of different levy model options across property sectors and cohorts of property owners.

1.2 The case for reforming the funding of emergency services

The Government is committed to reforming the way emergency services are funded to ensure a fairer, more sustainable and transparent system that meets the growing demands of a changing climate and rising emergency services costs.

The ESL is only paid by owners of insured property

In NSW, the burden of paying for emergency services falls mainly on households and businesses that insure their property, contents and other goods with a licensed insurer rather than those who self-insure or do not insure.[2] People and businesses that do not insure their properties or other goods do not pay the ESL and make no direct financial contribution to the funding of emergency

[2] Non-insurance is equivalent to self-insurance in terms of ESL contributions. Levels of self-insurance and non-insurance are likely to vary across property sectors and locations. Drivers of these choices include affordability issues for households and businesses and the capacity for large businesses to manage risk within existing business structures. Insurance is required in certain circumstances, such as for strata-titled properties or as a condition of a mortgage.

services.[3] NSW is the last mainland Australian state to rely on a levy on insurance to fund the cost of its emergency services agencies.

The ESL is not fairly shared among property owners

Even for properties that are insured, the burden of paying the ESL does not necessarily reflect a property owner's capacity to pay. For example, properties subject to flood risk incur higher ESL contributions but these properties are generally in areas of the state with low land values and often owned by households with a lower capacity to pay.

A key reform objective for the Government is to spread any replacement levy across the community in an equitable way. Protecting pensioners and vulnerable members of the community, who may be more exposed to issues of insurance affordability or capacity to pay a replacement levy, is also a key reform objective.

The ESL increases underinsurance and non-insurance

The ESL increases the price of insurance by adding to the base premium, thereby increasing the price on which the goods and services tax (GST) and stamp duty are levied. Table 1 shows that the ESL has increased the cost of residential property insurance by 18% on average since 2017-18 and by 34% for non-residential property.

Table 1: Percentage increase relative to base premiums from the ESL

Insured property	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Average
Residential	22%	17%	19%	21%	15%	17%	18%	17%	18%
Non-residential	34%	36%	35%	39%	29%	31%	34%	30%	34%

Source: NSW Treasury calculations based on aggregated data by insurance class for insurance premiums and ESL-attributed charges collected by Revenue NSW. Estimates include the direct impact of the ESL on base premiums and the flow-on impact of the ESL as it increases the GST and stamp duty payable on insurance policies.

According to the latest available data, the proportion of homeowners without building insurance in NSW is among the highest in Australia.[4] Insurance costs for households have increased significantly in recent years, with premiums rising by 48% between 2017-18 and 2024-25, nearly double the 25% increase in the Consumer Price Index over the same period.[5] NSW is estimated to have home insurance premiums and affordability stress above the national average, below only Queensland and the Northern Territory, which tend to be exposed to more frequent and severe natural disasters.[6]

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[3] All property owners make a small indirect contribution to the cost of emergency services agencies through local government rates.

[4] NSW Treasury calculations using 2015-16 data supplied by the Australian Bureau of Statistics, Household Expenditure Surveys, as discussed in the 2024 consultation paper, and according to analysis based on 2016-17 and 2017-18 data conducted by the Australian Competition and Consumer Commission (ACCC) for the Northern Australian Inquiry Report published in 2020.

[5] NSW Treasury calculations based on Australian Bureau of Statistics, Consumer Price Index, Australia, December Quarter 2025.

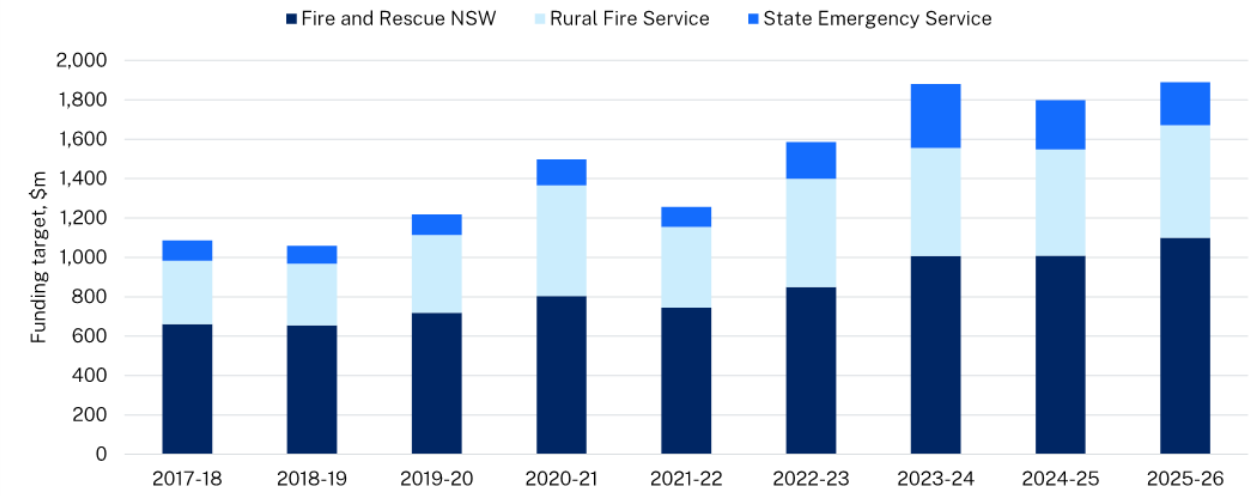
[6] Actuaries Institute, Home Insurance Affordability Update, August 2024.

As emergency services costs continue to rise, underinsurance and non-insurance is expected to increase, not only leaving more property owners at risk, but increasing the ESL burden for those taking out property insurance. A key reform objective for the Government is to reduce insurance costs for households and move to a more sustainable revenue base for funding the state's emergency services agencies.

Climate events are increasing emergency services demand and costs

In 2025-26, the funding target for emergency services agencies totalled $1,890 million, an average increase of 8% per year since 2017-18 (see figure 1).

Figure 1: Funding target for emergency services agencies



Source: NSW Treasury calculations based on funding target inputs provided by emergency services agencies.

In the coming decades, climate change is expected to drive more frequent and severe natural disasters and extreme weather events across NSW. This is expected to increase demand for emergency services and raise the costs of emergency services provision.

Modelling conducted for NSW Treasury suggests that the expected annual cost of damage to property and infrastructure in NSW due to floods, bushfires, storms and cyclones is projected to rise by around 70% between 2024-25 and 2065-66, in real terms.[7]

NSW Treasury research has extrapolated from these projected changes in the expected annual cost of damage from disasters, along with economic growth factors such as population and income, to quantify the projected funding requirement for NSW emergency services agencies. The ESL is projected to increase by 164% in real terms between 2024-25 and 2065-66. Impacts associated with climate change, including changes in hazard risk and property exposure to weather events, are estimated to account for around 41% of this increase.[8]

[7] Estimates are based on catastrophe loss modelling conducted by Finity Consulting Pty Limited in 2025.

[8] Impacts associated with climate change are projected using agency-specific growth factors. These are calculated based on modelled changes in 'average annual loss' estimates across major hazard types and adjusted to reflect differences in each agency's operational focus across hazards.

This is why a key reform objective for the Government is to ensure a revenue-neutral model that sustainably funds our emergency services agencies.

Removing the ESL will boost incomes and insurance affordability

The impact the ESL has on decisions to not take out appropriate levels of insurance makes the ESL one of the most economically damaging taxes in NSW. It is estimated that, over time, replacing the ESL with a more efficient property levy would add around $1.8 billion to the NSW economy, in today's terms, or the equivalent to increasing annual household incomes by around $300 on average.[9]

NSW Treasury research has examined what today's households would experience if exposed to the climate conditions projected for 2065-66. Under this counterfactual scenario, average residential insurance premiums would be expected to increase by around 8% across NSW, reflecting higher expected risk to property and a higher ESL. Within this scenario, removing the ESL would be expected to more than offset this increase, resulting in average premiums around 15% lower than if the ESL were retained.[10,11]

Lower insurance premiums would improve insurance affordability. If 2065-66 climate conditions were to occur today, removing the ESL is estimated to reduce the number of NSW households experiencing severe insurance affordability stress by around 125,000, compared with retaining the ESL.[12,13] More than 80% of these households are in the lowest-income quintile, highlighting that the positive impacts of removing the ESL are expected to be concentrated amongst the cohort of households with the lowest incomes. And of these, around 125,000 households no longer

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[9] NSW Treasury research based on analysis commissioned to the Centre of Policy Studies of Victoria University in 2025. Analysis is based on the replacement of the ESL with a broad-based tax on land that raises the same amount of revenue and assumes the same levy structure applies to all properties.

[10] NSW Treasury research based on modelling conducted by Finity Consulting Pty Limited. The modelled scenario applies projected 2065-66 climate conditions to the 2024-25 economic and demographic context of NSW to isolate the impacts associated with climate change. The analysis assumes no changes to property replacement costs or to household incomes – only climate changes. This is a different scenario analysis to that produced by the Australian Prudential Regulation Authority (APRA) in its *Insurance Climate Vulnerability Assessment*, published in March 2026. APRA's analysis applies 'severe but plausible stress conditions' to understand the risks that an erosion of home insurance affordability may pose to the resilience of the Australian financial system.

[11] The 18% average increase in residential base premiums reported in table 1 is calculated by comparing the ESL (plus the associated GST and stamp duty charged on top of the ESL) to base premiums only. In contrast, the estimated 15% reduction in residential premiums referred to here is measured against the full premium paid by policyholders, which includes the base premium and all taxes. Because the full premium is a larger amount, the percentage reduction looks smaller even though the same components – the ESL and its associated GST and stamp duty – are removed.

[12] Severe insurance affordability stress is defined as households needing four weeks or more of income to pay for full home insurance. This analysis is based on modelling by Finity Consulting Pty Limited. This methodology is also employed in the Actuaries Institute's 2024 report *Home Insurance Affordability and Home Loans at Risk* and APRA's 2026 *Insurance Climate Vulnerability Assessment*.

[13] Applying 2065-66 climate conditions to today's insurance premiums would result in an increase of around 61,000 households experiencing severe insurance affordability pressure. Removing the ESL, under this scenario, would therefore more than offset this increase.

experiencing severe affordability stress, 45% are located outside Greater Sydney despite these areas accounting for just 38% of the housing stock.[14]

Within this counterfactual scenario, removing the ESL would also be expected to increase insurance uptake, with around 20,000 additional households estimated to take up building (including flood cover) and/or contents insurance in the absence of the ESL.

1.3 A new approach to funding emergency services

This paper outlines, for illustrative purposes, a new approach to funding the emergency services agencies in NSW based on the developed high-level levy design framework. Shifting funding away from an insurance-based levy to a property-based levy with a broader community-funded design can provide more equitable outcomes and lead to a system that is more transparent and simpler to understand.

The new approach will also deliver a significant efficiency improvement, driving the economic dividend of the reform, and a more sustainable revenue source to meet the growing demands of a changing climate and rising emergency services costs.

At its core, the new approach rests on three changes:

- *Who contributes* – as our emergency services agencies serve the entire community, a broader base of property owners should contribute rather than just those who take out insurance. Furthermore, property owners should contribute more in line with their capacity to pay, in contrast to the current system based on risk to property and choice of insurance coverage. This will more fairly spread the burden of funding and provide a more sustainable base of contributors.
- *Choice of levy base* – a levy using land values as a revenue base will better align with a property owner's capacity to pay and not discourage insurance coverage. A more efficient levy will boost average incomes and help improve insurance affordability and insurance coverage.
- *How the levy is structured* – increasing fixed charges based on land values ensures that there is a minimum contribution from property owners, higher fixed charges for those with more capacity to pay, and to the extent possible, moderation of the impact of changes in levy burdens. This structure provides a simpler, more transparent approach that creates certainty for property owners for how much levy contributions will be.

While the reform broadens the base of those who contribute, it also considers the need to moderate the impact on certain groups. Safeguards include:

- concessions to protect pensioners

[14] Notwithstanding these impacts across NSW, the analysis indicates that for properties most exposed to climate-related risks, removing the ESL alone may not be sufficient to fully unwind the erosion in insurance affordability resulting from higher underlying premiums.

- concessions for owners of vacant land to reflect lower emergency services needs of vacant land
- potential hardship provisions to assist those in special circumstances.

In addition, arrangements to temporarily reduce levy payments to assist those with significant changes in levy burden could also be included, for example, in transition arrangements to the new system.

1.4 Emergency services funding in other states

Shift to property-based levies across Australia

The shift from an insurance-based levy to a property-based levy to fund emergency services has been undertaken across most Australian states and territories. This began with Queensland in 1984, followed by South Australia in 1999, Western Australia in 2003, and Victoria in 2013. The Australian Capital Territory (ACT) implemented a property-based levy in 2007, although it did not have an insurance-based levy prior to that.

These reforms reflect a nation-wide trend towards more equitable, community-based and efficient funding models, with NSW and Tasmania the exceptions.[15]

The previous government attempted to reform the ESL, starting with a consultation paper in 2012 and a proposed Fire and Emergency Services Levy (FESL) announced in December 2015. That proposed levy was structured as a fixed charge plus a variable rate (ad valorem rate) based on land values for each property sector. It was designed to be budget-neutral, with concessions provided for vacant land and pensioners. However, the reform was deferred indefinitely in May 2017. A NSW Parliamentary Inquiry into the FESL (the FESL Inquiry) was conducted and its report released in 2018.

The FESL Inquiry proposed several recommendations including that NSW Treasury continue to work to minimise the number of 'known unknowns' and conduct a full and transparent modelling of any new FESL. This options paper provides detailed analysis and modelling to consider potential levy model options.

For a replacement levy, the FESL Inquiry recommended consideration of the use of capital-improved values and the inclusion of motor vehicles as part of the revenue base, the replacement of contributions from councils, and better-aligned land classifications between councils and the levy. It also recommended considering differential levy rates, fixed charges, discounts and caps, and addressing the impact of a proposed levy on lower socio-economic households that are currently unable to afford insurance.[16]

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[15] While Tasmania also retains an insurance component, only around 40% of its revenue comes from insurance, with the remainder sourced from a property-based levy and a motor vehicle registration levy. In NSW, the ESL contributes 73.7% of the funding of emergency services agencies.

[16] NSW Parliament. Legislative Council. Portfolio Committee No. 4 - Legal Affairs & Borsak, Robert. 2018. https://www.parliament.nsw.gov.au/lcdocs/inquiries/2454/Final%20report%20-%20Fire%20and%20Emergency%20Services%20Levy%20-%20November%202018.pdf

Interstate comparison of emergency services funding systems

Emergency services funding systems vary across Australian states and territories, reflecting differences in policy approaches and needs. All jurisdictions apart from the Northern Territory impose a levy to fund their emergency services, albeit with differences in design and scope.

A key element of difference between jurisdictions is the choice over the revenue base used to apply the levy. Queensland uses a system of fixed charges based on land use and level of fire services available in the area, while other jurisdictions apply a combination of fixed charges and ad valorem rates based on property values. Victoria and South Australia use capital-improved values, the ACT uses unimproved land values, and Western Australia and Tasmania base their levies on gross rental values, which are closely linked to capital-improved values.

Levy rates typically vary by property category, with some jurisdictions basing rates on land use (for example, Victoria, Western Australia, South Australia and the ACT), land use and property characteristics (for example, Queensland) or location and service levels (for example, Queensland, Western Australia and South Australia).

The range of agencies and services funded through levies also varies. In 2025, Victoria broadened its scope to add Triple Zero Victoria, Victoria State Emergency Service, the State Control Centre, Emergency Management Victoria, Emergency Recovery Victoria and Forest Fire Management Victoria. While most states only fund fire and emergency services through their levy, the ACT also uses the levy to fund policing expenditures.

Further details of the levies used to fund the emergency services of each Australian state or territory, other than NSW and the Northern Territory, are summarised in table 10 in appendix A.

2 Reform progress and design framework

Since the release of the consultation paper in April 2024, the Government has advanced preparations for emergency services funding reform in NSW. This includes consideration of the feedback received from 106 submissions in response to the consultation paper, as well as the appointment of the NSW Independent Pricing and Regulatory Tribunal (IPART) as the Insurance Monitor overseeing the transition from the ESL to the replacement levy.

A comprehensive data collection process has also been progressed to develop a matched property database to enable detailed analysis of levy model options. A high-level framework has been developed, for illustrative purposes, to guide the design of the replacement levy and ensure the different levy model options achieve the reform objectives.

2.1 IPART Insurance Monitor

To oversee the transition from the ESL to the replacement levy, the Government legislated the *Emergency Services Levy Insurance Monitor Act 2024* (the ESLIM Act). This legislation appointed IPART as the Insurance Monitor in June 2024. IPART's functions encompass monitoring the impact of the reform on insurance prices, assessing whether insurers over-collect the ESL and accepting undertakings to refund customers. They also have powers to compel information and to take enforcement action against insurers.

Since its appointment, IPART has been:

- advancing a framework for assessing over-collections of ESL and how insurers may issue refunds
- establishing its approach to monitoring, investigating and deterring prohibited conduct such as false or misleading representations or engaging in price exploitation relating to the reform
- designing accessible contact channels for customer complaints including cross-referrals with other agencies and regulators
- refining methodologies to evaluate changes in insurance coverage attributable to the reform and to measure the impact of the reform on the insurance industry.

Quarterly reports have been published as required under the ESLIM Act, providing transparency on IPART's activities and preparations.[17]

2.2 Comprehensive data collection

To gather a comprehensive database to inform the development of replacement levy model options, amendments to the *Emergency Services Levy Act 2017* (the ESL Act) were made to provide the Treasurer the authority to require insurance data at the policyholder level from insurers. On

[17] IPART quarterly reports available at https://www.ipart.nsw.gov.au/insurance-monitor-quarterly-reports

9 August 2024, the Treasurer issued letters to insurance companies to request this data. Over the period ending in January 2025, NSW Treasury worked closely with more than 130 insurers, underwriters and brokers, and the Insurance Council of Australia, to obtain data on over three million insurance policies. This data included ESL amounts charged on individual policies, allowing for a detailed understanding of how the levy is currently distributed across insured property.

Further amendments to the ESL Act enabled the collection of land classifications from local councils. The *Preliminary Land Classification Guidelines 2024* were issued on 26 September 2024 to guide local councils on classifying land into property sectors and identifying the pensioner status of property owners. A working group comprising Local Government NSW, NSW Revenue Professionals and relevant government agencies was formed to assist local councils with classifying and collecting preliminary land classification data for every property within each council's local government area.[18] The preliminary land classification process ended in February 2025.

NSW Treasury has undertaken to validate the data collected from insurers and local councils, which includes matching, at a property-level, information on property insurance, land classification, land values from Value NSW and other data. The resulting matched property database has enabled detailed tax modelling and distributional analysis to be presented in this options paper.

2.3 Developing a high-level levy design framework

The Government has developed, for illustrative purposes, a high-level design framework of increasing fixed charges based on land values for the replacement levy. This framework reflects the Government's reform objectives and levy design principles for the new funding system. Stakeholder feedback, tax modelling, previous reform processes and current emergency services funding systems in other states and territories, have also informed this framework.

Levy design principles

Originally proposed in the 2024 consultation paper, the following principles have been used to develop the framework:

- **Cost recovery**: A levy set at a level sufficient to fund the cost of emergency services and only collect the revenue required to replace current funding sources removed under the reform.
- **Equity**: A levy that ensures all property owners contribute towards the funding of the state's emergency services, that levy payments increase as capacity to pay increases, and that moderates the impact of changes in levy burden from the current ESL.
- **Efficiency**: A levy that minimises unintended impacts on economic decisions, including on the take up of appropriate levels of insurance, and provides the largest economic dividend from the reform.

[18] This included 128 NSW local councils and the Lord Howe Island Board.

- **Simplicity**: A levy that is simple and transparent, easy to understand, calculate and pay, with low compliance costs to minimise the time and effort of levy payers.
- **Sustainability**: A levy that has the capacity to reliably provide sufficient funds to meet the ongoing needs of the state's emergency services over the long term.

Headline features of the high-level levy design framework

The two headline features of the design framework are a levy structure of increasing fixed charges and a revenue base of land values. These provide a straightforward and fair way to calculate the levy, using an efficient and well-understood revenue base, as outlined below.

Levy structure - tiered fixed charges

The replacement levy options in this paper have a tiered structure with increasing fixed charges based on land values. Increasing fixed charges means that owners of properties within a pre-defined range of land values will be subject to a fixed levy amount, with owners of properties in a higher-land-value range being subject to a higher fixed levy amount. The differences in levy amounts and the number of land value thresholds will depend on how the levy design balances the principles of equity and simplicity. This is discussed in detail in chapter 5.

Increasing fixed charges is a relatively simple levy structure that provides a transparent mechanism for calculating levy contributions and ensures that contributions increase broadly with owners' capacity to pay as measured by land values. This approach supports a fair distribution of contributions among property owners who benefit from the availability and provision of emergency services.

This tiered levy structure draws on the benefits from the approaches used in other states and territories. As noted in section 1.4, Queensland uses a system of fixed charges based on land use and level of fire services available in the area. While this approach provides simplicity, particularly for the residential sector, it is less reflective of individual property owners' capacity to pay. Other states and territories that have a property-based levy apply a combination of fixed charges and ad valorem rates based on property values. While using an ad valorem rate will more closely align with a measure of capacity to pay, it can be harder for levy payers to understand and may produce unfair outcomes at the bottom and top ends of the land value distribution.

All options detailed in chapter 5 aim to balance the principles of equity and simplicity with the following key considerations:

- **All property owners make a minimum contribution**: Unlike under the ESL, which is based on property risk and choice of insurance cover, the replacement levy is designed so that all property owners make a fairer contribution to the funding of the state's emergency services agencies. For owners of properties with lower land values, levy amounts will broadly align with the current median ESL contribution from this cohort of property owners. This minimum contribution recognises that owners of properties with lower land values are, in general, more likely to have a lower capacity to contribute and provides them with a smaller change in levy burden compared to owners of high-value properties.

- **Levy amounts increase for properties in higher land value ranges**: Land values broadly reflect property owners' capacity to pay. Increasing levy amounts with land value thresholds is designed to support more equitable and fairer contributions. This is discussed further below.
- **Moderate impacts on levy burdens per property**: The top-tier levy amounts, which apply to owners of properties with higher land values, are designed to ensure that sufficient revenue is raised under the replacement levy while, at the same time, moderating the impact of the replacement levy compared to the ESL.

A tiered structure of fixed charges will mean that owners of properties within the same land value thresholds will pay the same levy amount. This could result in owners of properties with different land values contributing the same amount, despite having potentially different capacities to pay. While this approach may be viewed as a less equitable outcome, it aims to be simpler, more transparent and provide greater certainty for property owners.

As discussed in more detail in chapters 3 and 6, any replacement levy model based on increasing fixed charges on land values will reduce the variation in contributions for owners of properties with similar land values. This means that some property owners with properties of similar land values but differing locations, property types, exposure to risk or levels of insurance may pay a replacement levy above or below what they pay under the current system. While these changes in levy burden will impact property owners, they are ultimately unavoidable under a system that seeks to balance equity and simplicity and delivers a significant efficiency improvement and economic dividend.

Revenue base - land values as a measure of capacity to pay

The replacement levy options in this paper are based on property land values. This is an efficient and sustainable basis to collect the levy. It can be practically implemented in a reasonable timeframe using the current system of land valuations administered by the NSW Valuer General.[19]

In NSW, land values are already used as the revenue base for land tax and council rates. They are also the only revenue base on property currently available and in use in NSW. This makes land values a tried and tested revenue base and one that is relatively well understood and used by property owners.

Compared to the ESL, a levy based on fixed charges on land values will improve the efficiency of emergency services funding, which is the key driver of the economic dividend of the reform.[20] It will sever the link between the levy and insurance premiums, which will help improve insurance affordability and remove the disincentive for property owners from taking up adequate levels of insurance.

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[19] Land values are annually estimated based on factors such as the highest and best permitted use of the land (as determined by zoning and planning restrictions), land size, shape, features, location and views, and comparable property sales.

[20] As discussed in the consultation paper of April 2024, several Australian studies, including the 2010 Henry Review and the 2020 Thodey Review, have found that the ESL is one of the most inefficient taxes in NSW. Replacing the ESL with a more efficient and broad-based tax would improve average incomes and the affordability and uptake of insurance.

As discussed earlier, land values are used as a measure of property owners' capacity to pay. In practice, there is no single measure that serves both as an efficient and practical revenue base and that accurately represents a property owner's capacity to pay.

This is why, in developing a levy structure based on increasing fixed charges, consideration was given to ensuring that all property owners make a fair minimum contribution while moderating the impact of changes in levy burdens compared to the current system. As discussed in more detail in section 4.1, to provide a more equitable outcome for vulnerable property owners, consideration will also be given to the development of adequate hardship provisions for those who cannot make levy payments after meeting basic living expenses, in addition to specific concessions for pensioners.

Alternative revenue bases considered in the 2024 consultation paper, such as capital-improved values or gross-rental values, have not been prepared as options in this paper as they are not part of the high-level levy design framework. These alternative revenue bases would not enable the reform to be implemented in a reasonable timeframe. Value NSW has estimated that developing an alternative property valuation for over 3.5 million properties in NSW could take up to five years. This would delay the reform and introduce complexity, as levy payers would require time to understand and trust a new valuation method. Further, using either capital-improved values or gross-rental values as the revenue base would impose a tax on capital improvements. Such a tax disincentivises homeowners and businesses investing in their properties and would reduce the economic dividend of the reform.

While a property's risk of exposure to natural disasters and other hazards may impact its land value, risk itself is not be a determinant of replacement levy amounts under the design framework.[21] A replacement levy that considers the risk profile of individual properties would be impractical to implement as it would depend on a wide range of factors, including property location and use, building design and quality of materials or the maintenance level of the property. Such an approach would also be complex to administer and hard to understand for levy payers, and would be less likely to reflect a property owner's capacity to pay.

Although emergency services respond to motor vehicle incidents, motor vehicles have not been included as a revenue base due to the relative inefficiency of vehicle taxes as noted in the 2024 consultation paper. Based on 2023-24 data, motor vehicle insurance only contributed 6.4% of ESL revenue (see table 4). Excluding motor vehicles will provide a simpler revenue base solely comprising land values. The ESL and associated stamp duty on motor vehicle insurance is assumed under the design framework to be incorporated into the non-residential sector contribution.

Levy design parameters

In addition to the levy structure and revenue base, the high-level levy design framework includes a range of design parameters. Together, these form a framework that ensures cost recovery,

[21] In much the same way as a property's market value, land values will capitalise the expected future direct costs of natural disasters the property may be exposed to. For example, properties located in flood plains or near forested locations at risk of bushfire are likely to have lower land values compared to properties not exposed to these risks, all else constant.

promotes equity, supports efficiency, delivers simplicity and secures sustainability in funding NSW's emergency services. Key levy design parameters are:

- **Levy concessions –** concessional treatment for certain property types or owners, including for pensioner-owned residential properties and vacant land.
- **Transition arrangements –** the approach for transitioning from the ESL to the replacement levy.

For modelling purposes, assumptions are made for other design parameters:

- **Revenue target –** the total amount of revenue to be collected through the replacement levy.
- **Property sectors –** NSW properties will be classified into different sectors for the purpose of applying differentiated levy charges.
- **Sectoral contributions –** the share of the revenue target to be collected from each property sector.

These levy design parameters are detailed in chapter 4 with design parameter assumptions consistently applied in the levy model options presented in chapter 5.

3 Detailed property and insurance data

The Treasurer initiated a comprehensive data collection process requiring insurers and local councils to provide property-level data to inform analysis of different levy model options.

NSW Treasury obtained data on over three million insurance policies. This data included ESL amounts attributed to individual insurance policies. Revenue NSW collected preliminary land classification data for every property, including its property sector, whether the land is vacant land, and whether the owner and occupier is a pensioner.

NSW Treasury has undertaken a rigorous data-validation and data-matching process to accurately attribute detailed information on ESL costs, land classifications and land values to individual properties across NSW. The resulting matched property database provides information about the distribution of land values and ESL costs per insured property within each property sector and across relevant property cohorts, including pensioner-owned property, property type, vacancy status and location.

3.1 Matching insurance and land classification data

Developing a matched database of 2.1 million properties

Preliminary land classification data from local councils identified a total of 3.4 million privately-owned properties in NSW in 2023-24. These properties were classified into five sectors – residential, commercial, industrial, farm and public benefit.[22] Residential, commercial and industrial sector properties were sub-classified as vacant land if specified criteria applied.[23] Residential properties owned and occupied by pensioners were also identified.

NSW Treasury matched land values received from Value NSW to each property identified by local councils. Address information was then used to match individual properties with insurance information provided by insurers, underwriters and brokers. Data identifying property owners without insurance was not obtained for this analysis and therefore the number of privately-owned properties without insurance, the type of property, location or land value is not available.[24]

NSW Treasury undertook to assign ESL costs across individual properties, resulting in a database of 2.1 million properties with matched insurance data. This involved working with insurers to allocate ESL costs associated with complex insurance policies covering multiple properties and apportioning them to individual properties. Similarly, an effort was made to accommodate properties with insurance policies from multiple insurers. For these properties, insurance policies were combined to ensure the total amount of ESL costs were reflected for the relevant property.

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[22] An additional 136,511 properties were classified by local councils as government-owned land as part of the preliminary land classification. Chapter 4 outlines how government-owned land is assumed under the design framework to be exempt from the replacement levy and has therefore been excluded from the analysis.

[23] Vacant land is defined as land where there are no buildings or structures.

[24] Property owners who do not take out insurance, and therefore pay no ESL, will see their levy burden increase under a replacement levy.

Table 2 provides a breakdown of the property stock across the five property sectors. Of the 3.4 million privately-owned properties in NSW in 2023-24, around 90% were residential properties.

A total of 412,562 properties, or about 13% of the residential stock, were identified as pensioner-owned and occupied. Separately, a total of 87,003 properties were sub-classified as vacant land, including 79,586 vacant residential properties and 7,417 vacant non-residential properties.

Table 2: Property stock, land value and data matching rates per property sector, 2023-24

Property sector	Land value ($ billion)	Number of properties	Proportion of stock	Vacant in sector	Matching rate
Residential	$2,136.2	3,081,885	90%	3%	67%
Non-residential	$559.1	332,143	10%	2%	26%
Commercial	$184.3	140,445	4%	3%	28%
Industrial	$131.8	60,559	2%	4%	25%
Farm	$208.6	109,638	3%	Not applicable	25%
Public benefit	$34.5	21,501	1%	Not applicable	23%

Source: NSW Treasury calculations based 2023-24 data from local council preliminary land classifications, Value NSW and insurers, underwriters and brokers. Matching rate is the percentage of properties where ESL costs could be assigned. Excludes government-owned land.

High matching rate for the residential sector provides a reliable basis for levy design

Of the 3.1 million residential properties identified by local councils, NSW Treasury was able to match detailed insurance information to around 2.1 million properties. This resulted in a data-matching rate of 67% of properties (as reflected in table 2).[25]

Within the residential sector, matching rates differ between houses and units, and between properties located in and outside Greater Sydney.[26] Address information for many unit blocks was incomplete, which reduced the ability to match insurance data to land classifications and land values. This lower matching rate for units partly contributed to a lower matching rate for Greater Sydney, where a larger share of dwellings are units compared to the rest of NSW.

Differences in matching rates between houses and units, between properties located in and outside Greater Sydney, and between properties with different land values (see below) mean that the sample of matched data does not perfectly represent the total stock of insured residential properties. Property cohorts with relatively lower matching rates than other cohorts are, as a result, less represented in the matched sample. Despite this, the sizeable sample of matched data for the residential sector provides the best available database for detailed analysis of the distribution of land values and ESL costs and forms a valuable basis to extrapolate for the broader residential sector.

[25] Information on properties that are not insured or are self-insured is not available. While these properties are not matched, it is not possible to separately identify properties that are not insured or self-insured from properties for which insurance data is available but is not possible to match.

[26] The matching rate for houses was 73%, compared to 52% for units. The matching rate for properties located within Greater Sydney was 65%, while the matching rate for properties located in the rest of NSW was 70%.

Matching rates for the non-residential sectors are lower

The average matching rate for the non-residential sectors was 26%. Non-residential matching rates were impacted by the higher share of complex insurance policies covering multiple commercial and industrial properties and more cases of incomplete information on individual property addresses.

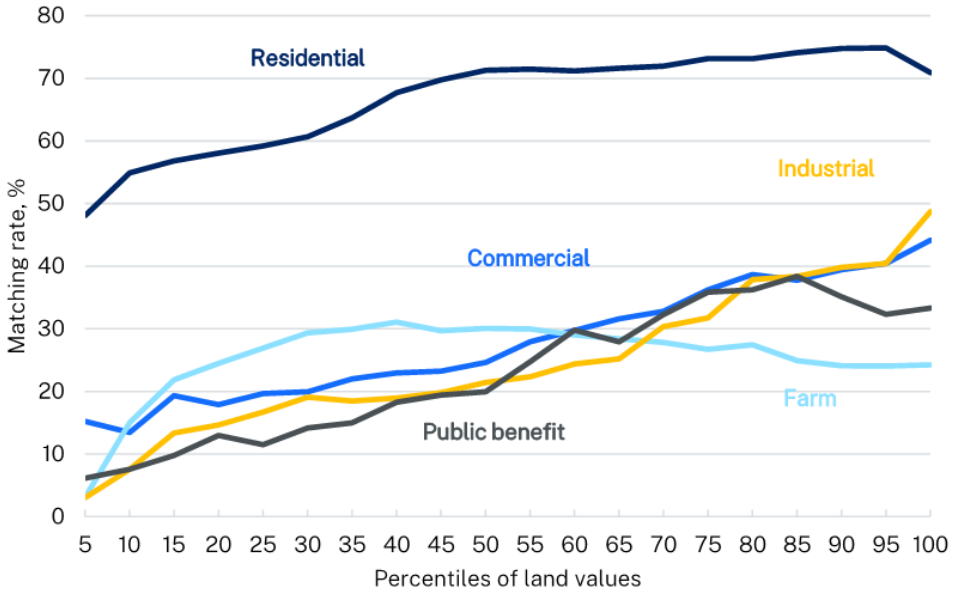
Lower matching rates for the non-residential sector means that less comprehensive information is available for these properties compared to the residential sector. Differences in matching rates between property sectors and between property cohorts within each sector introduces a bias to the modelling results. This bias is difficult to measure and address effectively.

Notwithstanding, the matched database produced by NSW Treasury forms a significant sample of data across all property sectors and cohorts and provides detailed information on the distribution of ESL costs across a number of dimensions such as land values, property location and property type. These samples of matched data provide a valuable foundation for modelling and analysis of different levy designs, as discussed in the following chapters.

Properties with lower land values tend to have lower matching rates

As illustrated in figure 2, matching rates tend to be lower for properties with lower land values. This is slightly more prominent in the commercial, industrial and public benefit sectors.

Figure 2: Matching rate by property sector and land values



Source: NSW Treasury calculations based on 2023-24 data from local council preliminary land classifications, Value NSW and insurers, underwriters and brokers. Matching rate is the percentage of properties where ESL costs could be assigned.

It is not possible to determine the cause of this finding. It could be that properties with lower land values are less valuable to insure or that the owners of these properties are less able to afford insurance, meaning a greater share of lower-valued properties would have no insurance data available. For the residential sector, this finding is also consistent with the difficulties discussed earlier in matching insurance data for units with incomplete or insufficient address information. Because units tend to have lower land values, a lower matching rate among units would also result in lower matching rates for low-land-value residential properties.

Lower matching rates among properties with lower land values can affect the quality of the matched sample and may bias the comparative analysis of different levy model options, particularly for the non-residential sector. The implications of varying matching rates among different cohorts of properties should therefore be considered when assessing levy model options in chapter 5 and the distributional analysis in chapter 6.

3.2 Distribution of land values

Levy design should consider differences in each property sector's land value distribution

Based on 2023-24 data, each property sector is found to have a significantly different distribution of land values, as illustrated in table 3. The average commercial land value was almost double the average residential land value and the average industrial land value was more than three times the residential average. However, the median land values across the three sectors were similar, with the residential sector having a slightly higher median land value.

Table 3: Distribution of land values by property sector, 2023-24

Property sector	Average land value	Median land value	10th percentile land value	90th percentile land value
Residential	$693,158	$489,000	$129,960	$1,410,000
Non-residential	*$1,683,415*	*$570,180*	*$50,200*	*$3,270,000*
Commercial	$1,312,363	$346,000	$36,246	$2,410,000
Industrial	$2,175,768	$486,000	$51,220	$3,310,000
Farm	$1,902,658	$1,000,000	$204,000	$4,010,000
Public benefit	$1,602,427	$363,000	$18,900	$3,260,000

Source: NSW Treasury calculations based on 2023-24 data from local council preliminary land classifications and Value NSW.

This outcome was driven by differences in the distribution of commercial and industrial properties compared to residential properties. On the one hand, there was a large group of commercial and industrial properties with relatively low land values compared to the residential sector. On the other, a significant number of commercial and industrial properties had relatively high land values compared to the residential sector.

A levy structure of tiered fixed charges on land values requires the setting of land value thresholds to determine where a levy tier ends and another commences.[27] Setting different land value thresholds by sector to accommodate the differences in each sector's distribution of land values aligns the replacement levy with the design principle of equitable contributions by property owners. More details on the levy model options, including setting land value thresholds, are provided in chapter 5.

[27] As detailed in chapter 5, a tier is defined by two land value thresholds and one levy amount. For example, a hypothetical tier could apply a levy of $200 to properties between $500,000 and $1,000,000 in land value.

Levy design should also consider cohort impacts, including by property type and location

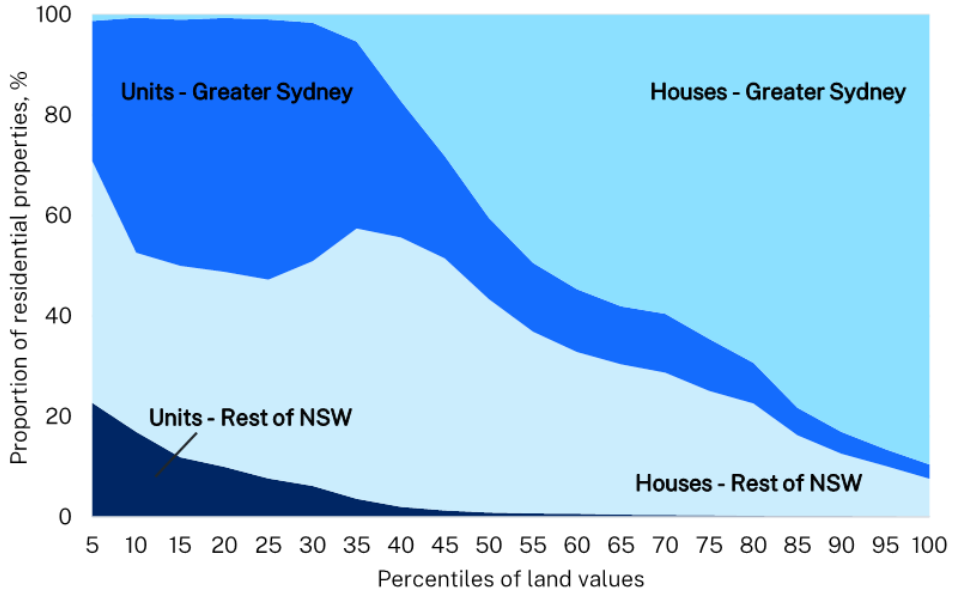
Within the same property sector, specific cohorts of property may have significantly different distributions of land value. As illustrated in figure 3, properties located outside Greater Sydney tend to have lower land values compared to properties in Greater Sydney. Similarly, residential units are more likely to have lower land values than houses in similar locations.

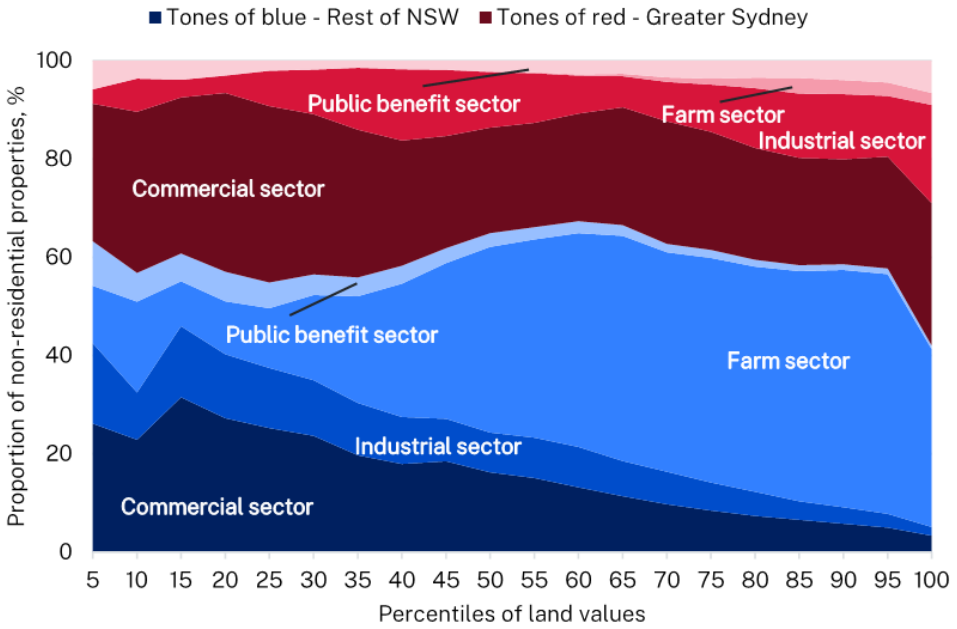
Therefore, a levy model of increasing fixed charges will mean, all else constant, that properties outside Greater Sydney and units are expected to pay a lower levy on average compared to properties in Greater Sydney and houses, respectively.

As illustrated in figure 3, the farm sector, located almost exclusively outside of Greater Sydney, makes up a significant portion of non-residential properties with the highest land values. For the commercial sector, a significant portion of properties both in and outside Greater Sydney have relatively lower land values than other non-residential properties.

These differences in land values across property type, location and property sector should be considered when assessing levy model options and their distributional impacts.

Figure 3: Property stock by land value, location and property type per property sector, 2023-24





Source: NSW Treasury calculations based on 2023-24 data from local council preliminary land classifications and Value NSW. Units are properties that are part of a strata or company title.

3.3 ESL costs per property

Almost half of ESL revenue is charged on residential property insurance

The allocation of the ESL among insurers is based on each insurer's market share of particular types of insurance. Insurers pass this cost on to policyholders by adding it to base premiums. The way the ESL is distributed across insurance segments and policies is determined by individual insurers and is not regulated by the Government.[28]

Table 4 shows the share of ESL revenue insurers attribute by class of insurance. This information is reported annually by all registered insurers to Revenue NSW. In 2023-24, 49.2% of ESL revenue was reportedly charged on residential property insurance. In the same year, 44.4% of ESL revenue was charged on non-residential property insurance and 6.4% on motor vehicle insurance.[29] These figures broadly align with the average shares between 2017-18 and 2024-25. The proportion of ESL revenue from charges across individual non-residential property sectors is not reported by insurers.

[28] The ESL Act requires insurers to pay a contribution in respect of premiums for relevant classes of insurance. Insurers generally recover their contributions by imposing a charge on policyholders' premiums. Insurers are required to disclose any amount of the premium that is attributable to this charge.

[29] The analysis of different levy model options throughout this paper uses 2023-24 data as the base year to align with the matched insurance and property classification data collected from insurers and local councils.

Table 4: Share of ESL revenue by class of insurance

Class of insurance	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Average
Residential	58.3%	49.1%	49.3%	49.5%	46.0%	47.1%	49.2%	50.6%	49.9%
Non-residential	36.5%	44.4%	43.8%	44.4%	47.2%	46.8%	44.4%	43.6%	43.9%
Motor vehicle	5.2%	6.5%	6.9%	6.2%	6.8%	6.1%	6.4%	5.8%	6.2%

Source: NSW Treasury calculations based on aggregated data by insurance class for ESL-attributed charges collected by Revenue NSW. Residential includes insurance of residential property (including home, building, contents and landlord) and personal valuables (classes 2 and 3 under Schedule 1 of the ESL Act). Non-residential includes any insurance of property (not including residential), crops and livestock, machinery or aviation hull (classes 1 and 5-8). Motor vehicle insurance includes motor vehicle and motorcycle insurance (class 4).

ESL costs per property vary across property sectors

Total ESL costs per property include the ESL charged on property insurance as well as the GST and stamp duty charged on top of the ESL. For example, suppose the ESL charged on an insurance policy is $100. GST, at a rate of 10%, would add an additional $10 and stamp duty, at a typical rate of 9%, would add a further $9.90. Total ESL costs on this insurance policy would therefore add up to $119.90.

The average ESL cost per property in the residential sector is significantly lower than across other property sectors. Based on the matched database for 2023-24, as reported in table 5, the average ESL cost per property was $283 for residential properties and around $1,756 on average across non-residential properties.[30]

Table 5: ESL costs per property, including GST and stamp duty charged on top of the ESL, 2023-24

Property sector	Average ESL cost	Median ESL cost	10th percentile ESL cost	90th percentile ESL cost
Residential	$283	$240	$71	$491
Non-residential	$1,756	$470	$55	$2,540
Commercial	$1,500	$432	$30	$2,751
Industrial	$4,410	$792	$87	$5,956
Farm	$772	$450	$152	$1,350
Public benefit	$1,327	$285	$19	$2,601

Source: NSW Treasury calculations based on 2023-24 matched data on insurance, land classification and land values for a sample of NSW properties. ESL costs include the ESL charged on insurance and the associated GST and stamp duty payable on top of the ESL. Estimates in this table exclude ESL costs associated with motor vehicle insurance.

The commercial and industrial property sectors have the highest average ESL costs per property. The average cost per industrial property is nearly 16 times higher than the average cost in the

[30] ESL costs per property are calculated based on matched property-level data on insurance costs and land classification. This data predominantly covers property insurance. An estimate of ESL costs *including* those associated with ESL on motor vehicle insurance is used in chapter 6 to better compare the replacement levy with the current burden imposed by the ESL on households and businesses.

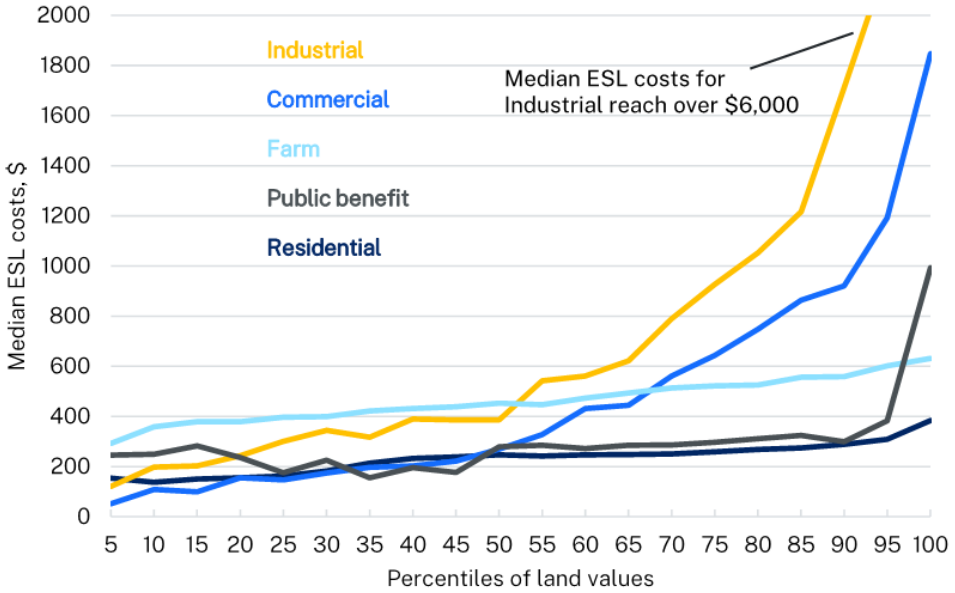
residential sector, and the average cost per property for the commercial sector is around five times higher than the residential average. The relatively higher average ESL cost per industrial property is partly driven by large mining properties, as discussed further in section 5.5.[31] Differences in median ESL costs between sectors are not as pronounced.

Large differences between the average and median costs within each property sector are the result of a large proportion of property owners paying relatively small ESL costs while a smaller proportion of property owners make relatively larger contributions.

ESL costs also vary depending on property land values

Differences in the distribution of ESL costs across property sectors are also evident when comparing levy costs to land values (see figure 4). Generally, owners of properties with higher land values have higher ESL costs. However, as figure 4 shows, levy costs vary more in the commercial and industrial sectors. In these two sectors, median levy costs among properties in the bottom 5% of land values are similar to the residential sector. However, for the top 5% of commercial and industrial land values, median levy costs are around 5 and 17 times higher, respectively, compared to the residential sector.

Figure 4: Median ESL costs per property by land value and property sector, 2023-24



Source: NSW Treasury calculations based on 2023-24 matched data on insurance, land classification and land values for a sample of NSW properties.

ESL costs for farm and public benefit properties show less variation across the distribution of land values within each sector compared to the commercial and industrial sectors. However, across land values, both the median and average costs in the farm and public benefit sectors tend to be higher compared to residential ESL costs.

[31] While excluding mining properties reduces the average ESL cost on the remaining industrial sector from $4,410 to $3,247, it is still higher compared to the average for the commercial sector. This generally reflects differences in the size and other characteristics of industrial properties compared to commercial properties, as well as the generally higher risk — and therefore insurance costs — for industrial properties.

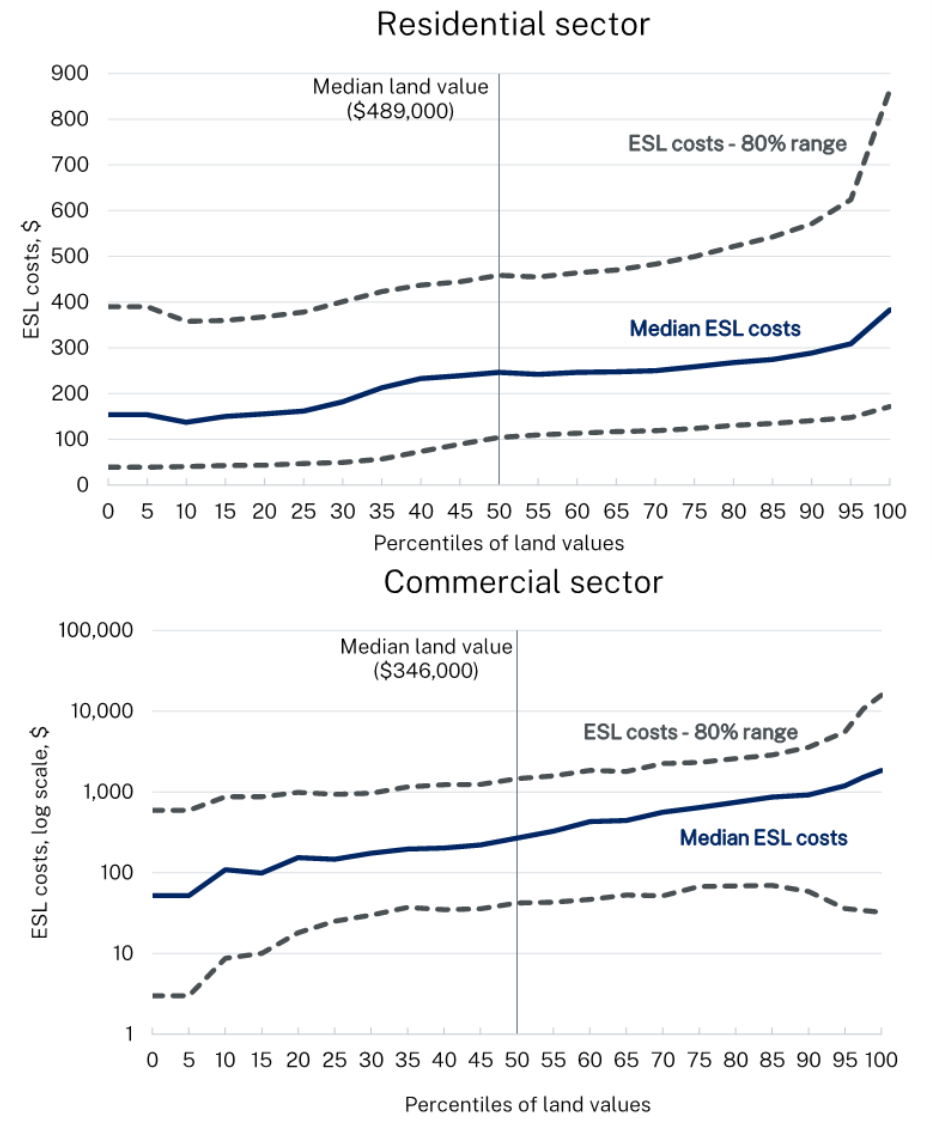
These differences in ESL costs across property sectors and land values provide useful insights that help inform the design of the replacement levy.

Other factors that determine ESL costs per property

There are a broad range of factors contributing to differences in ESL costs for properties with similar land values.

As illustrated in figure 5, in the residential sector, the median ESL cost for properties with land values around $489,000 (the median land value in the residential property sector) was $246. However, around 80% of owners of residential properties with similar land values paid between as little as $104 or as much as $459 in ESL costs.

Figure 5: ESL costs per property by land values, 2023-24



Source: NSW Treasury calculations based on 2023-24 matched data on insurance, land classification and land values for a sample of NSW properties. ESL costs for the commercial sector are shown in log scale to facilitate the presentation – otherwise, large ESL costs at the top of the land values distribution would render deviation at the bottom of the ESL cost distribution hard to see.

In the case of the commercial sector, the variation in ESL costs is far greater for properties with similar land values. For example, while the median ESL cost for commercial properties with land values around $346,000 (the median land value in the commercial property sector) was $270, 80% of commercial property owners with similar land values paid as little as $42 or as much as $1,463 in ESL costs. More strikingly, among the top 5% of commercial properties by land values, the median ESL cost is $1,848 with 80% of properties paying between $32 and $15,887.

This is because the ESL is an insurance-based levy. As a result, ESL costs will vary depending on factors including the replacement value of the building structure and contents, the level of inherent risk the property is subject to (for example, fire and flood), the use of the property, and the level of insurance policyholders choose to take.

The economic dividend of the reform depends on ensuring that the replacement levy does not adversely affect the level of insurance property owners choose to take. A levy under the design framework with increasing fixed charges on land values is expected to unlock significant economic benefits and better align individual contributions to the funding of emergency services agencies with property owners' capacity to pay.

Balancing equity and simplicity

A replacement levy with increasing fixed charges on land values will reduce the variation in contributions for owners of properties with similar land values. This is true for any model based on fixed charges and will mean that some property owners with properties of similar land values, but differing locations or property types, may pay more or pay less under a replacement levy compared to what they do under the ESL. Section 6.3 discusses this in detail.

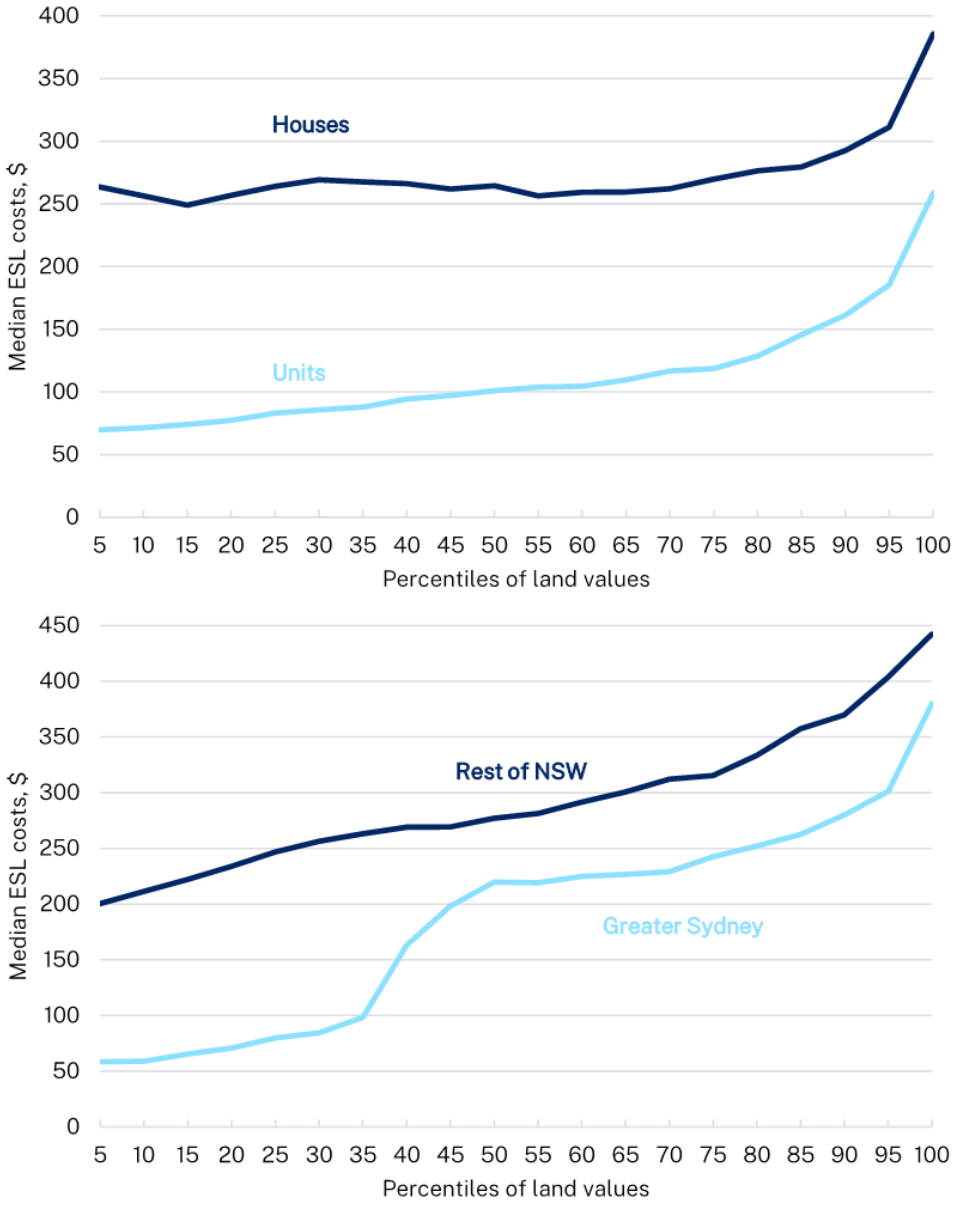
While these changes will impact property owners, they are largely unavoidable under a system that seeks to balance equity and simplicity and delivers a significant efficiency improvement.

The replacement levy options in this paper have been designed to moderate the impact of the transition away from the ESL, while ensuring all property owners who benefit from emergency services make a fair minimum contribution and that contributions align with their capacity to pay.

There are practical options to vary charges for owners of properties with similar land values to either better align their contributions with their capacity to pay or better reflect the benefits received from the operation of the emergency services agencies. For example, this could be achieved by applying discounts or surcharges based on property location or property type. While these options would look to improve equitable outcomes, they may be more complex for levy payers and represent larger changes in levy burdens compared to the current ESL system.

To illustrate this point, figure 6 shows how ESL costs among residential property owners differ between houses and units, and between properties located in and outside Greater Sydney.

Figure 6: ESL costs by land value and property type or location for residential sector, 2023-24



Source: NSW Treasury calculations based on 2023-24 matched data on insurance, land classification and land values for a sample of NSW properties.

The average ESL costs for units in 2023-24 was $116, lower than the average levy costs of $328 for houses. As ESL costs are typically set as a proportion of base premiums, differences in ESL costs likely reflect differences in building standards, premise management and maintenance between apartment blocks and houses, the sharing of apartment block insurance costs across individual unit owners, as well as the likely lower inherent risk associated with units compared with houses.

A levy model with increasing fixed charges based on land values would charge owners of units lower levy amounts on average compared to owners of houses. This is because units tend to have lower land values than houses in similar locations, with the value of land typically representing a lower proportion of the total property value. A more equitable outcome may be achieved through a levy surcharge on units designed to have owners of houses and units in similar locations paying

a more even share of the replacement levy. While potentially more equitable, this would likely increase the changes in levy burdens relative to the current system.

Looking at differences in ESL costs by location, figure 6 also shows that residential properties outside Greater Sydney tend to have higher ESL costs compared to properties with similar land values located in Greater Sydney. This is partly because there are relatively less units located outside Greater Sydney and because several regions outside Greater Sydney are exposed to significantly higher risks of natural disasters, relative to the average risk exposure of property located within Greater Sydney.

A discount for properties located in non-metropolitan areas is provided for emergency service levies in Queensland, Western Australia and South Australia, generally reflecting lower levels of emergency service provision. Such a discount may produce a more equitable outcome.

However, under a levy model with increasing fixed charges based on land values, property owners outside Greater Sydney would already see, on average, higher savings under the reform compared to property owners within Greater Sydney. A regional discount would further increase the average savings for properties owners outside Greater Sydney and, as a result, would require property owners in Greater Sydney to contribute a larger share of the replacement levy. Similarly to a surcharge on units, while potentially more equitable, regional discounts would likely increase the changes in levy burdens relative to the current ESL system.

Different levy model options, including options to apply different levies based on property location and property type, are presented and discussed in detail in chapter 5.

4 Levy design parameters

Levy design parameters are part of the high-level levy design framework and help determine the overall contribution of each property sector to the funding of emergency services. Consistent with the Government's concern about capacity to pay and the impact of adjusting to the new system, levy design parameters include levy concessions and transition arrangements.

Other parameters include the revenue target, property sectors and sectoral contributions. These parameters shape the levy model options presented in chapter 5. All levy model options are calibrated to raise the same revenue from each property sector, but they differ in that they charge different levy amounts across properties within each sector.

4.1 Levy concessions

One of the key objectives of the reform is to protect pensioners and vulnerable members of the community from an unaffordable impost. To reduce the impact of the replacement levy on pensioners, a concession is assumed under the design framework to be provided for property that they own and occupy as their principal place of residence. Other states and territories with a property-based levy funding emergency services also provide concessions for certain groups, such as pensioners (see appendix A).

As the reform progresses, the Government will consider whether other protections are appropriate, such as a hardship scheme, or transitional arrangements to moderate the impact of changes in levy burdens.

A hardship scheme could be included for people who cannot make levy payments after meeting basic living expenses. This type of hardship scheme could include both owners of residential property and owners of non-residential property used in connection with a small business.

In addition, temporary arrangements to assist those with significant increases in levy burden could also be included. A transitional approach of gradually reducing the ESL over time and gradually increasing the replacement levy for all property owners (as discussed in section 4.2) is one option.

Owners of vacant land are also assumed under the design framework to receive a discount, reflecting the fewer benefits vacant land receives from the operation of the emergency services agencies. Under a levy of fixed charges based on land values without a concession, owners of vacant land would pay the same levy as owners of similarly zoned and sized non-vacant property with the same land value. Reflecting this beneficiary element, most other states have a reduced levy or apply an effective lower charge to vacant land compared to non-vacant property (see appendix A).[32]

[32] As indicated in the previous chapter, vacant land is defined as land where there are no buildings or structures.

Pensioner discount

A simple approach would be a fixed discount for all pensioner-owned principal places of residence. A $60 fixed discount broadly aligns with levy concessions provided to pensioners by other Australian states and territories.

Based on 2023-24 data, the total estimated support for pensioner-owned property with a $60 discount would have been $24.8 million. The cost of pensioner discounts is assumed under the design framework to be offset by increasing the non-concessional residential levy amounts.

Alternative approaches could provide the same aggregate support with different distributional outcomes. One alternative approach could be a percentage discount applied to all pensioner-owned principal places of residence. This would provide pensioners with more valuable properties, who are subject to a higher replacement levy, a larger discount in dollar value.

Another approach is to apply a higher percentage discount to pensioner-owned principal places of residence for the lowest two levy amount tiers only. This approach offers a higher discount to pensioner owner-occupied property with the lowest land values. The trade-off is providing no discount to pensioner owner-occupied properties with the highest land values.

Another option is a progressive schedule of fixed discounts. Under this approach, all pensioners would still receive a discount, but greater discounts are provided for lower-value properties than higher-value properties.

For modelling purposes, the levy model options in chapter 5 assume a $60 pensioner discount.

Vacant land discount

A simple approach would be to apply a percentage discount to the levy amount payable on vacant land. A 40% discount broadly aligns with other Australian jurisdictions. In Queensland, lower fixed charges apply to vacant land. In South Australia and Victoria, the rate of the levy is based on capital-improved value meaning vacant land is charged less than a property with the same land value and a building or structure that improves the property's value.

Based on 2023-24 data, the total estimated support for owners of vacant land with a 40% discount to the replacement levy would have been $17.4 million.[33] The cost of vacant land discounts is assumed under the design framework to be offset through higher non-concessional levy amounts within each property sector.

Alternative approaches could provide the same level of support in aggregate to owners of vacant land with different distributional outcomes.

For instance, a higher percentage discount could be applied on vacant land, with an upper cap on the dollar value of the discount. This approach would provide a more generous discount for most vacant land properties, except for those with the highest land values.

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[33] This estimate is based on levy model option A in chapter 5, with 87,003 owners of vacant land receiving a 40% discount. Owners of residential vacant land would have received an aggregate discount of $7.5 million, owners of commercial vacant land would have received $2.7 million, and owners of industrial vacant land would have received $7.1 million.

Another approach is a progressive schedule of fixed discounts. This could provide more generous discounts to properties with lower land values.

For modelling purposes, the levy model options in chapter 5 assume a 40% discount for owners of vacant land.

4.2 Transition arrangements

A complex aspect of the reform is the way the transition from the ESL to the replacement levy is reflected in property insurance premiums. As outlined in the 2024 consultation paper, it is important that the reduction in insurance premiums does not happen in a way that encourages policyholders to delay renewals of their insurance and risk being uninsured until the ESL is removed.

Each insurer determines how the ESL is attributed across their policyholders. This means the removal of the ESL requires lead time for the insurance industry so that insurance premiums can adjust with minimal disruption to the insurance market. Insurance premiums, and therefore the attributed ESL, are paid continuously throughout the year in line with the timing of new policies and renewals. In contrast, the replacement levy would apply to all property owners annually at the same time. The reduction in insurance premiums needs to happen in a way that considers the equitable treatment of individual policyholders, particularly those that could face paying the ESL on their insurance policy and then a replacement levy shortly thereafter.

The replacement levy could be introduced overnight on a specific date, or under a phased transition over a specified number of years.

An overnight introduction would have the ESL being replaced in full in the first year of the reform. This approach would deliver the full benefits of the reform as quickly as possible by lowering insurance premiums through the complete removal of the ESL. This approach would result in a substantial insurance price adjustment with greater potential to cause disruption to the insurance market. An overnight introduction would provide limited time for property owners to adjust to the impact of the reform, which could be material for those with larger changes to the levy burden or those who are currently uninsured.

A phased transition over a small number of years would see the ESL collected gradually reduce each year and the replacement levy increase in parallel over the transition period. This approach would smooth the impact of the reform, particularly for those with material changes in levy burden or those who are uninsured. It would also enable the Government to refine the replacement levy during the transition, if necessary, for the new model to operate as intended. However, a phased transition would reduce the immediate benefits of the reform with a longer period for insurance premiums to decline and reflect the full savings from the removal of the ESL. Insurers would continue to incur costs of administering the ESL until the transition is completed.

A protracted transition of more than a few years would further reduce disruption in the insurance market but significantly delay the benefits of the reform, dilute the perceived savings on insurance premiums and extend the compliance burden on insurers over a longer period.

It is noted that the transition arrangements for the reform can be determined independently from other levy design parameters and the choice of levy model options.

The Government will continue to work with the insurance industry throughout the implementation of the reform and IPART, as the Insurance Monitor, will oversee the transition from the ESL to the replacement levy (as outlined in section 2.1).

4.3 Other design parameters

The levy model options in chapter 5 are contingent on assumptions for the revenue target, property sectors and sectoral contributions.

Revenue target

The revenue target is the amount to be raised from the replacement levy to contribute to funding the three emergency services agencies.

One of the design principles is cost recovery. This means the revenue target will be set at a level sufficient to cover the revenue required for the funding sources that are replaced.

Currently, emergency services funding comes from insurance companies via the ESL (73.7%), local councils (11.7%) and the State Government (14.6%).

For modelling purposes, the levy model options in chapter 5 assume a revenue target that replaces the revenue lost from the removal of the ESL. The revenue lost from the removal of the ESL includes the revenue currently raised directly from the ESL, as well as the component of stamp duty on insurance that is charged on top of the ESL. For 2023-24, this amounts to $1,526 million or 81.2% of the funds raised for the emergency service agencies in that year.[34]

If other funding sources are replaced, or levy administration costs are funded, the parameters, modelling and options presented in this paper would differ.

The revenue target will be calculated before the beginning of each financial year based on the estimated funding requirement of the emergency services agencies. The revenue to be raised from each property sector (see sectoral contributions in section 4.3) will then be adjusted to achieve the revenue target. As a result, while the levy model options in chapter 5 would apply to any financial year, specific levy amounts would be adjusted each year to align with the revenue target. Land value thresholds would also be adjusted periodically to reflect changes in land values.

Property sectors

Based on the preliminary land classification carried out by local councils and used for modelling purposes in this paper, land is classified into six property sectors:

- residential land
- commercial land
- industrial land

[34] NSW Treasury calculations based on data from NSW Budget Papers. Shares differ from the headline percentages due to the two-year adjustment in the calculation of the contribution target for the ESL.

- farmland
- public benefit land
- government land.

Separating mining properties from the industrial sector warrants further consideration. Distinguishing land use by sectors allows for a tailored but more complex levy design, with different levy amounts and thresholds applying to each property sector.

A lower replacement levy on residential property compared to other properties

As discussed in chapter 3, the average ESL cost per residential property was significantly lower compared to the other property sectors in 2023-24. The ESL costs increase base premiums for residential property by around 18% compared to about 34% for non-residential property. These markups reflect insurers' discretion in how ESL is attributed to policyholders, including assessment of the capacity of different customer types to absorb different insurance costs, including income tax deductibility of premiums.

This variation in the allocation of ESL by insurers indicates that applying a uniform levy for all property sectors would likely increase the aggregate burden on the residential sector. Given this, separating properties into residential and non-residential sectors and applying a lower levy rate to the former is necessary to moderate the changes in levy burdens.

Different replacement levies between non-residential property sectors

As noted in chapter 3, land values and ESL costs also vary between non-residential property sectors. These differences justify developing different levy amounts for each individual non-residential property sector to moderate sharp changes in levy burdens.

Farms should be levied at a lower rate than commercial and industrial properties. This is partly because land values typically represent a high proportion of the total property value of farms. A uniform levy on all non-residential property would result in a high burden on farms relative to the service benefits they receive. Differentiating farms from other non-residential property also reflects how other jurisdictions treat farms for the purpose of funding emergency services.

Public benefit properties are mainly used for not-for-profit activity. Levying these properties at a lower rate reflects the benefits they provide to the community and their likely lower capacity to pay. It is broadly consistent with the concessional treatment offered under other taxes such as land tax.

Other non-residential properties, used for commercial and industrial purposes, should be subject to different levies to account for the significant difference in current average ESL costs (see chapter 3).

Sectoral contributions

Sectoral contributions determine how the revenue target is distributed between property sectors. There are various methods for setting sectoral contributions based on measures related to either each sector's current revenue contribution or a measure of their capacity to pay.

Maintaining the revenue contribution from the residential property sector

An assumption under the design framework is the levy burden placed on homeowners remains equal to what they currently collectively contribute.

Assuming a revenue target that replaces the ESL plus the associated stamp duty charged on top of the ESL, the residential sectoral contribution will align with the current contribution from insured residential property. Based on 2023-24 data, this would have been 49.3% of the total revenue target, as reported in table 6.[35]

Emergency services funding contributions that households currently make through the ESL on motor vehicle insurance is assumed under the design framework to be recovered through the non-residential property sectors.

Table 6: Sectoral contributions based on 2023-24 data

	Current revenue shares	Modelled sectoral contributions	
		Based on estimated average ESL costs per non-residential property sector	Based on estimated average ESL costs with safeguards for farm and public benefit properties
Property sector			
Residential	**49.3%**	**49.3%**	**49.3%**
Non-residential	**44.5%**	**50.7%**	**50.7%**
Commercial	See note	18.1%	19.1%
Industrial		22.9%	24.2%
Farm		7.3%	5.5%
Public benefit		2.4%	1.9%
Other sources			
Motor vehicles	6.1%	-	-

Source: NSW Treasury calculations based on aggregated data by insurance class for insurance premiums and ESL-attributed charges collected by Revenue NSW; 2023-24 matched data on insurance and land classification for a sample of NSW properties.
Note: Individual revenue shares for non-residential sectors are not known. Insurers do not report ESL collections by property use other than by distinguishing between residential and non-residential property insurance. An estimation of these shares is possible based on the matched sample of unit record property data on ESL costs and land classification. This likely underestimates actual revenue shares, however, as the matched sample does not fully capture total ESL costs for the most complex insurance policies, particularly in the commercial and industrial sectors, as discussed in section 3.1. Based on estimated average ESL costs per sector, and assuming all non-residential properties in NSW are insured, the revenue shares for the commercial, industrial, farm and public benefit sectors in 2023-24 would be 12.6%, 16.0%, 5.1% and 1.7%, respectively. Shares in the third column are higher as these have been scaled up to apportion the 50.7% non-residential sector contribution.

[35] In 2023-24, residential property and non-residential property were charged 49.2% and 44.4% of ESL revenue, respectively. Including insurance duty charged on top of the ESL increases these shares slightly. This is because residential and non-residential property insurance attracts insurance duty at a higher rate compared to other classes of insurance (specifically, residential and non-residential property insurance is subject to duty at 9%, compared to 5% for motor vehicle insurance and generally no duty for crop and livestock insurance).

Determining non-residential contributions

Property classified as government-owned property is assumed under the design framework to be exempt from the replacement levy. In addition, the replacement levy is assumed under the design framework to not collect revenue from motor vehicle owners as this falls outside the revenue base of land values. The funding contributions currently raised from insurance of government-owned property and motor vehicles is assumed under the design framework to be recovered through the levy on non-residential property sectors.

Alternative approaches in determining sectoral contributions for each non-residential property sector includes proportioning contributions based on each sector's capacity to pay, such as relative shares of land values or gross operating surplus, or estimates of their current revenue contributions.[36]

Each of these approaches would generate different outcomes to raise the 50.7% contribution from the total non-residential sector. However, proportioning based on each sector's current revenue contribution would best moderate the impact of the transition from the ESL to the replacement levy. Table 6 shows the contribution for each non-residential sector proportionally based on estimates of current revenue contributions.[37]

This approach would broadly align the relative differences in the average replacement levy between non-residential property sectors with the relative differences in current average ESL costs per sector. For example, the average replacement levy in the commercial sector would be about twice that of the farm sector.[38] This approach would also mean that all non-residential sectors would contribute, proportionally, to recovering the funding contributions currently raised from the ESL on government-owned property and motor vehicles.

In developing the levy model options in chapter 5, the assumed non-residential sectoral contributions were further adjusted to include safeguards for farms and public benefit properties. As illustrated in the last column of table 6, the farm and public benefit sectoral contributions are set such that the average replacement levy payable across properties in each sector is equal to the estimated average ESL cost currently paid by insured properties in the respective sector.

This ensures that the burden on insured properties in the farm and public benefit sectors does not change, on average, compared to the current system. This approach reflects the considerations outlined in section 4.3 for levying farms and public benefit properties at lower rates than commercial and industrial properties. But safeguards to the farm and public benefit sectors also mean that only owners of commercial and industrial properties will contribute towards replacing ESL revenue from government-owned property insurance and motor vehicle insurance.

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[36] Gross operating surplus refers to the income from a firm's production activities, defined as gross value added minus compensation of employees and taxes payable plus subsidies on production and imports.

[37] Current revenue contributions for each individual non-residential sector, as well as the number of uninsured properties in each sector, are not known and had to be estimated. Estimates for the current revenue contribution from each non-residential sector used the estimated average ESL costs per property sector reported in table 5 and assumed a constant non-insurance rate across all non-residential sectors.

[38] Based on table 5, the average ESL cost per property in the commercial sector, at $1,500, is about twice the average ESL cost per property in the farm sector, at $772.

5 Levy model options

This chapter outlines five levy model options based on the design framework discussed in chapter 2. These are:

- **Option A:** Four tiers of fixed charges
- **Option B:** Four tiers of fixed charges with greater escalation
- **Option C:** Six tiers of fixed charges
- **Option D:** Fixed charges with regional discounts
- **Option E:** Fixed charges with surcharges by property type.

These levy model options are instructive examples under the design framework. All levy model options have increasing fixed charges based on ranges of land values and align with the reform objectives and levy design principles.

Table 8 at the end of this chapter sets out the levy amounts and land value thresholds for each property sector for the five levy model options.

Owners of insured residential properties would have saved an average of $65 per year based on 2023-24 data

The average replacement levy is compared with the average ESL cost for each property sector in table 7. For the residential sector the average replacement levy is lower. For owners of property in the commercial and industrial sectors, the average replacement levy is higher compared to the average ESL cost. The levy burden on owners of insured property in the farm and public benefit sectors is the same, on average.

Table 7: Assumed sectoral targets and average levy amounts, 2023-24

Property sector	Sectoral contribution	Sectoral target ($ million)	Property count	Average replacement levy amount	Average ESL cost per insured property
Residential	49.3%	$753	3,081,885	$244	$283
Commercial	19.1%	$291	140,445	$2,073	$1,500
Industrial	24.2%	$369	60,559	$6,095	$4,410
Farm	5.5%	$85	109,638	$772	$772
Public benefit	1.9%	$29	21,501	$1,327	$1,327

Source: NSW Treasury calculations. ESL costs include the ESL charged on insurance and the associated GST and stamp duty payable on top of the ESL. Average ESL cost estimates in this table exclude ESL costs associated with motor vehicle insurance. Data on ESL costs on motor vehicle insurance, per insurance policy, was not collected from insurers. Based on NSW Treasury calculations, discussed in footnote 39, it is estimated that, on average, ESL costs on motor vehicles represent an additional $26 burden per non-vacant residential property and about $98 per non-vacant non-residential property.

Whether any property owner will pay less or more under the replacement levy will depend on:

- how much ESL is paid under the current system, and
- the levy model option that applies.

Based on 2023-24 data, insured residential property owners would have saved $65 per year on average relative to the burden imposed by the ESL and the associated GST and stamp duty. This saving would have been the same under all five levy model options.

Table 7 shows that insured residential property owners in 2023-24 would have paid an average levy of $244 per property, instead of $283 in ESL costs associated with residential property. When combined with average ESL costs on motor vehicles for the residential sector, insured residential property owners would have paid an average of $309 in ESL costs. This $65 saving includes:

A. $26 on average from the exclusion of ESL costs on motor vehicles, which is recovered from the non-residential sector[39]

B. $24 on average from savings on the GST applied on top of the ESL on residential property insurance premiums

C. $16 on average from the replacement levy being spread across all properties, not just insured properties, thereby lowering the average contribution required per insured property.

All levy model options have the same average revenue burden on each property sector

The revenue raised from each property sector is determined by the revenue target and sectoral contributions as discussed in chapter 4. This means that each levy model option is designed to raise the same amount of revenue from each property sector.

Levy model options align differently to the principles of equity and simplicity

All levy model options under the design framework are expected to support a significant efficiency improvement and see cost recovery and sustainability in funding NSW's emergency services agencies.

Compared to the ESL, all levy model options are more equitable, more transparent and simpler to understand and administer. Each option aligns differently to these principles by distributing costs differently, which results in trade-offs between options.

All levy model options are more equitable insofar as all property owners make at least a minimum contribution towards the funding of the state's emergency services agencies, contributions increase as a property owners' capacity to pay increases, and the impact of changes in levy burdens from the current system are moderated. All levy model options are also simpler, as they are based on a small set of fixed charges by land value ranges, so property owners can readily understand how the replacement levy is determined.

The options differ in terms of how the levy burden is distributed across properties within each property sector. While all models charge different levy amounts on each property based on land values, some options also apply discounts or surcharges based on property location or type.

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[39] It is difficult to accurately quantify how much individual households contribute on average in ESL on motor vehicle insurance. Based on aggregate insurance premiums data from the Australian Prudential Regulation Authority, data on motor vehicle type and use from the Australian Bureau of Statistics, and data on NSW motor vehicle registrations, NSW Treasury estimates that around 75% of ESL revenue associated with motor vehicle insurance is collected from motor vehicles used for domestic or private purposes and 25% from motor vehicles for business purposes.

As discussed further in this chapter, this means that some levy payers will pay more and some will pay less compared to the ESL, with the difference relative to the ESL varying across options. For example, an option that sees more people paying less will necessarily mean an increase in costs incurred by those paying more.

The following sections present levy amounts and land value thresholds for each levy model option to achieve the revenue target and sectoral contributions based on 2023-24 data.

5.1 Option A: Four tiers of fixed charges

This option balances the principles of equity and simplicity by moderately increasing levies for each of the four tiers based on land values for each property sector.

As illustrated in chapter 3, given the differences in the level and distribution of ESL costs and land values across different property sectors, it is appropriate to set land value thresholds and levy amounts specifically for each sector.

Setting land value thresholds for each property sector

For the residential sector, the four levy amount tiers based on 2023-24 data are as follows:

- The first tier covers the bottom 30% of properties with land values up to the first threshold of $302,100.
- The second tier covers the next 40% of properties, with land values above $302,100 and up to the second threshold of $728,000.
- The third tier covers the next 20% of properties, with land values above $728,000 and up to the third threshold of $1,410,000.
- The fourth tier covers the top 10% of properties with land values above $1,410,000.

The land value thresholds would need to be recalculated periodically to reflect changes in land values over time and maintain the same share of properties in each tier.

For the commercial, industrial, farmland and public benefit sectors, the tiering system divides each sectoral property stock into four groups representing the first 50%, and successive 20%, 20% and 10% of properties by land values. This tiered approach differs from the residential sector to reflect the specific distribution of land values, and ESL costs, identified for each property sector. Because the distribution of land values differs for each non-residential property sector, the land value thresholds are different for each.

For example, based on 2023-24 data, the first threshold would be $346,000 for the commercial sector and $486,000 for the industrial sector. These first levy tiers would cover the bottom 50% of properties in that sector.

Property owners should make fair contributions in line with their capacity to pay

As discussed in section 2.3, the following general considerations under the equity principle are applied for all levy model options:

- **All property owners make a minimum contribution,** while recognising that owners of properties with the lowest land values are more likely to have a lower capacity to contribute.

  Given this, for the lower tiers, levy amounts will broadly align with median ESL costs. For example, in 2023-24, more than half of owners of properties in the bottom 30% of residential land values contributed more than $180 in ESL costs. Setting the levy amount at $175 for this group would mean a large portion of property owners would have paid less under the replacement levy.
- **Levy amounts increase for properties in higher land-value ranges,** broadly reflecting property owners' capacity to pay and supporting fair contributions.
- **Moderate impacts on levy burdens per property**, ensuring each property sector's contribution is met while moderating changes relative to the ESL, including for owners of the highest-valued properties.

  For example, the amounts for the top two tiers for the commercial sector would have been $2,500 and $12,972 in 2023-24. While higher than the estimated median ESL cost for each group, these amounts would have ensured that the sectoral contribution of the commercial sector (of about $291 million in 2023-24) would have been met.

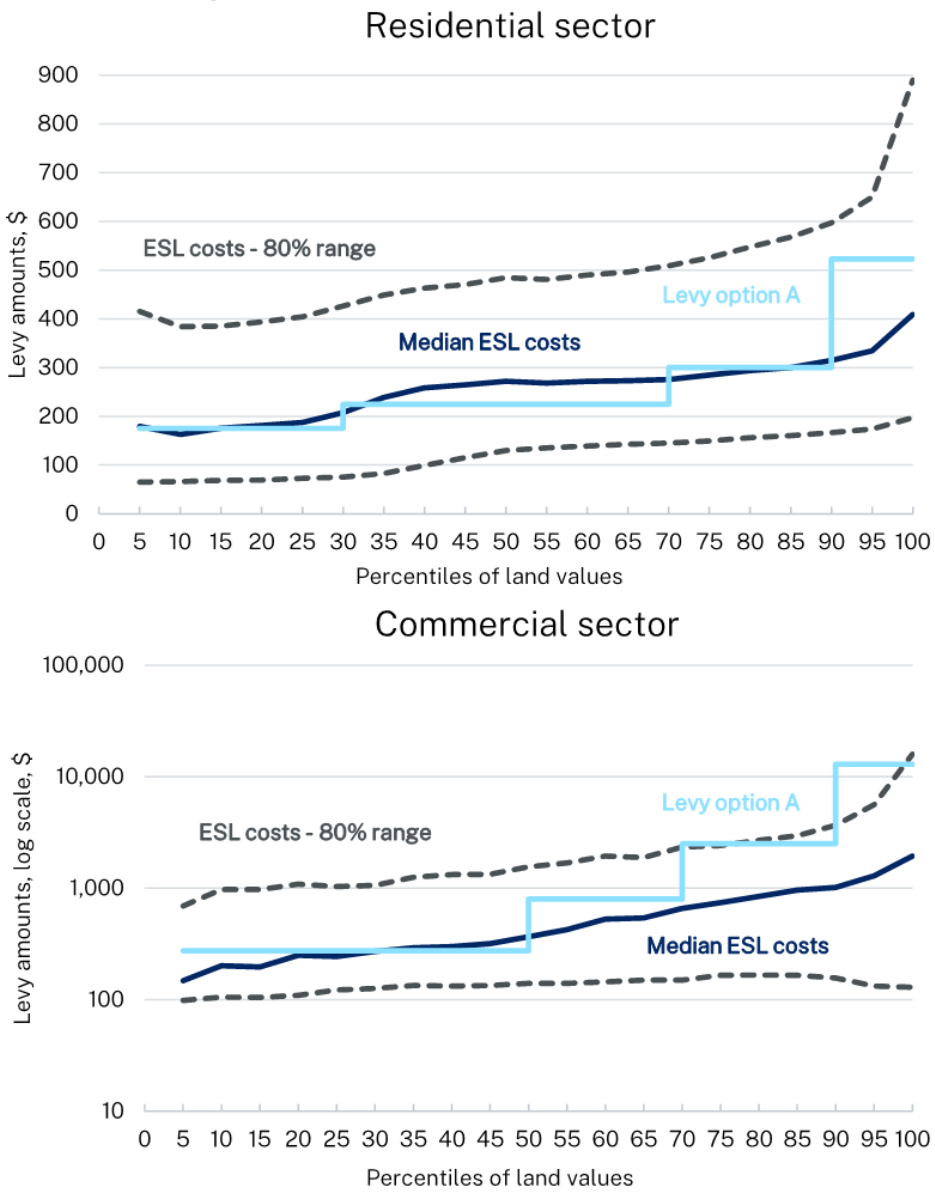
Figure 7 illustrates how this approach has been applied to the residential and commercial sectors.

Across all property sectors, owners of properties with higher land values will be more likely to face an increase in levy burdens relative to the ESL. For example, the median ESL cost for owners of commercial properties with the top 5% of land values was $1,946 in 2023-24, compared to a replacement levy under option A of $12,972.

While changes can be significant for some in this cohort of property owners, any increase in levy burdens would be capped. Under an alternate ad valorem levy, the maximum change in levy burden would be more uncertain and likely higher for some, if not most, property owners with higher land values.

Moderating the changes for owners of properties with higher land values would have to be offset by increasing the levy amounts for properties with lower land values. This could affect property owners with a lower capacity to pay and for whom larger changes in levy burdens may be more difficult to meet. It would also benefit some owners of higher-value properties who currently pay a high ESL.

Figure 7: Option A four-tier levy amounts for the residential and commercial sectors



Source: NSW Treasury calculations based on 2023-24 matched data on ESL costs per property.

Owners of properties with similar land values may pay different levy amounts

Owners of properties on either side of a land value threshold will pay different amounts. For example, and as illustrated in figure 7, an owner of a residential property with a land value of $1,405,000 would have paid $300, whereas an owner of property with a land value of $1,415,000 would have paid $523.

Any tiered system of fixed charges will result in 'jumps' close to the thresholds. In developing the five levy model options, consideration was given to minimising the number and size of jumps between tiers while ensuring that levy amounts broadly reflect differences in capacity to pay and moderate the impact of change from the current system.

5.2 Option B: Four tiers of fixed charges with greater escalation

Option B retains option A's four tiers, except for the public benefit sector. This maintains the simplicity of the model.

This option differs from option A through a wider spread of levy amounts across the four tiers. Option B provides a different balance between the equity considerations of moderating the change in burden for property owners with the lowest capacity to pay and moderating the largest changes in burdens which are concentrated among owners of higher value properties.

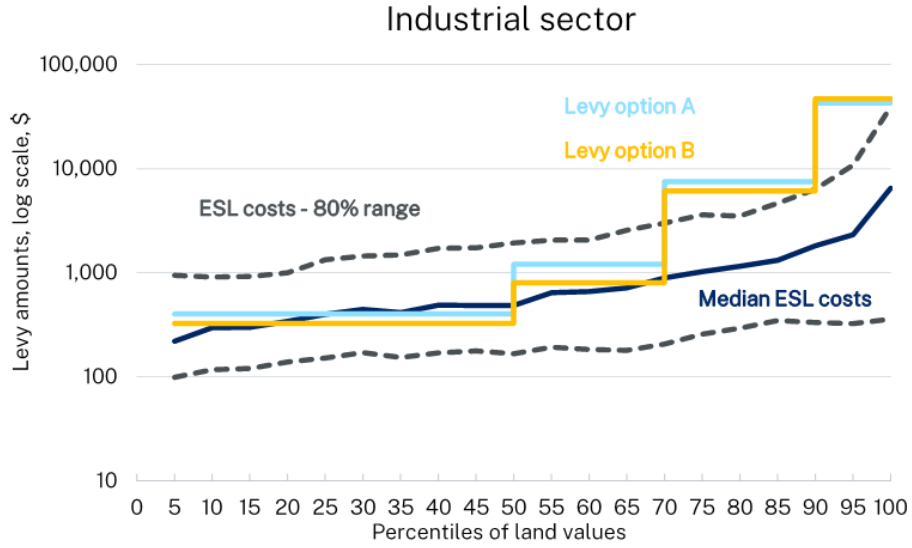
This option lowers the charges on owners of properties with lower land values by levying higher charges on owners of properties with the highest land values. For example, owners of the top 10% of residential properties by land values are charged an additional $50 above option A. This increase funds a $17 reduction in the levy for owners of properties in the bottom 30% of land values.

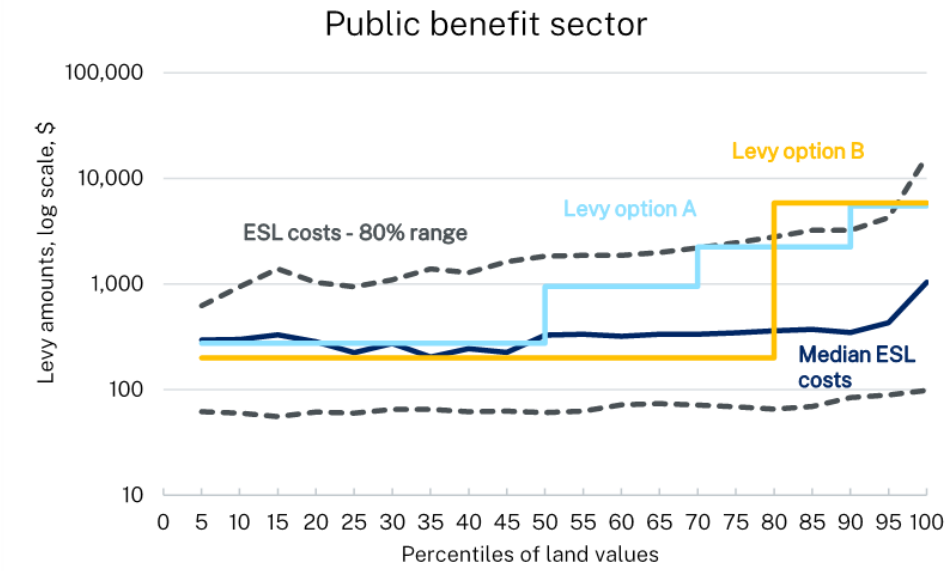
Similarly for the industrial sector, an increase of $4,000 for those with properties in the top 10% of land values compared to option A provides for owners of properties in all other tiers to pay less. Owners of properties with the lowest 50% of land values pay $75 less, owners in the next 20% of land values pay $400 less, and the next 20% pay $1,398 less compared to option A (see figure 8).

The four levy amount tiers in option A are reduced to two for the public benefit sector in option B. The first tier up to $1,580,000 covers 80% of properties, with the other 20% of land values above $1,580,000. This reflects the flatter distribution of ESL costs across most owners of public benefit properties, irrespective of land values. Based on the 2023-24 matched sample, the ESL costs for public benefit properties only increase noticeably among those with the highest land values.

Differentiating the levy model structure for the public benefit sector achieves more equitable outcomes by aligning the replacement levy closer to the median ESL costs for most owners of public benefit properties with lower land values.

Figure 8: Option B setting different levy amounts for the industrial and public benefit sectors





Source: NSW Treasury calculations based on 2023-24 matched data on ESL costs per property.

While owners of properties with the highest land values would already have seen the largest increases in levy burdens relative to ESL costs under option A, this effect is further extended under option B. This is particularly noticeable for the public benefit sector.

One option to alleviate some of the levy burden would be to introduce a higher levy amount only on a smaller portion of owners of properties with the highest land values, as discussed in the next section.

5.3 Option C: Six tiers of fixed charges

This option varies from the first two options with the introduction of two additional levy tiers that reflect the sector-specific distribution of land values. As in option B, only two levy amount tiers apply to the public benefit sector.

Option C provides for a more equitable distribution of levy contribution towards the funding of the state's emergency services agencies, to the extent that land values reflect property owners' capacity to pay. Additional land value thresholds improve equity but add a little complexity to the levy model.

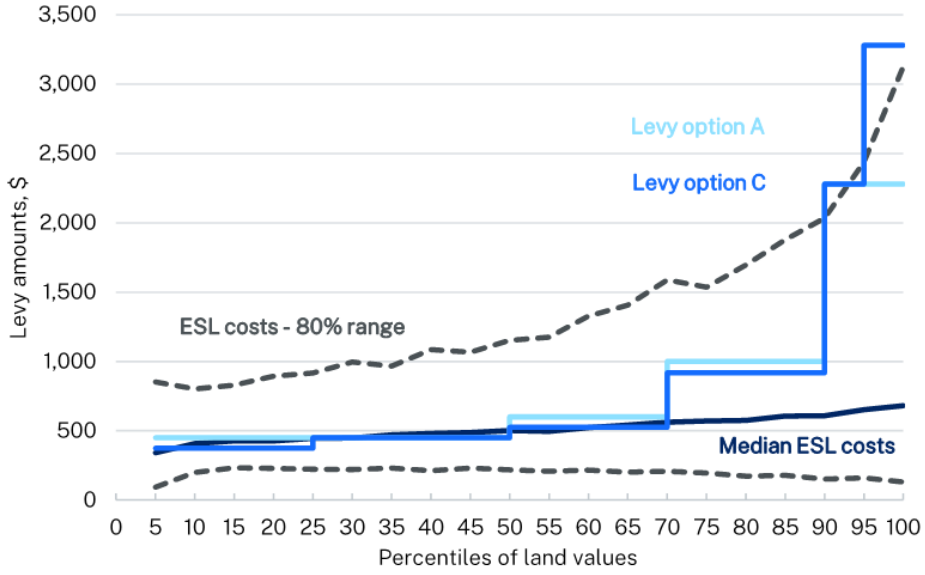
This option lowers the levy amounts for owners of properties with lower land values and increases the levy amount for owners of the highest value properties:

- An additional lower tier for properties with the lowest land values is funded from an additional tier for the top 5% of properties with the highest land values in each property sector.
- The new top tier also funds some reductions in levy amounts for other land value ranges within the same sector to bring them closer to the median ESL costs for each group.

For example, figure 9 compares option C to option A for the farm sector based on 2023-24 data:

- Under option C, a new tier is introduced for the top 5% of properties with land values above $6,060,000. The new levy amount is $1,000 higher compared to option A.
- Option C also introduces a new tier for the bottom 25% of properties with land values up to $486,000. The new levy amount is $75 lower relative to option A.
- The new, higher top tier also funds a reduction of $75 and $82 in the levy amounts for owners of properties with land values in the second and third tiers in option A.

Figure 9: Option C setting six-tier levy amounts for the farm sector



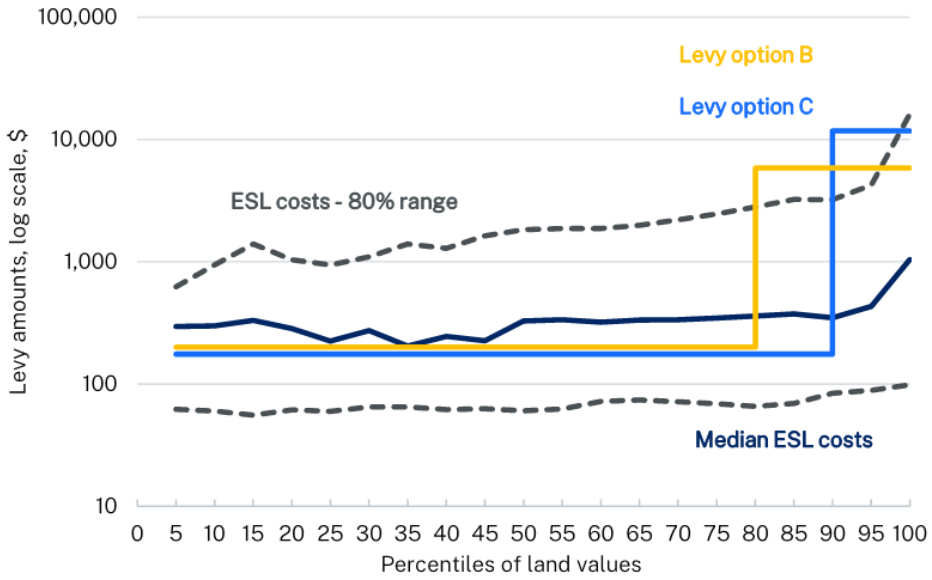
Source: NSW Treasury calculations based on 2023-24 matched data on ESL costs per property.

As discussed further in chapter 6, increases in levy burdens for owners of properties with high land values can be significant. This is particularly evident under models like option C that aim to better align with capacity to pay. Across all property sectors, the primary drivers for this are:

- The reform objective that the revenue raised under a replacement levy matches the funding sources being replaced so that emergency services agencies continue to be funded adequately and sustainably.
- The recognition that owners of properties with the lowest land values are more likely to have a lower capacity to contribute, and so the replacement levy for them will broadly align with current median ESL costs.

The public benefit sector is treated similarly to option B. Option C aims to better align to the median ESL costs for most owners of public benefit properties with lower land values. The land value threshold is increased from $1,580,000 to $3,260,000, lowering the bottom levy amount by $25, and increasing the top levy amount by $5,874 (see figure 10). Relative to options A and B, there is a lower levy for around 90% of public benefit property owners and a higher levy for the top 10% of owners with the highest land values.

Figure 10: Setting two-tier levy amounts for the public benefit sector



Source: NSW Treasury calculations based on 2023-24 matched data on ESL costs per property.

5.4 Option D: Fixed charges with regional discounts

Option D is similar to option A with moderately increasing levies across four tiers for each property sector, but with regional discounts for properties located outside Greater Sydney.[40] These discounts are additional to, and applied before, the concessions for pensioners and vacant land.

Option D introduces regional discounts to reflect models used in Queensland, Western Australia and South Australia (see appendix A). These states provide emergency service levy discounts for properties located in non-metropolitan areas to reflect lower levels of emergency service provision. This is an additional equity consideration.

Given properties outside Greater Sydney have lower land values on average, these property owners would pay less on average under all replacement levy options compared to owners of properties in Greater Sydney. Moreover, and as discussed in chapter 3, as owners of property outside Greater Sydney tend to face higher ESL costs, they will tend to see higher savings than owners of properties with similar land values located in Greater Sydney.

Despite paying lower replacement levy amounts on average, some owners of property located outside Greater Sydney may consider they would still contribute disproportionally to the funding of emergency services relative to the benefit they could receive from their availability. Regional discounts attempt to remedy this and better align average replacement levy burdens to average level of emergency service provision.

The regional discounts are broadly aligned to Queensland's Emergency Management Levy. In Queensland, properties are classified into five district classes based on the availability of fire

[40] As discussed in options B and C, given the unique distribution of land values among public benefit property, a two-tier structure is applied to the public benefit sector.

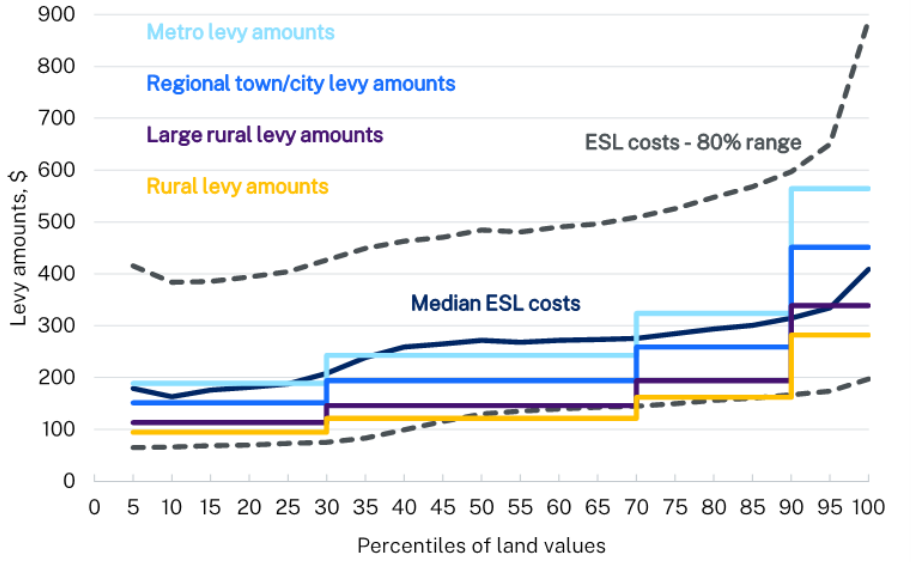
and emergency services. Lower levy amounts are charged for properties in more remote locations with a lower service provision.[41]

In designing option D:

- Properties were allocated into four district classes, broadly in line with the Queensland approach: Greater Sydney, regional town/city, large rural, and rural.[42] This classification was not determined by actual availability of emergency services in NSW as is the case in Queensland.[43]
- In line with Queensland, a discount of 20% applies to properties in a regional town/city, a 40% discount applies to properties in large rural areas and a 50% discount applies to properties in rural areas.

Based on 2023-24 data, figure 11 illustrates option D for the residential sector. Compared to options A and B, higher levy amounts would have applied to property owners in Greater Sydney (about 62% of all residential property), whereas property owners outside Greater Sydney (about 38% of all residential property) would have paid less.

Figure 11: Option D setting levy amounts with regional discounts for the residential sector



Source: NSW Treasury calculations based on 2023-24 matched data on ESL costs per property.

While a system of regional discounts may better align replacement levy amounts to average level of emergency services provision, alignment to the principle of equity would depend on how regions are classified and the level of discounts that apply to each region. Additional data on emergency service availability by region would be required to classify each region accurately and transparently and to determine the appropriate method for setting discounts. A robust and fair classification process

[41] For residential properties and most non-residential properties, the Queensland levy has only four different levy amounts for district classes, with two district classes having the same levy amount.

[42] Regional towns and cities include places such as Wollongong, Coffs Harbour, Lismore, Ballina, Lake Macquarie, Wagga Wagga, Orange and Armidale. Large rural areas include places such as Bellingen, Tenterfield, Yass and Murray River. Rural areas include places such as Bourke, Brewarrina and Weddin.

[43] A classification map for the Emergency Services Levy in Queensland can be accessed in https://experience.arcgis.com/experience/96af23b49c7d4b8da860e78fa336994b/.

would give property owners confidence in the classification boundaries and the merits of regional discounts.

5.5 Option E: Fixed charges with surcharges by property type

This option is designed with a particular focus on the principle of equity by considering property type. Option E retains a four-tier model of increasing fixed charges on land values but introduces surcharges or alternative levy amounts to specifically identified property types to ensure all property owners make a fair contribution to the funding of emergency services agencies.

For the residential sector, the relative contribution between units and houses is rebalanced with a $50 surcharge on units.

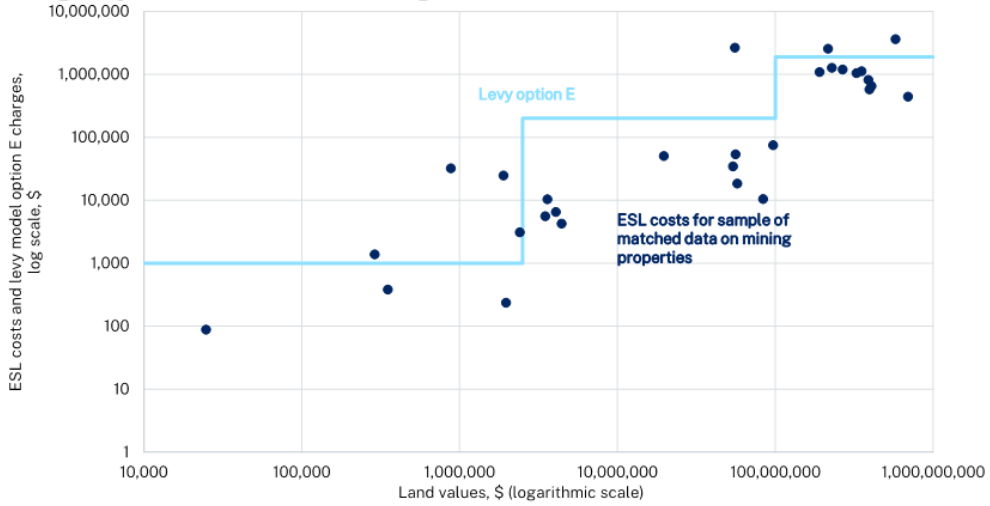
As discussed in chapter 3, owners of units tend to pay a lower ESL than owners of houses in similar locations. Units also tend to have lower land values relative to houses in similar locations because the value of land typically represents a lower proportion of the total property value for many units. With a uniform levy, owners of units would tend to pay a lower replacement levy compared to owners of houses in similar locations.

Rebalancing the relative contributions between units and houses adds some complexity. However, it aims to achieve a more equitable outcome with owners of houses and units in similar locations paying a more even share of the replacement levy. A practical way to identify units in the residential sector is based on information on whether a property is part of a strata or company title.

For the industrial sector, option E separates mining properties from other industrial properties. Local councils identify and charge different rates to mining properties. This could be leveraged as a practical approach to identify mining properties and apply different levy rates to reflect higher and more dispersed land values in the mining sector compared to other industrial properties.

Higher levy rates for the mining sector relative to other industrial properties will better align with the principle of equity and better match existing ESL contributions. As illustrated in figure 12, some mining properties, especially large mines, currently make significant ESL contributions. In addition, and as discussed in the next chapter, separating mining properties from the industrial sector allows for the replacement levy to better align with current ESL contributions for non-mining industrial properties.

Figure 12: Setting levy amounts for the mining sector



Source: NSW Treasury calculations based on 2023-24 matched data on ESL costs per property.

No specific model is presented under option E for the commercial, farm and public benefit sectors. This is because there is no practical way to identify commercial property, farms and public benefit property by type, except by using location or land-use zoning. Identifying these properties by type in a meaningful way to inform the design of alternative levy model options, and implementing those options, would require the development of a new database, with associated costs and lead time.

Table 8: Levy model options, levy amounts based on land values, by property sector, 2023-24

	Residential		Commercial		Industrial		Farm		Public benefit	
Option A	**Land value**	**Levy**	**Land value**	**Levy**	**Land value**	**Levy**	**Land value**	**Levy**	**Land value**	**Levy**
	Up to $302,100	$175	Up to $346,000	$275	Up to $486,000	$400	Up to $1,000,000	$450	Up to $363,000	$275
	$302,100 to $728,000	$225	$346,000 to $800,400	$800	$486,000 to $1,100,000	$1,200	$1,000,000 to $1,760,000	$600	$363,000 to $963,000	$950
	$728,000 to $1,410,000	$300	$800,400 to $2,410,000	$2,500	$1,100,000 to $3,310,000	$7,500	$1,760,000 to $4,010,000	$1,000	$963,000, to $3,260,000	$2,250
	Above $1,410,000	$523	Above $2,410,000	$12,972	Above $3,310,000	$42,857	Above $4,010,000	$2,280	Above $3,260,000	$5,513
Option B	**Land value**	**Levy**	**Land value**	**Levy**	**Land value**	**Levy**	**Land value**	**Levy**	**Land value**	**Levy**
	Up to $302,100	$158	Up to $346,000	$215	Up to $486,000	$325	Up to $1,000,000	$400	Up to $1,580,000	$200
	$302,100 to $728,000	$225	$346,000 to $800,400	$550	$486,000 to $1,100,000	$800	$1,000,000 to $1,760,000	$550		
	$728,000 to $1,410,000	$300	$800,400 to $2,410,000	$1,653	$1,100,000 to $3,310,000	$6,102	$1,760,000 to $4,010,000	$925		
	Above $1,410,000	$573	Above $2,410,000	$15,472	Above $3,310,000	$46,857	Above $4,010,000	$2,780	Above $1,580,000	$5,861
Option C	**Land value**	**Levy**	**Land value**	**Levy**	**Land value**	**Levy**	**Land value**	**Levy**	**Land value**	**Levy**
	Up to $170,100	$141	Up to $117,600	$175	Up to $193,200	$275	Up to $486,000	$375	Up to $3,260,000	$175
	$170,100 to $302,100	$175	$117,576 to $346,000	$275	$193,200 to $486,000	$400	$486,000 to $1,000,000	$450		
	$302,100 to $728,000	$225	$346,000 to $800,400	$450	$486,000 to $1,100,000	$800	$1,000,000 to $1,760,000	$525		
	$728,000 to $1,410,000	$300	$800,400 to $2,410,000	$1,725	$1,100,000 to $3,310,000	$6,073	$1,760,000 to $4,010,000	$918		
	$1,410,000 to $1,941,700	$523	$2,410,000 to $4,390,000	$12,972	$3,310,000 to $6,700,000	$42,857	$4,010,000 to $6,060,000	$2,280	Above $3,260,000	$11,735
	Above $1,941,700	$623	Above $4,390,000	$17,972	Above $6,700,000	$50,857	Above $6,060,000	$3,280		
Option D	For option D, levy amounts displayed are for non-concessional property located in Greater Sydney. Regional discounts apply: 20% discount for properties located in a regional town/city, a 40% discount for properties in large rural areas and a 50% discount for properties in rural areas.									
	Land value	**Levy**	**Land value**	**Levy**	**Land value**	**Levy**	**Land value**	**Levy**	**Land value**	**Levy**
	Up to $302,100	$189	Up to $346,000	$289	Up to $486,000	$417	Up to $1,000,000	$669	Up to $363,000	
	$302,100 to $728,000	$243	$346,000 to $800,400	$841	$486,000 to $1,100,000	$1,251	$1,000,000 to $1,760,000	$892	$363,000 to $963,000	$212
	$728,000 to $1,410,000	$324	$800,400 to $2,410,000	$2,628	$1,100,000 to $3,310,000	$7,816	$1,760,000 to $4,010,000	$1,487	$963,000, to $3,260,000	
	Above $1,410,000	$564	Above $2,410,000	$13,637	Above $3,310,000	$44,663	Above $4,010,000	$3,390	Above $3,260,000	$6,220
Option E	**Residential - houses**		**Residential - units**		**Industrial (excluding mining)**		**Mining**		No model based on property type is proposed for the commercial, farm and public benefit sectors. For these, there are no practical ways to identify properties by type without the need to develop a new database, with associated costs and lead times.	
	Land value	**Levy**	**Land value**	**Levy**	**Land value**	**Levy**	**Land value**	**Levy**		
	Up to $302,100	$161	Up to $302,100	$211	Up to $485,400	$300	Up to $2,500,000	$1,000		
	$302,100 to $728,000	$211	$302,100 to $728,000	$261	$485,400 to $1,100,000	$800	$2,500,000 to $100,000,000	$200,000		
	$728,000 to $1,410,000	$286	$728,000 to $1,410,000	$336	$1,100,000 to $3,290,000	$4,500	Above $100,000,000	$1,901,400		
	Above $1,410,000	$509	Above $1,410,000	$559	Above $3,290,000	$42,254				

6 Impacts of reform on property owners

The levy model options in this paper aim to achieve equitable outcomes, support efficiency, be transparent and relatively simple to understand, ensure cost recovery, and provide a reliable and sustainable funding source for NSW's emergency services agencies. Any replacement levy that improves equity and simplicity compared to the ESL would be expected to have different impacts across levy payers. Changes in levy burdens are an important consideration, particularly for the approach to transitioning to the replacement levy.[44]

This chapter compares the five levy model options presented in chapter 5, including the impacts on property owners, sectors and cohorts of properties across models and alignment with the principles equity and simplicity. The analysis focuses on property owners who currently pay the ESL. The impacts on owners of property who don't pay the ESL because they don't have insurance have not been included.[45]

Around 55% of insured properties would have incurred a lower levy

Modelling based on 2023-24 data indicates that around 55% of insured properties in NSW would have incurred a lower replacement levy relative to the ESL costs under all levy model options (see table 9).

Table 9: Share of insured properties estimated to pay less under a replacement levy

Option A	54.4%
Option B	55.7%
Option C	55.7%
Option D	54.2%
Option E	55.9%

Source: NSW Treasury estimates based on a sample of insured properties, 2023-24 data, and assuming a 5% non-insurance rate across all property sectors (noting non-insurance rates are highly uncertain, particularly for non-residential properties). Option E for commercial, farmland and public benefit sectors is modelled to be identical to option A.

While the proportion of insured property owners who would have paid less varies only slightly between options, the impact of different models on specific sectors and cohorts of property owners is more significant. Different models may therefore be preferred for different property sectors based on their suitability for the sector and alignment with the reform objectives and design principles.

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[44] Modelling throughout this paper was conducted at the property level, not by property owner. For simplicity, the text at times refers to the share or number of property owners that are estimated to pay more or pay less under the replacement levy compared to under the current system. A more accurate description of the modelling would be the share or number of properties estimated to incur higher or lower levy amounts under a replacement levy. This subtle distinction is important, as some property owners own multiple properties and may find that they will pay less on one property and more on another.

[45] Property owners who do not take out insurance will see their levy burden increase under a replacement levy. Data identifying property owners without insurance was not obtained for this analysis and therefore the number of privately-owned properties without insurance, the type of property, location or land value is not available.

6.1 Levy model options impact property sectors differently

More residential, farm and public benefit property owners are likely to pay less

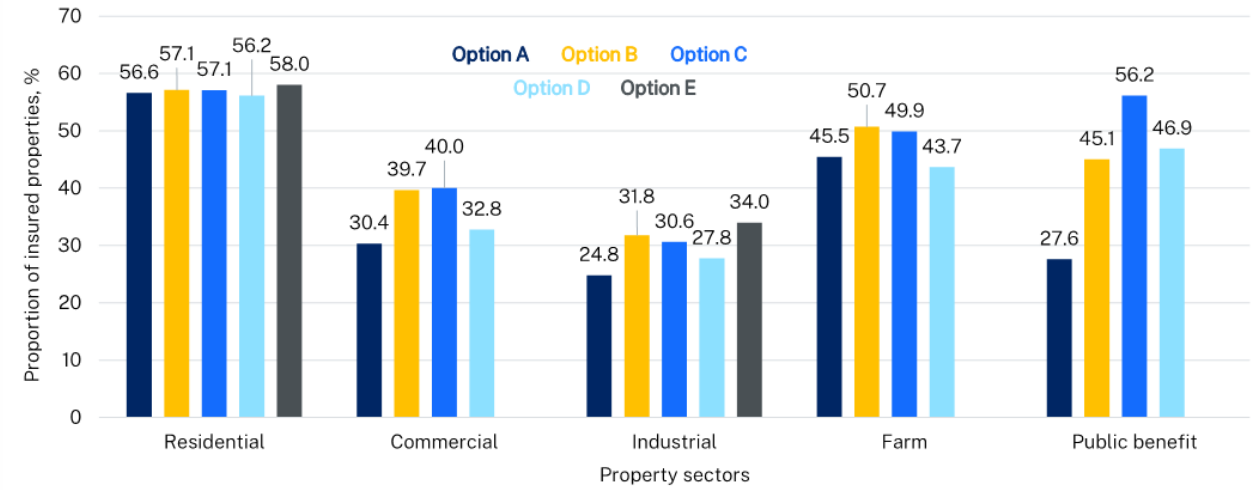
Figure 13 shows the share of insured property owners estimated to have paid less under a replacement levy compared to under the ESL, for each property sector and across each of the five levy model options.

Around 57% of owners of insured residential properties are estimated to have paid less under a replacement levy, which is a higher share than for the other property sectors. As discussed in chapter 4, the forgone ESL costs currently collected on government property and motor vehicle insurance is not recovered from residential property. This allows the replacement levy amounts for the residential sector to be set lower than what they would otherwise need to be.

The farm and public benefit sectors are also estimated to have had larger shares of property owners paying less under a replacement levy compared to the commercial and industrial sectors. This is a result of the sectoral contributions approach assumed in chapter 4, which ensures that the farm and public benefit sectors experience a similar average burden under the replacement levy as they do under the ESL.

The commercial and industrial sectors are estimated to have had the lowest shares of property owners paying less under a replacement levy. This arises because the forgone ESL on government property and motor vehicle insurance is recovered from these sectors.

Figure 13: Share of insured properties estimated to pay less under a replacement levy



Source: NSW Treasury estimates based on sample of insured properties, 2023-24 data.

There is a trade-off between the share of property owners expected to pay less and the burden on those paying more

Generally, setting the replacement levy to better align with land values will more closely reflect property owners' capacity to pay. However, increasing the share of property owners that would pay less under a replacement levy relative to the ESL must come at the expense of increasing the levy burden on property owners that pay more, given that the revenue target is unchanged. Potential changes in levy burdens between the ESL and the replacement levy are an important consideration,

particularly when assessing how levy model options align with the principles of equity and simplicity.

A more detailed discussion of the distributional effects within sectors is provided in section 6.3.

Different levy model options may be preferred for different property sectors

Property sectors are impacted differently depending on any given levy model. For example, for the residential and industrial sectors, the greatest share of property owners paying less is under levy model option E, and under levy model option C for the commercial and public benefit sectors.

The revenue target can be achieved by any combination of levy models across sectors. So, in practice, the replacement levy could be constructed by selecting the levy model for each sector that maximises the share of property owners estimated to pay less under the reform compared to the ESL and best aligns with the reform objectives and design principles. As discussed above, while all levy models are designed in line with the design framework, each model presents a different trade-off between the principles of equity and simplicity.

6.2 Owners of properties with lower land values are more likely to pay less

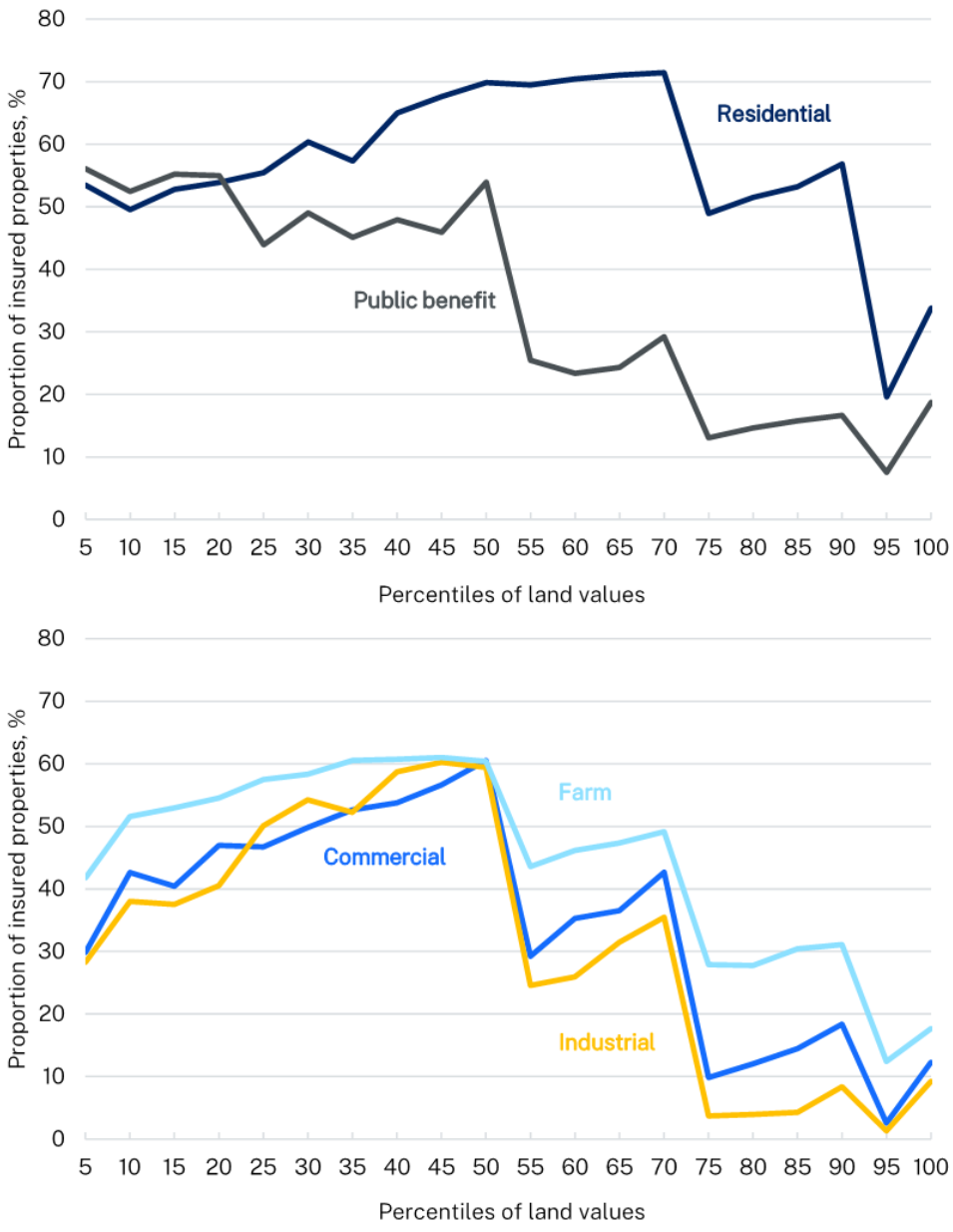
A replacement levy aligned with capacity to pay places a lower burden on owners of properties with lower land values

Across all property sectors, owners of properties with lower land values would be more likely to pay less under the replacement levy than they do under the ESL compared to owners of higher value properties. This is illustrated in figure 14 for option A.

This finding is consistent across levy model options, as shown for the residential sector in figure 15. On average, around 62% of owners of insured residential properties in the bottom 75% of land values are estimated to have paid less under a replacement levy, compared to only 42% of owners of insured residential properties in the top 25% of land values.

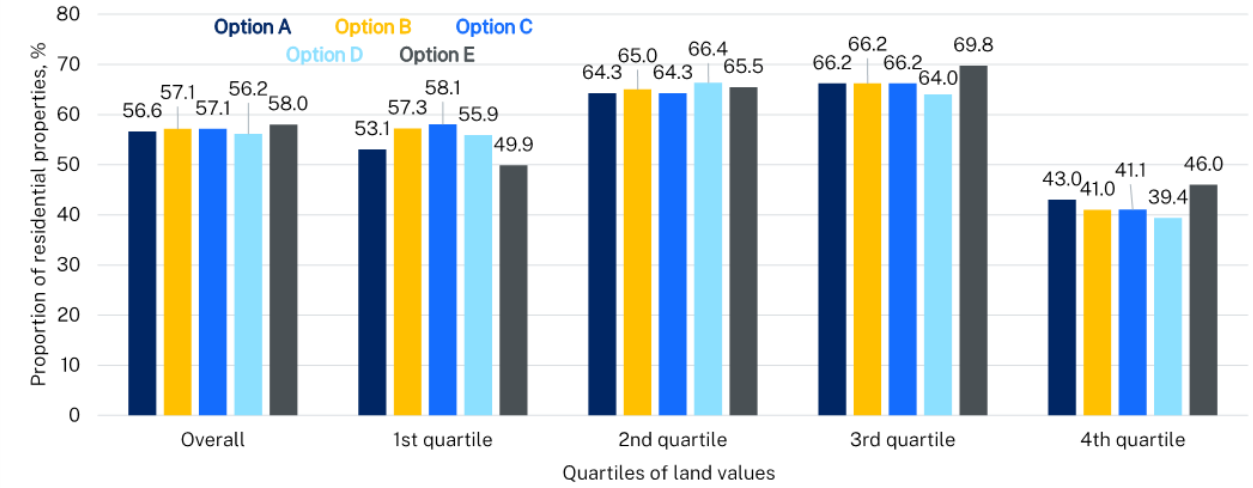
Across each property sector, levy model options with greater escalation in fixed charges (options B and C relative to option A) have a higher share of owners of insured properties in the bottom 75% of land values estimated to have paid less under a replacement levy compared to owners of insured properties in the top 25% of land values.

Figure 14: Option A, share of insured properties paying less under a replacement levy, by land values



Source: NSW Treasury estimates based on sample of insured properties, 2023-24 data.

Figure 15: Share of insured residential properties paying less under a replacement levy, by quartiles



Source: NSW Treasury estimates based on sample of insured properties, 2023-24 data.

These results reflect the design principles of the reform, which seek to balance simplicity with the equity considerations of ensuring that all property owners make a minimum contribution to the funding of the state's emergency services agencies, that contributions align with capacity to pay, and that the impact of changes in levy burdens is moderated.

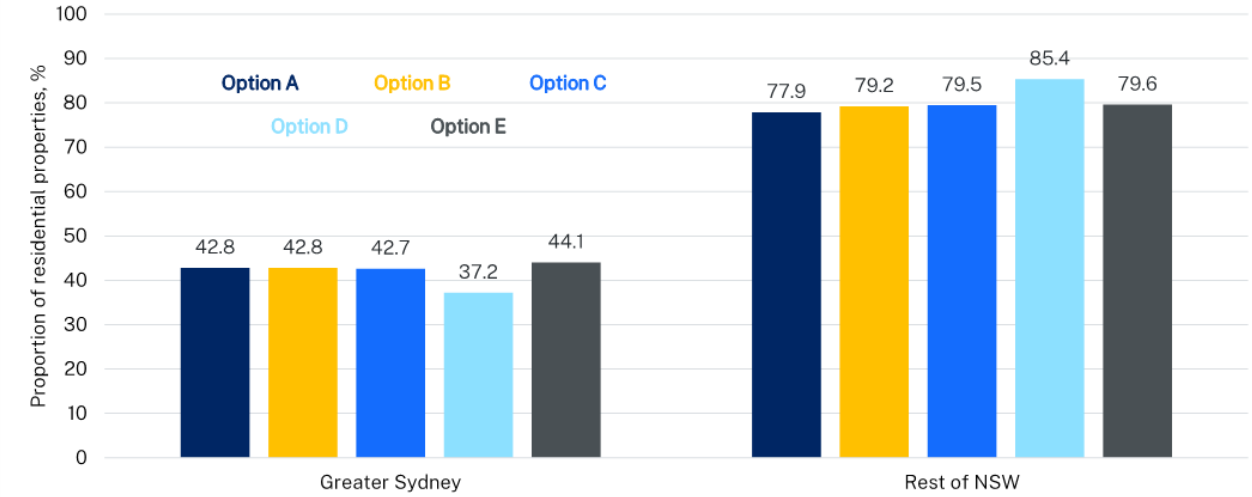
Property owners outside Greater Sydney would be more likely to pay less under a replacement levy

Across all property sectors, owners of insured properties outside Greater Sydney would be more likely to pay less than under the ESL compared to owners of insured properties in Greater Sydney. This is driven by two factors:

- Properties outside Greater Sydney tend to have higher insurance premiums relative to properties with similar land values located in Greater Sydney. As such, these property owners stand to gain more from removing the ESL.
- Land values are generally lower outside Greater Sydney. As a result, owners of properties outside Greater Sydney would tend to pay a lower replacement levy compared to owners of properties located in Greater Sydney.

For the residential sector, owners of insured properties located outside Greater Sydney are found to have been nearly twice as likely to pay less under a replacement levy than under the ESL compared to owners of insured properties in Greater Sydney (see figure 16). This finding also holds true across the other property sectors, though the specific shares paying less vary across sectors.

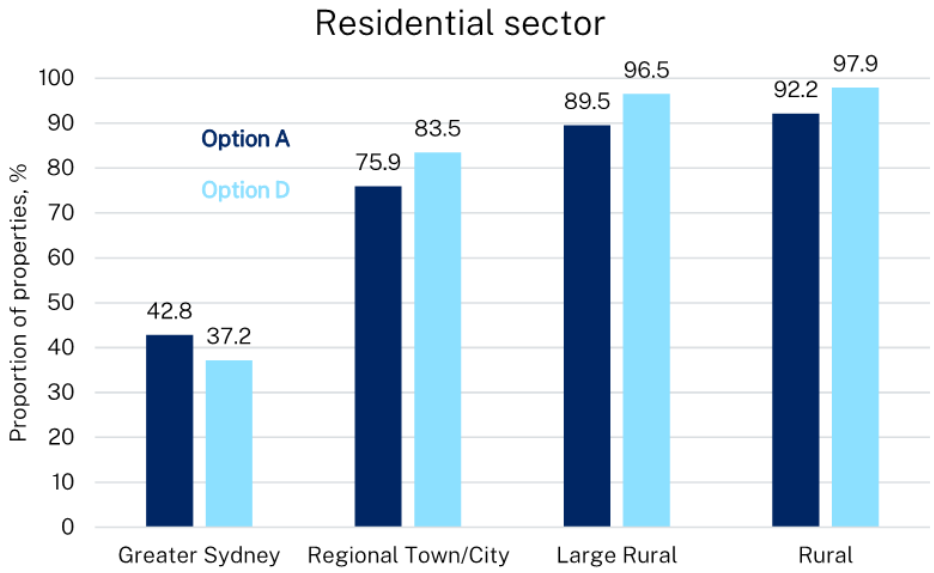
Figure 16: Share of insured residential properties paying less under a replacement levy, by location

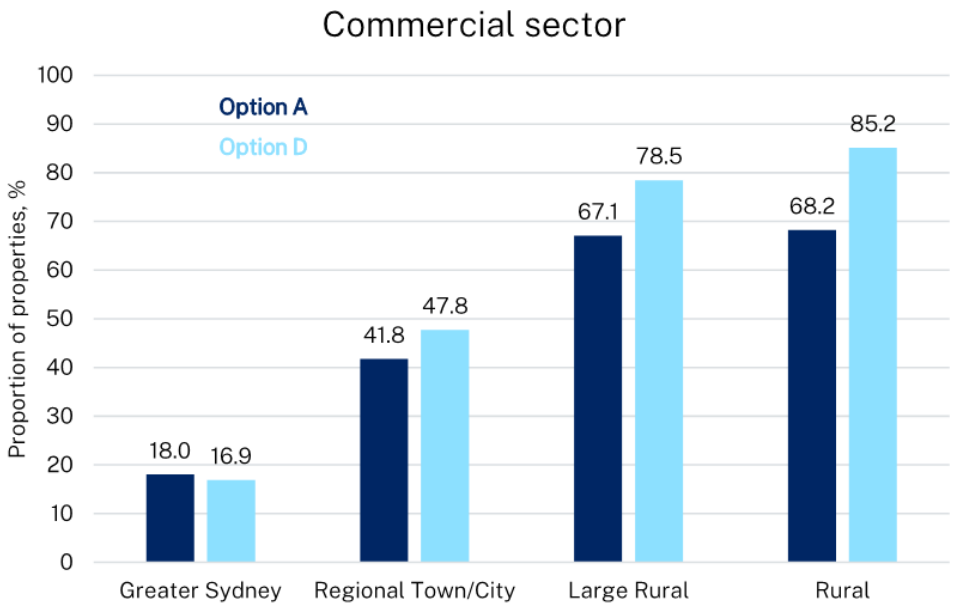


Source: NSW Treasury estimates based on sample of insured properties, 2023-24 data.

This is further emphasised under option D. As illustrated in figure 17, both options A and D show that regional and rural insured property owners would have been more likely to pay less under the replacement levy than under the ESL, compared to owners of insured properties in Greater Sydney. With regional discounts, option D would have reduced the levy burden on owners of regional and rural properties compared to option A at the expense of increasing it for owners of properties in Greater Sydney.

Figure 17: Share of insured residential and commercial properties paying less under a replacement levy, by region





Source: NSW Treasury estimates based on sample of insured properties, 2023-24 data.

Owners of houses would be more likely to pay less under a replacement levy

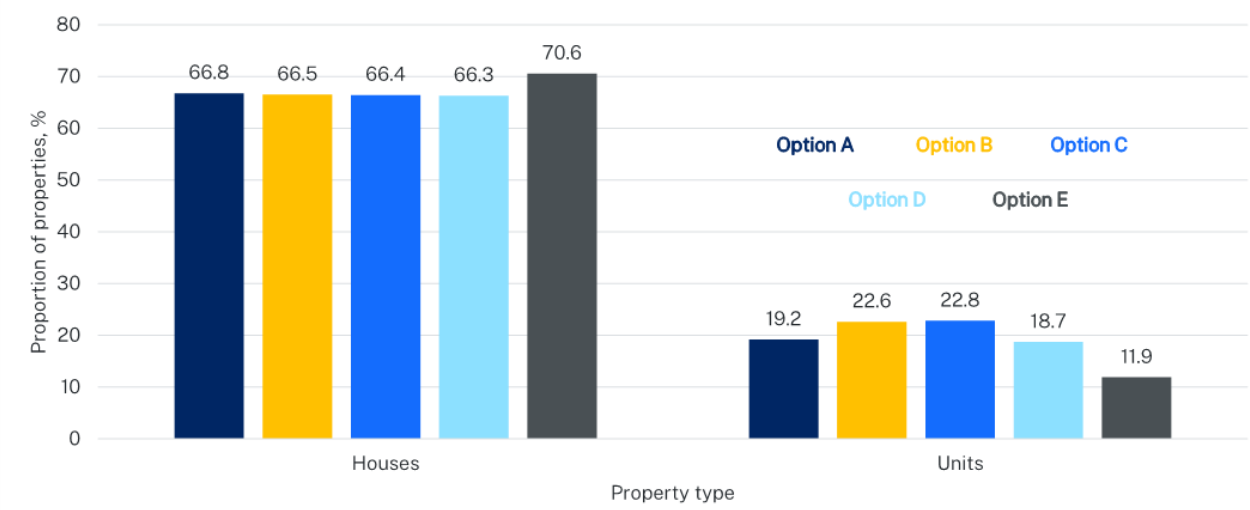
Owners of insured houses would be more likely to pay less under a replacement levy than they do under the ESL, compared to owners of units. This is because units tend to have lower insurance premiums relative to houses with similar land values. As such, unit owners stand to gain less from removing the ESL. As illustrated in figure 18, on average across the levy model options, around 67% of owners of insured houses are estimated to have paid less under a replacement levy, compared to an average of 19% of owners of units.

Units have relatively lower land values compared to houses. As such, around 64% of unit owners would have paid the lowest levy amounts under each levy model option.[46] This means the majority of unit owners would have paid less than owners of houses in the same locations under the replacement levy. As discussed in section 5.5, a more equitable outcome could involve owners of units and houses in similar locations paying a more even share of the replacement levy.

Option E attempts to achieve this through a $50 surcharge on units. This would have resulted in fewer unit owners paying less than they would have under the ESL relative to any of the other levy model options (see figure 18). This would also have enabled more owners of insured houses to pay less compared to the other levy model options (71% compared to around 67%).

[46] To be precise, 64% of units have a land value up to $302,100, which is the first land value threshold under options A, B, D and E, and the second land value threshold under option C. Moreover, around 93% of units have a land value up to $728,000, which is the second land value threshold under options A, B, D and E, and the third under option C. See table 8.

Figure 18: Residential sector, share of insured houses and units paying less under a replacement levy



Source: NSW Treasury estimates based on sample of insured properties, 2023-24 data.

6.3 A simpler and more equitable levy system will result in changes in levy burdens

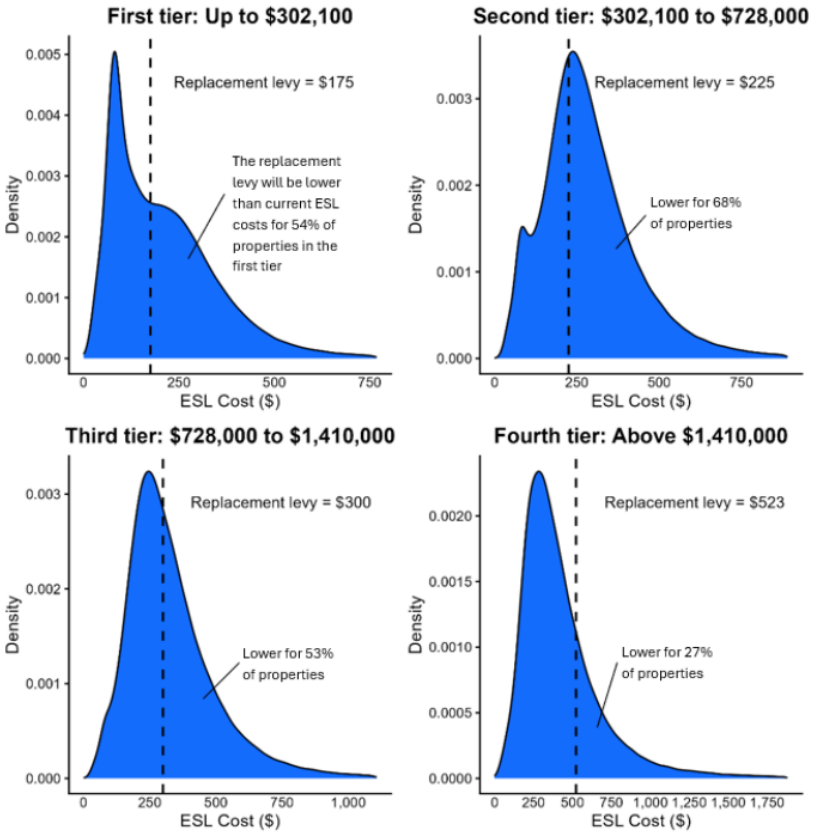
As discussed in chapter 3, any replacement levy model with increasing fixed charges based on land values will result in most owners of properties with similar land values paying the same levy. This means that some owners with properties of similar land values but with different characteristics, including differing locations, property types, exposure to risk or levels of insurance, may pay more or pay less under a replacement levy than they do under the current ESL.

Savings can be significant under a replacement levy while increases in burdens are capped

All levy model options canvassed in this paper constitute a simpler and more transparent approach to setting levy contributions for property owners than the current ESL system. A key benefit of models of fixed charges is that levy burdens are capped. Effectively, this means that increases in levy burdens relative to the current ESL are limited to the relevant levy amount that applies to each property. Conversely, reductions in levy burdens compared to the current ESL system can be significant.

This is illustrated in figure 19 for the residential sector under option A. The figure splits residential properties into the four tiers defined under option A. For each tier, it shows the spread of ESL costs for insured residential properties compared to the replacement levy amount payable under option A.

Figure 19: Residential sector, distribution of ESL costs for option A's four tiers



Source: NSW Treasury estimates based on sample of insured properties, 2023-24 data. The largest 1% of ESL costs within each tier have been trimmed from the distribution for presentation purposes. However, percentages of properties estimated to be paying less under the replacement levy reflects the entire sample of insured properties.

The figure shows that for all levy tiers, the potential reductions in levy burdens are larger than the potential increases. For example, for owners of residential property with land values under $302,100, the maximum increase in levy burden would have been, effectively, up to the applicable levy amount of $175.[47] In contrast, reductions in levy burdens could have been significantly higher. For example, within the same tier, a property owner who paid $500 in ESL, would have saved $325 under option A.[48]

Figure 20 provides further insights. It groups insured properties in the residential and commercial sectors by the amount property owners would have paid above or below what they paid under the ESL. The majority of residential property owners would have experienced a reduction or an increase in their levy burdens of less than $100. However, some property owners would have experienced relatively more significant changes in levy burdens. Of those, more would have seen savings than increases in levy burdens.

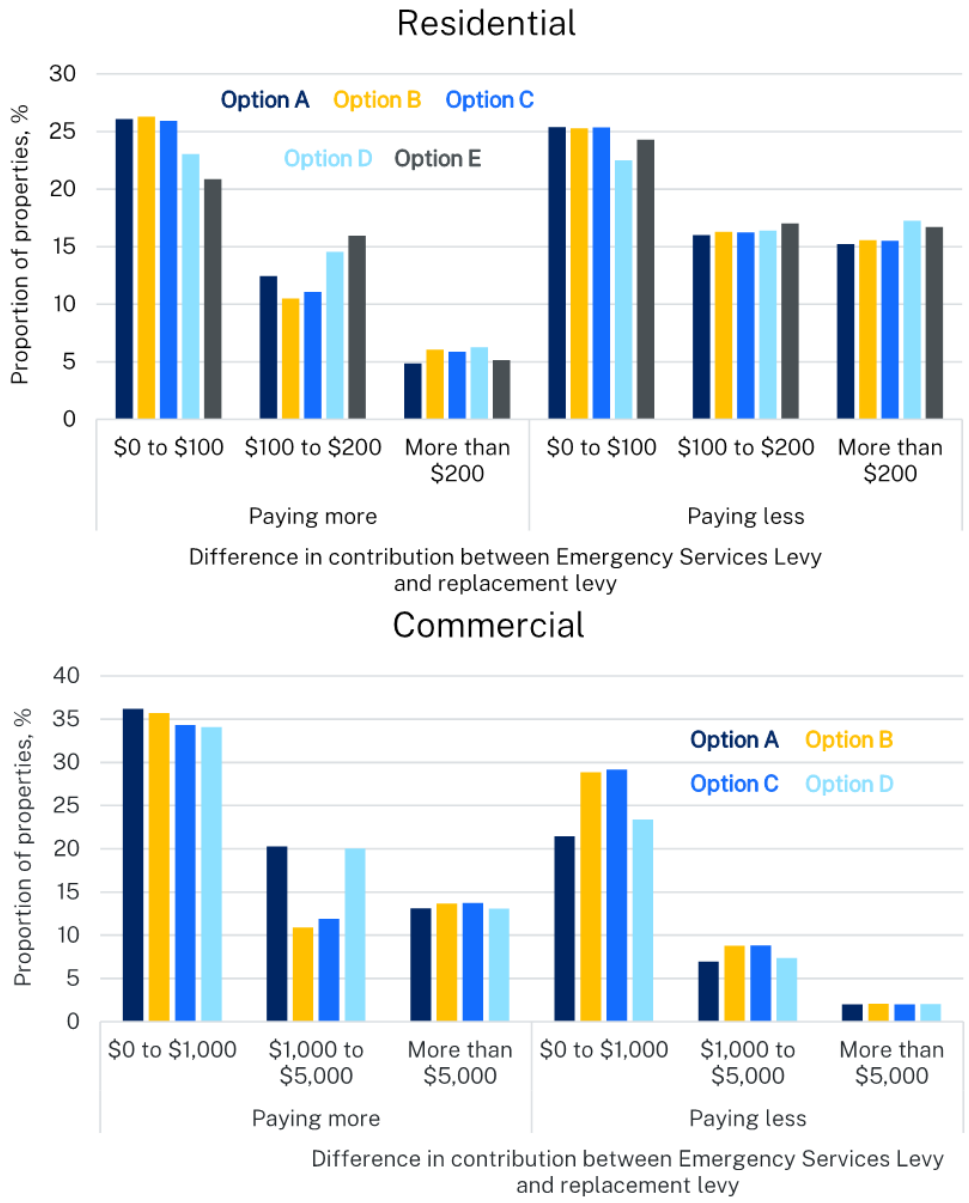
[47] Property owners likely to see an increase in levy burden are located, in figure 19, within the blue area to the left of the vertical replacement levy amount dashed line. The closest they are to the dashed line, the lower the increase in levy burden they are likely to experience compared to the ESL. Owners of uninsured property, who pay no ESL, would see the largest increase in levy burden within the relevant tier and have not been included in the figure.

[48] In figure 19, property owners likely to see a reduction in levy burden are located within the blue area to the right of the vertical replacement levy amount dashed line.

Changes in levy burdens would have been more significant in the commercial sector. The majority of commercial property owners would have experienced a positive or negative change in levy burdens of less than $1,000.

Changes in levy burdens in the commercial (and industrial) sector will tend to be larger than in other sectors. This is because current ESL costs tend to be significantly higher than in the residential sector, which results in higher replacement levy amounts as discussed in chapters 3 and 5. Furthermore, the commercial (and industrial) property contributions are also set to replace the forgone revenue under the ESL from government property and motor vehicle insurance. This means that replacement levy amounts will necessarily increase on average relative to the ESL.

Figure 20: Residential and commercial sector, share of insured properties by net impact of replacement levy



Source: NSW Treasury estimates based on sample of insured properties, 2023-24 data.

Changes in levy burdens are likely to be smaller for owners of properties with lower land values

More accentuated changes in levy burdens will tend to be associated with properties with higher land values. For properties with lower land values, changes in levy burdens, be it increases or reductions, will tend to be relatively more moderate. This is illustrated in figure 21 for the residential and commercial sectors, under option A.

As discussed in section 2.3, levy amounts are designed to minimise the impact of the replacement levy on owners of properties with lower land values, reflecting their capacity to pay, while ensuring all property owners make a minimum contribution. For example, under option A for the residential sector, the replacement levy amounts for the lower three tiers are set close to the median ESL costs for properties in those tiers. This ensures a large share of owners of insured properties within these tiers see a relatively small change in levy burden.

At the other end of the distribution, owners of properties with higher land values are more likely to see more significant changes in levy burdens. For these properties, levy amounts ensure that sufficient revenue is raised while, at the same time, moderating the impact of the replacement levy. For example, under option A for the residential sector, the replacement levy for the top tier is set at a relatively high value compared to the median ESL costs paid by property owners within that tier. This results in larger changes in levy burdens compared to owners of properties with lower land values.

Figure 21: Residential and commercial sector, average change in levy burden under option A, for insured property





Source: NSW Treasury estimates based on sample of insured properties, 2023-24 data.

Greater escalation in fixed charges will result in larger changes in levy burdens for some property owners

The analysis above provides insights into the possible consequences from adjusting the replacement levy amounts across property owners.

For example, a reduction in the top tier levy amount would increase the share of property owners in that tier that would pay less compared to the current ESL. But, to raise the same revenue, it would need to be offset by an increase in the levy amount paid by other property owners, which in turn would reduce the share of property owners in that tier paying less than the current ESL burden.

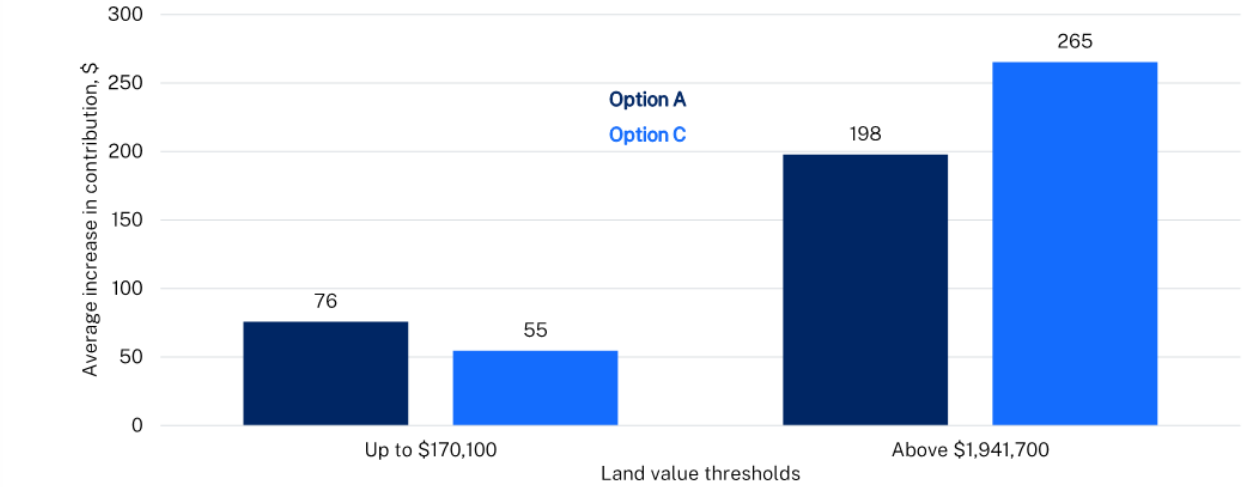
Conversely, a reduction in levy amounts for lower-land-value properties must necessarily have a corresponding increase in charges on owners of higher-land-value properties.

For example, option C proposes a levy amount that is $34 lower relative to option A for residential properties with land values below $170,100 (see table 8). This lower levy amount increases the share of residential properties with land values below $170,100 estimated to have paid less than the ESL from 52% to 61%.

However, this reduction in the levy amount for properties with low land values results in an additional burden on properties in the top levy tier. Under option C, owners of insured properties with land values above $1,941,700 would have paid a levy amount that is $100 higher compared to option A.[49] For insured residential properties estimated to have paid more under option C relative to A, figure 22 shows the average increase in levy burdens compared to the ESL.

[49] Option C places a $100 surcharge on properties in the top levy tier relative to option A. Some property owners who were paying less relative to the ESL under option A, may therefore pay up to $100 more under option C relative to the ESL. Hence the average increase in contributions for property owners estimated to pay more under a replacement levy is less than $100.

Figure 22: Average increase in contributions for insured residential properties paying more under a replacement levy



Source: NSW Treasury estimates based on a sample of insured properties, 2023-24 data. Land values correspond to the thresholds for the residential sector for option C (see table 8). Levy amounts for options A and C are identical for land values between $170,100 and $1,941,700.

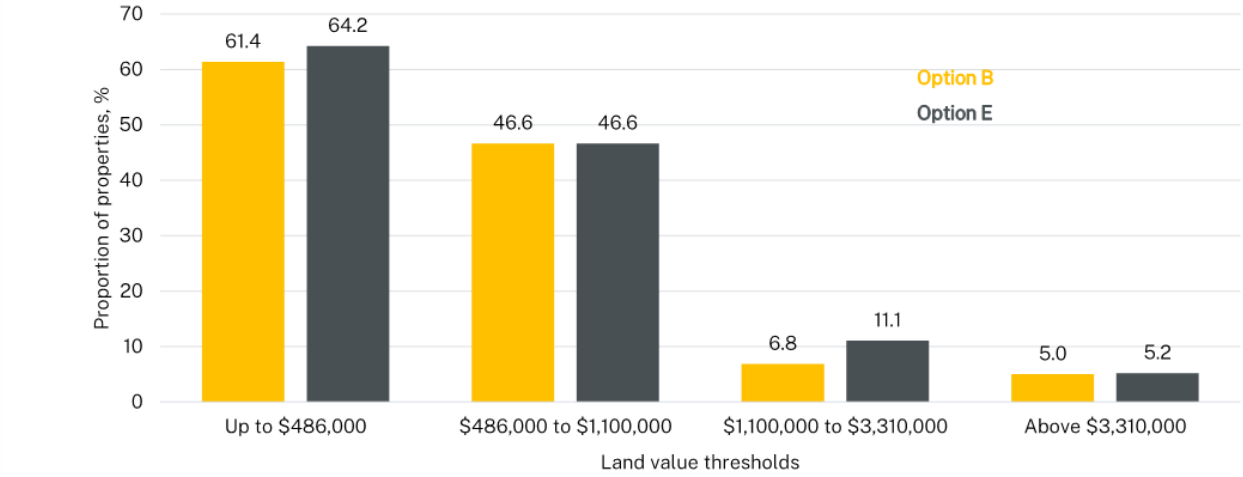
Particular consideration should be given to increasing levy amounts for owners of property with high land values in the public benefit sector. The public benefit sector consists of a wide variety of properties such as hospitals, non-government schools, places of worship, libraries and properties used for a range of not-for-profit purposes. As a result, owners of public-benefit properties are likely to vary considerably in their capacity to meet the increased cost of higher replacement levy amounts.

Lower levies for most industrial properties are possible by levying mining properties separately

Option E proposes a separate levy structure for mining properties, distinct from other industrial-sector properties. Some mines, particularly larger ones, currently make significant ESL contributions. Levying mining and other industrial properties under the same levy model, as is the case in options A to D, results in generally higher levy amounts imposed on owners of non-mining industrial property, some of whom currently contribute much less in ESL.

Carving out mining properties from the industrial sector allows for the design of a levy model that better represents the ESL contribution of each sector. By reducing the levy amounts for non-mining industrial property, option E results in an increase in the share of non-mining-industrial-property owners estimated to have paid less than under the current ESL (see figure 23, which compares option E and B for the non-mining industrial property sector).

Figure 23: Industrial sector, share of insured properties paying less under a replacement levy



Source: NSW Treasury estimates based on sample of insured properties, 2023-24 data. Land values correspond to the thresholds for the industrial sector for option B (see table 8). Apart from option E, option B results in the greatest share of industrial property owners paying less, as shown in figure 13.

Appendix A: Interstate comparison of emergency services funding systems

Table 10: Comparison levies funding emergency services in Australia (except NSW and the Northern Territory)

	Victoria [a]	Queensland	Western Australia	South Australia	Australian Capital Territory (ACT)	Tasmania
Existing levy	Emergency Services and Volunteers Fund	Emergency Management Levy	Emergency Services Levy	Emergency Services Levy	Police, Fire and Emergency Services Levy	Fire Service Contribution (FSC), Insurance Fire Levy (IFL) & Motor Vehicle Levy (MVL)
Revenue base	Properties based on capital improved values (CIV)	Properties based on land use and level of fire services available	Properties based on gross rental value (GRV)	Properties based on capital improved values (CIV), and motor vehicle registrations	Properties based on land use and, for commercial properties, land values using average unimproved values (AUV)	FSC: properties based on assessed annual value (AAV), and level of fire services available IFL: prescribed classes of business insurance premiums MVL: motor vehicle registrations
Levy structure	Fixed charge and variable rate on properties Variable rates are dependent on land use	Fixed charge on properties Charges vary based on land use and level of fire services available	Variable rate on properties Rates vary depending on land use and the level of fire services available	Fixed charge and variable rate on properties Rates vary depending on land use and the level of fire services available In addition, a fixed fee is levied on motor vehicle registrations	Fixed charge or variable rate on properties, dependent on land use Residential and rural: uniform fixed charge Commercial: variable rate	FSC: annually determined variable rate on property to meet the difference between the State Fire Commission's annual operating costs, and other source funding IFL: variable rate on business insurance premiums. Rates dependent on insurance class MVL: flat fee on motor vehicle registrations
Property sectors / Emergency service provision sectors	Residential, commercial, industrial, primary production, public benefit	16 property sectors based on land use, and land use intensity. Five district classes based on the fire and rescue services provided	Single residential, multiple residential, farming, commercial, industrial, vacant land. Locations: metropolitan, regional cities, metropolitan fringe, country towns, pastoral/rural	Residential, commercial, industrial, rural, special community use, vacant and other. Four regions reflecting level of emergency service provision.	Residential & rural properties, and commercial properties	Permanent brigade, composite brigade, volunteer brigade, or general land
Agencies and services funded	90% of Fire Rescue Victoria; 95% of Country Fire Authority & Victoria SES; up to 95% of other emergency services agencies and programs	67%[b] of total operating income for the Queensland Fire Department	66%[b] of funding of the Department of Fire and Emergency Services	66%[b] of the spending on fire and emergency services	32%[b] of the net costs of police and emergency services	74%[b] of total operating income for the State Fire Commission
Concessions	Pensioner concession card and veteran gold card: $50 concession on principal place of residence (PPR) Rebate for eligible CFA and VICSES volunteers on a PPR or farm Some farmers eligible for single farm enterprise exemption from multiple fixed charges.	A 20% discount is available on the levy the principal place of residence owned by the recipient of a Commonwealth or State pension.	Pensioners, senior or concession card holders receive the same rebate as the rebate on local government rates, on their principal place of residence. The rebate is up to 25% for seniors card holders, and up to 50% for pensioner concession and state concession card holders.	A range of card holders including pensioner concession, veteran gold, and seniors health card holders, and a range of Centrelink payment recipients / card holders receive a concession capped at $46, as well as a lower variable tax rate, on their principal place of residence.	Pensioner concession and veteran gold card holders are entitled to receive a rebate on the levy capped at $115, they are also eligible for the ACT government's 50% reduction in rates, capped at $750, which would also apply to the levy.	FSC: 20% pensioner discount MVL: pensioners receive an $8 discount in 2025-26
Vacant land treatment	Because the levy is calculated using CIV, levy charges on vacant land are lower	Vacant land is in Levy group 1[c], for which, under current rates, the amount of levy payable is more than 70% less than for other land uses	Because the levy is calculated using GRV, levy charges on vacant land are lower	Because the levy is calculated using CIV, levy charges on vacant land are lower	Vacant land is treated the same as non-vacant land	Because the levy is calculated using AAV, levy charges on vacant land are lower
Collection agent	Local councils	Local councils	Local councils	State government	Territory government	FSC: Local councils IFL & MVL: State government

Note: Northern Territory funds fire and emergency services from general territory government revenue. All other jurisdictions have some concessions for pensioners.

[a] In Victoria from 1 July 2026, the fixed charge for residential properties will be the same as the fixed charge for non-residential properties, and a 50% concession on the fixed charge will apply for exclusively residential-use principal place of residence.

[b] These percentages are not legislated and are based on the latest three years of available data.

[c] Queensland levy group 1 includes advertising hoarding, jetty, park or garden with no improvements other than fences or gardens, and vacant land including vacant land with a fence.

Sydney NSW 2000

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NSW GOVERNMENT

Liquid Trade Waste Guidelines

Policy	27B
Officer Responsible	Director Infrastructure Services
Last Review Date	XX/XX/2026

Strategic Policy

Policy Statement

This policy sets out how Blayney Shire Council will regulate liquid trade waste discharges to its sewerage system in accordance with the NSW Framework for Regulation of Liquid Trade Waste (Appendix F).

Sewerage systems are generally designed to cater for liquid waste from domestic sources that are essentially of predictable strength and quality. Council may accept liquid trade waste into its sewerage system as a service to businesses and industry.

Liquid trade wastes may exert much greater demands on sewerage systems than domestic sewage and, if uncontrolled, can pose serious problems to public health, worker safety, Council's sewerage system and the environment.

This Policy is consistent with the *Liquid Trade Waste Management Guidelines 2021* developed by the Water Utilities branch of the NSW Department of Planning, Industry and Environment. Additional information can be found at: https://www.water.dcceew.nsw.gov.au/sites/default/files/2025-07/trade-waste-management-guidelines.pdf ~~(https://www.industry.nsw.gov.au/data/assets/pdf_file/0010/147088/trade-waste-management-guidelines.pdf)~~

PURPOSE

This policy sets out how Council will regulate sewerage and trade waste discharges to its sewerage system in accordance with the NSW Framework for Regulation of Sewerage and Trade Waste (Section 3.1). The policy is concerned with the approval, monitoring and enforcement process for liquid trade wastes discharged to Council's sewerage system and the levying of commercial sewerage and liquid trade waste fees and charges. It has been developed to ensure the proper control of liquid trade waste and hence protection of public health, worker safety, the environment, and Council's sewerage system. The policy also promotes waste minimisation, water conservation, water recycling and biosolids reuse.

Sewerage systems are generally designed to cater for waste from domestic sources that are essentially of predictable strength and quality. Council **may** accept trade waste into its sewerage system as a **service** to businesses and industry.

Liquid trade wastes may exert much greater demands on sewerage systems than domestic sewage and, if uncontrolled, can pose serious problems to public health, worker safety, Council's sewerage system and the environment.

Impacts of poor liquid trade waste regulation include:

- Grease, oil, solid material, if not removed on-site, can cause sewer chokes and blockages and the discharge of untreated sewage to the environment.
- Strong waste may cause sewage odour problems and corrosion of sewer mains, pumping stations and sewage treatment works.

A person wishing to discharge liquid trade waste to the sewerage system must, under section 68 of the *Local Government Act 1993*, obtain prior approval from Council. Discharging liquid trade waste without an approval is an offence under section 626 of the Act.

The procedure for approval is governed by Chapter 7 of the Local Government Act and is subject to the *Local Government (General) Regulation 2005*.

Under clause 28 of the Local Government (General) Regulation, a council must not grant an approval under section 68 of the Act to discharge trade waste (whether treated or not) into a sewer of the council unless the Director-General of the Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS) has concurred with the approval.

Under section 90 (2) of the Local Government Act, the Director-General, DTIRIS, may give the council notice that the concurrence may be assumed (with such qualifications or conditions as are specified in the notice).

BACKGROUND AND RELATED LEGISLATION

Council provides sewerage services appropriate to the current and future needs of the local community in accordance with relevant acts, regulations, and standards. Some of the relevant acts and regulations are as follows:

- Local Government Act 1993
- Local Government (General) Regulation 2005
- Protection of the Environment (Operations) Act 1997 and Regulations
- NSW Best-Practice Management of Water Supply and Sewerage Guidelines 2007
- Australian Sewage Quality Management Guidelines June 2012
- National Framework for Wastewater Source Management 2008
- Liquid Trade Waste Management Guidelines 2021
- Plumbing Code of Australia (2016)
- Australian Standards
- Public Health Act 2010

The above objectives are consistent with the *National Framework for Sewage Quality Management* in the *Australian Sewage Quality Management Guidelines, June 2012*, Water Services Association of Australia (WSAA).

GLOSSARY

Assumed Concurrence: Council may apply to the Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS) for authorisation to assume concurrence for Classification B or Classification S activities. If granted, Council will no longer need to forward such applications to DTIRIS for concurrence.

Automatic Assumed Concurrence: Councils have been authorised to assume DTIRIS concurrence for Classification A activities. Such applications may be approved by Council without forwarding the application to DTIRIS for concurrence.

Bilge Water: minor amounts of water collecting in the bilge of a vessel from spray, rain, seepage, spillage and boat movements. Bilge water may be contaminated with oil, grease, petroleum products and saltwater.

Biochemical Oxygen Demand (BOD5): The amount of oxygen utilised by micro-organisms in the process of decomposition of organic material in wastewater over a period of five days at 20°C. In practical terms, BOD is a measure of biodegradable organic content of the waste.

Biosolids: Primarily organic solid product produced by sewage processing. Until such solids are suitable for beneficial use, they are defined as wastewater solids or sewage sludge.

Bunding: Secondary containment provided for storage areas, particularly for materials with the propensity to cause environmental damage.

Chemical Oxygen Demand (COD): A measure of oxygen required to oxidise organic and inorganic matter in wastewater by a strong chemical oxidant. Wastewaters containing high levels of readily oxidised compounds have a high COD.

Chemical Toilet: Toilet in which wastes are deposited into a holding tank containing a deodorizing or other chemicals; wastes are stored and must be pumped out (and chemical recharged) periodically.

Commercial Kitchen/Caterer: For the purpose of these Guidelines, a commercial kitchen is a premises that is typically a stand-alone operation and prepares food for consumption off-site. These types of businesses typically cater to wedding functions, conferences, parties, etc. This definition would not apply to a food processing factory supplying pre-prepared meals to an airline company or similar.

Contingency Plan: A set of procedures for responding to an incident that will affect the quality of liquid trade waste discharged to the sewerage system. The plan also encompasses procedures to protect the environment from accidental and unauthorised discharges of liquid trade waste to the stormwater drainage system, and leaks and spillages from stored products and chemicals.

Director-General: Director-General means the Director-General of the Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS).

Due Diligence Program: A plan that identifies potential health and safety, environmental or other hazards (eg. spills, accidents or leaks) and appropriate corrective actions aimed at minimising or preventing the hazards. Reference will made to the Blayney Shire Council document, “Guidelines for Street and Open Space Tree Management” (the guidelines), when undertaking the assessment of street and open space trees.

DTIRIS Concurrence is required before a council may approve an application for the discharge of liquid trade waste (including septic tank and pan waste) to the sewerage system. It is a requirement under section 90(1) of the Local Government Act and clause 28 of the *Local Government (General) Regulation 2005* that council obtain the written concurrence of the Director-General of the Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS) prior to approving such waste to be discharged to the council's sewerage system. Such concurrence requests to be provided to the NSW Office of Water (a separate office within DTIRIS).

Effluent: The liquid discharged following a wastewater treatment process.

Effluent Improvement Plan (EIP): The document required to be submitted by a discharger who is not meeting the acceptance limits for discharge waste quality set down in Council's approval conditions and/or liquid trade waste agreement. The document sets out how the discharger will meet the acceptance limits for the discharge of liquid trade waste to the sewerage system within the agreed timeframe.

Galley Waste: In this Policy, a liquid waste from a kitchen or a food preparation area of a vessel; solid wastes are excluded.

Heavy Metals: Metals of high atomic weight which in high concentrations can exert a toxic effect and may accumulate in the environment and the food chain. Examples include mercury, chromium, cadmium, arsenic, nickel, lead and zinc.

Housekeeping: is a general term, which covers all waste minimisation activities connected with the way in which operations within the premises are carried out.

Industrial Discharges: Industrial liquid trade waste is defined as liquid waste generated by industrial or manufacturing processes.

Local Government Regulation: *Local Government (General) Regulation* 2005 under the *Local Government Act 1993.*

Liquid Trade Waste: Liquid trade waste means all liquid waste other than sewage of a domestic nature.

Mandatory Concurrence: For the liquid waste in Classification C, councils will need to obtain concurrence from DTIRIS for each discharger. Such concurrence requests to be provided to the NSW Office of Water (a separate office within DTIRIS).

Methylene Blue Active Substances (MBAS): These are anionic surfactants (see Surfactants definition) and are called MBAS as their presence and concentration is detected by measuring the colour change in a standard solution of methylene blue dye.

Minimal Pre-treatment: For the purpose of this Policy includes sink strainers, basket arrestors for sink and floor waste, plaster arrestors and fixed or removable screens.

National Framework for Wastewater Source Management: refer to section 3.2

NSW Framework for Regulation of Sewerage and Trade Waste: refer to section 3.1

NSW Office of Water (NOW): In accordance with the Public Sector Employment and Management (Departmental Amalgamations) Order 2009, the NSW Office of Water has been established as a separate office within the Department of Environment, Climate Change and Water from 27 July 2009.

Open Area: Any unroofed process, storage, washing or transport area potentially contaminated with rainwater and substances which may adversely affect the sewerage system or the environment.

Pan: For the purpose of this Policy "pan" means any moveable receptacle kept in a closet and used for the reception of human waste.

pH: A measure of acidity or alkalinity of an aqueous solution, expressed as the logarithm of the reciprocal of the hydrogen ion (H+) activity in moles per litre at a given temperature; pH 7 is neutral, below 7 is acidic and above 7 is alkaline.

Premises: Has the same meaning as defined in the Local Government Act Dictionary and includes any of the following:

(a) a building of any description or any part of it and the appurtenances to it
(b) land, whether built on or not
(c) a shed or other structure
(d) a tent
(e) a swimming pool
(f) a ship or vessel of any description (including a houseboat)
(g) a van.

Prescribed Pre-treatment Equipment is defined as standard non-complex equipment used for pre-treatment of liquid trade waste, e.g. a grease arrestor, an oil arrestor/separator, solids arrestor, cooling pit (refer to Table 7 of *Liquid Trade Waste Regulation Guidelines, 2009*).

Primary Measurement Device: A device such as a gauging pit, weir tank or flume installed in the liquid trade waste discharge line suitable for installation of instrumentation for flow measurement. In cases of commercial flows this can mean a removable section of pipe (in the fresh water supply to the trade waste area) and the installation of a check meter.

Septage: Material pumped out from a septic tank during desludging; contains partly decomposed scum, sludge and liquid.

Septic Tank: Wastewater treatment device that provides a preliminary form of treatment for wastewater, comprising sedimentation of settleable solids, flotation of oils and fats, and anaerobic digestion of sludge.

Septic Tank Effluent: The liquid discharged from a septic tank after treatment.

Sewage Management Facility: A human waste storage facility or a waste treatment device intended to process sewage and includes a drain connected to such a facility or device.

Sewage of Domestic Nature: Includes human faecal matter and urine and waste water associated with ordinary kitchen, laundry and ablution activities of a household, but does not include waste in or from a sewage management facility.

Sewerage System: The network of sewage collection, transportation, treatment and by-products (effluent and biosolids) management facilities.

Ship-to-Shore Pump-out: Liquid waste from a vessel that may be considered for disposal to the sewerage system. This includes on-board toilet wastes, galley wastes and dry dock cleaning waste from maintenance activities.

Sullage: Domestic wastewater excluding toilet waste.

Surfactants: The key active ingredient of detergents, soaps, emulsifiers, wetting agents and penetrants. Anionic surfactants react with a chemical called methylene blue to form a blue- chloroform-soluble complex; the intensity of colour is proportional to concentration.

Suspended Solids (SS): The insoluble solid matter suspended in wastewater that can be separated by laboratory filtration and is retained on a filter. Previously also referred to as non- filterable residue (NFR).

Total Dissolved Solids (TDS): The total amount of dissolved material in the water.

Waste Minimisation: Procedures and processes implemented by industry and business to modify, change, alter or substitute work practices and products that will result in a reduction in the volume and/or strength of waste discharged to sewer.

WHAT IS LIQUID TRADE WASTE?

Liquid trade waste is defined in the *Local Government (General) Regulation 2005* as below:

Liquid trade waste means all liquid waste other than sewage of a domestic nature.

Liquid trade waste discharges to the sewerage system include liquid wastes from:

- business/commercial premises (e.g. beautician, florist, hairdresser, hotel, motel, restaurant, butcher, service station, supermarket, dentist)
- community/public premises (including craft club, school, college, university, hospital and nursing home)
- industrial premises
- trade activities (e.g. mobile carpet cleaner)
- any commercial activities carried out at a residential premises
- saleyards, racecourses and from stables and kennels that are not associated with domestic households
- septic tank waste, chemical toilet waste, waste from marine pump-out facilities and established sites for the discharge of pan content from mobile homes/caravans to the sewerage system.

While septic tank, pan and ship-to-shore pump-out waste are defined as trade waste, specific procedures need to be applied to their management as the waste is often transported from its source to the sewerage system. Accordingly, specific references to these wastes are provided in this policy where necessary.

Liquid trade waste excludes:

- toilet, hand wash basin*, shower and bath wastes derived from all the premises and activities mentioned above
- wastewater from residential toilets, kitchens, bathrooms, or laundries (i.e. domestic sewage)
- common use (non-residential) kitchen and laundry facilities in a caravan park
- residential swimming pool backwash

* Used for personal hygiene only

OBJECTIVES

The objectives[1] of this policy are:

- to protect public health
- to protect the health and safety of Council employees
- to protect the environment from the discharge of waste that may have a detrimental effect
- to protect Council assets from damage
- to assist Council to meet its statutory obligations
- to provide an environmentally responsible liquid trade waste service to the non- residential sector
- to encourage waste minimisation and cleaner production in the commercial and industrial sectors
- to promote water conservation, water recycling and biosolids reuse
- to ensure compliance of liquid trade waste dischargers with Council's approved conditions
- to provide operational data on the volume and composition of industrial and commercial effluent to assist in the operation of the sewerage system and the design of augmentations or new sewerage systems
- to ensure commercial provision of services and full cost recovery through appropriate sewerage and liquid trade waste fees and charges.

SCOPE OF THIS POLICY

This policy comprises three parts:

- Part 1 specifies the circumstances in which a person is exempt from the necessity to apply for an approval to discharge liquid trade waste to Council's sewerage system

- Part 2 specifies the criteria which Council will take into consideration in determining whether to give or refuse a liquid trade waste approval

- Part 3 specifies the framework for regulation of liquid trade waste, including the NSW Framework for Regulation of Sewerage and Trade Waste, alignment with the *National Framework for Wastewater Source Management*, application procedures, liquid trade waste discharge categories, liquid trade waste services agreements, monitoring of liquid trade waste discharges, liquid trade waste fees and charges, modification or revocation of approvals, prevention of waste of water and contaminated stormwater discharges from open areas.

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[1] The above objectives are consistent with the *National Framework for Wastewater Source Management* on page 22 of the *National Wastewater Source Management Guideline*, July 2008, Water Services Association of Australia (WSAA).

PART 1 – EXEMPTIONS

For obtaining approval of liquid trade waste discharge.

Table 1. Exemptions

This table lists commercial business activities that the Director-General, DTIRIS has consented to an exemption from the requirement to apply for approval for liquid trade waste discharge to the sewerage system. Each such business must meet the standard requirements specified below. An annual trade waste fee applies to each such discharger	
Activity	**Requirements**
Beautician	Solvents not to be discharged to sewer.
Bed and Breakfast (not more than 10 persons including proprietor)	Sink strainers in food preparation areas. Housekeeping practices (see Note 4).
Community hall (minimal hot food)	Sink strainers in food preparation areas. Housekeeping practices (see Note 4).
Day care centre (no hot food prepared)	Sink strainers in food preparation areas. Housekeeping practices (see Note 4). Nappies are not to be flushed into the toilet.
Dental technician (no X-ray)	Plaster arrestor required.
Doctor's surgery (plaster casts, no X-ray)	Plaster arrestor required.
Dog/cat groomer/salon	Floor waste basket and sink strainer required (see Note 3). Animal litter and any waste disposal products may not be discharged to sewer. No organophosphorus pesticides may be discharged to sewer.
Florist	Floor waste basket and sink strainer required. No herbicides/pesticides may be discharged to sewer.
Fruit and vegetable – retail	Floor waste basket and sink strainer required (see Note 3).
Funeral parlour	Floor waste basket required. Formaldehyde is not to be discharged to the sewer.
Hairdressing	Floor waste basket and sink strainer (where available)
Jewellery shop miniplate ultrasonic washing precious stone cutting	Miniplate vessel to contain no more than 1.5 L of precious metal solution Nil If : < 1000 L/d plaster arrestor required > 1000 L/d general purpose pit required
Mobile cleaning units carpet cleaning garbage bin washing	20 micron filtration system fitted to a mobile unit. Floor waste basket required. Discharge is via grease arrestor (if available).
Motel (no hot food prepared and no laundry facility)	Floor waste basket and sink strainer required (see Note 3). Housekeeping practices (see Note 4).
Nut shop	Floor waste basket and sink strainer required (see Note 3).
Optical service - retail	Solids settlement tank/pit required.
Pet shop – retail	Floor waste basket and sink strainer required (see Note 2).
Pizza reheating for home delivery	Housekeeping practices (see Note 4).
Venetian blind cleaning	Nil (see Note 2).

Notes:

1. Where "required" is used it means as required by Council.
2. If activity is conducted outdoors, the work area is to be roofed and bunded to prevent stormwater ingress into the sewerage system.
3. All drainage from floors in food preparation areas is required to pass through a floor waste basket.
4. Food preparation activities need to comply with sound housekeeping practices including:
   (a) Floor must be dry swept before washing.
   (b) Pre-wiping of all utensils, plates, bowls etc. to the scrap bin before washing up.
   (c) Use of a food waste disposal unit is not permitted.

PART 2– CRITERIA FOR APPROVAL TO DISCHARGE LIQUID TRADE WASTE INTO COUNCIL'S SEWERAGE SYSTEM

2.1 Factors for consideration

Council's decision to accept liquid trade waste into its sewerage system is on the basis of a preventive risk management framework for managing risks to the sewerage system within an integrated water cycle management[2] context. It will be based on the discharge meeting Council's requirements[3]. When determining an application to discharge liquid trade waste to the sewerage system, Council will consider the following factors:

- The potential for the liquid trade waste discharge to impact on public health
- The possible impacts the discharge may pose to the environment (land, water, air, noise, or nuisance factors)
- The potential impacts of the discharge on the health and safety of the Council's employees
- The possible impact of the discharge on Council's sewerage infrastructure or sewage treatment process
- The capability of the sewerage system (both transportation and treatment components) to accept the quality and quantity of the proposed liquid trade waste discharge
- The impact the liquid trade waste will have on the ability of the sewerage scheme to meet NSW Environmental Protection Authority (EPA) licence requirements
- Compliance of the proposed liquid trade waste discharge with guideline limits in this policy[4]
- The potential impacts of the discharge on the quality of, and management practices for, effluent and biosolids produced from the sewage treatment process
- The adequacy of the pre-treatment process(es) to treat the liquid trade waste to a level acceptable for discharge to the sewerage system, including proposed safeguards if the pre- treatment system fails
- Whether appropriate safeguards are proposed to avoid the discharge of other, non-approved wastes to the sewerage system
- Whether prohibited substances are proposed to be discharged
- The potential for stormwater entering the sewerage system and adequacy of proposed stormwater controls
- Waste minimisation and water conservation programs
- The adequacy of the proposed due diligence program and contingency plan, where required.
- The adequacy of any chemical storage and handling facilities, and the proposed safeguards for preventing the discharge of chemicals to the sewerage system

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Integrated Water Cycle Management Guidelines for NSW Local Water Utilities, DWE, October 2004.

In considering options for waste management to drive resource efficiency, the following order of preference set out on page 6 of the *National Wastewater Source Management Guidelines, July 2008*, WSAA will be adopted:

- Avoidance
- Minimisation
- Re-use
- Recovery of energy
- Treatment
- Disposal

The quality of trade waste from some low-risk commercial activities in Classification A will exceed guideline limits in Council's trade waste policy. As a higher level of pre-treatment is not cost-effective, such waste is acceptable if the discharger installs and properly operates and maintains the required pre-treatment equipment (refer to Table 4 and Tables 7 to 9 of Liquid Trade Waste Regulation Guidelines, 2009). Similarly, septic and pan waste may exceed some guideline limits.

2.2 Discharge quality

Council has guideline limits for the acceptance of discharges, as set out in Table 2. Council may vary the guideline limits for a particular sewage treatment works. Where the guideline limits cannot be met, applicants are required to provide justification for exceeding the limits. Based on the type and the proposed contaminant levels, Council may refuse the application, or may approve it subject to an effluent improvement program, or other conditions being implemented.

These limits are consistent with the acceptance limits specified in the Liquid Trade Waste Management Guidelines, 2021 by the Department of Planning, Industry and Environment.

2.3 Prohibited substances

Some substances are not suitable for discharge to the sewerage system. Table 3 sets out those substances which must not be discharged to the sewerage system. Council may not grant approval for the discharge of these substances to the sewerage system unless it is specifically approved under section 68 of the Local Government Act.

2.4 Stormwater discharges from open areas

Stormwater is a prohibited discharge under this policy. The ingress of stormwater into the sewerage system can cause operational problems to the system and result in sewer overflows, as the sewerage system does not have the capacity for such flows. Therefore, Council does not generally accept the discharge of stormwater to the sewerage system.

However, it is recognised that it may not always be possible or practical to prevent all stormwater entering the sewerage system at some liquid trade waste premises. The discharge of limited quantities of first flush stormwater from sealed areas will be considered where roofing cannot be provided because of safety or other important considerations. The discharge from unsealed areas is not permitted.

Before the stormwater will be considered for discharge to the sewerage system, the applicant must provide the following information:

- reasons why the area cannot be fully or partially roofed and bunded to exclude stormwater
- the dimensions and a plan of the open area under consideration
- whether the open area is sealed
- the estimated volume of the stormwater discharge
- information on rain gauging
- where a first-flush system is proposed, details on how the stormwater will be diverted to the drainage system after the first flush is accepted (the first flush to be limited to first 10 mm of storm run off)
- measures proposed for diverting stormwater away from the liquid trade waste generating area
- report on other stormwater management options considered and why they are not feasible.

2.5 Food waste disposal units

The use of food waste disposal units (also known as in-sinkerators, in-sink food waste disposers, or garbage grinders) is not permitted. Existing installations in hospitals and nursing homes may be permitted, provided that wastewater is discharged through an adequately sized grease arrestor. For existing premises, a food waste disposal charge will be levied based on the number of beds in the hospital or nursing home.

If the hospital or nursing home kitchen is refurbished, the food waste disposal unit must be removed.

2.6 Devices that macerate or pulverise waste

Macerators and any other similar devices that are used for pulverising of solid waste are not authorised to connect to Council's sewerage system (Refer *NSW Code of Practice: Plumbing and Drainage, 2006*). Solid waste includes, but is not limited to, sanitary napkin, placenta, surgical waste, disposable nappy, Mache bedpan and urine containers.

Therefore, Council will not accept any discharges from such devices to its sewerage system.

2.7 Alkaline hydrolysis waste

Process where a human or animal tissue is broken down using alkaline solutions at elevated temperatures and pH. The process may be used in animal care facilities, veterinary premises, animal research laboratories, funeral parlours etc. The generated wastewater is of a high strength and may exhibit high loadings on the sewerage system. Accordingly, the wastewater generated by this process is **not** permitted to be discharged to the sewerage system.

2.8 Discharge from solid food waste processing units (digesters/ composters, etc.)

Discharge from a solid food waste processing unit (digesters/composters, etc.) to a Council's sewerage system is a Concurrence Classification C discharge (i.e. Charging Category 3), hence Council needs to obtain concurrence to its approval from the department for individual applications.

The quality of wastewater from this equipment depends on the type of solid waste feed into it and the effectiveness of the on-site pre-treatment, hence frequent sampling will be required for monitoring and charging purposes. Sampling needs to be undertaken by either a council officer or an independent party acceptable to council.

Appropriate on-site pre-treatment needs to be provided prior to combining with any other liquid waste stream that discharges to the Council's sewerage system.

Each application will be assessed on a case by case basis.

2.9 Use of additives in pre-treatment systems

Council does not allow solvents, enzymes, bio additives, and odour control agents to be used in pre- treatment systems (except neutralising chemicals designated for the pre-treatment) except by specific written application and subsequent approval.

3.0 Discharge of disposable products marketed as flushable

Any disposable solid products including those marketed as "flushable" (e.g., wet wipes, cleaning wipes, cat litter, etc.) is not permitted to flush down the sewerage system. Contrary to manufacturers' claims, flushable wet wipes do not breakdown in the sewerage system similarly to a toilet paper and may cause blockages within the premises or in the Council's sewerage system and may cause raw sewage overflow to the environment.

Table 2. Guideline limits for acceptance of liquid trade wastes into sewerage system

Parameter*	Limits**
General acceptance guideline limits	
Flow Rate	The maximum daily and instantaneous rate of discharge (kL/h or L/s) is set on the available capacity of the sewer. Large dischargers are required to provide a balancing tank to even out the load on the sewage treatment works.
BOD5 and Suspended Solids	Normally, approved at 300 mg/L each. Concentration up to 600mg/L and in some cases higher concentration for low mass loadings may be acceptable if the treatment works has sufficient capacity and odour will not be a problem.
COD	Normally, not to exceed BOD5 by more than three times. This ratio is given as a guide only to prevent the discharge of non-biodegradable waste.
Total Dissolved Solids	Up to 4000 mg/L may be accepted. However, the acceptance limit may be reduced depending on available effluent disposal options and will be subject to a mass load limit.
Temperature	Less than 38°C.
pH	Within the range 7.0 to 9.0.
Oil and Grease	100 mg/L if the volume of the discharge does not exceed 10% of the design capacity of the treatment works, and 50 mg/L if the volume is greater than 10%.
Detergents	All industrial detergents are to be biodegradable. A limit on the concentration of 50 mg/L (as MBAS) may be imposed on large liquid trade wastes.
Colour	No visible colour when the waste is diluted to the equivalent dilution afforded by domestic sewage flow.
Radioactive Substances	The discharge must comply with the *Radiation Control Act 1990*.
Parameter	**Maximum concentration (mg/L)**
Acceptance guideline limits for inorganic compounds	
Ammonia (as N)	50
Boron	5
Bromine	5
Chlorine	10
Cyanide	1
Fluoride	20
Nitrogen (total Kjeldahl)	100
Phosphorus (total)	20
Sulphate (as SO4)	500
Sulphide (as S)	1
Sulphite (as SO3)	15
Acceptance guideline limits for organic compounds	
Benzene	0.04
Toluene	0.5

Parameter	Maximum concentration (mg/L)
Ethylbenzene	1
Xylene	1
Formaldehyde	30
Phenolic compounds (except pentachlorophenol)	5
Petroleum hydrocarbons (non-flammable)*	30
Pesticides general (except organochlorine and organophosphorus) *	0.1
Polynuclear Aromatic Hydrocarbons (PAHs)	5

Parameter	Maximum concentration (mg/L)	Allowed daily mass limit (g/d)
Acceptance guideline limits for metals		
Aluminium	100	-
Arsenic	1	2
Cadmium	1	6
Chromium*	3	15
Cobalt	5	15
Copper	5	15
Iron	100	-
Lead	1	6
Manganese	10	30
Mercury	0.01	0.05
Molybdenum	5	30
Nickel	3	15
Selenium	1	15
Silver	2**	6
Tin	5	15
Zinc	5	15
Total heavy metals excluding aluminium, iron and manganese.	Less than 30 mg/L and subject to total mass loading requirements	

* Refer to Table 3
* See Glossary for explanation of terms
** Refer to *National Wastewater Source Management Guideline, July 2008*, WSAA for recommended analytical methods.

- Where hexavalent chromium (Cr6+) is present in the process water, pre-treatment will be required to reduce it to the trivalent state (Cr3+), prior to discharge into the sewer. Discharge of hexavalent chromium (Cr6+) from chromate compounds used as corrosion inhibitors in cooling towers is not permitted.
- This limit is applicable to large dischargers. The concentration of silver in photo processing waste where a balancing tank is provided is not to exceed 5 mg/L.

Notes:

1. Acceptance limits for substances not listed in above Tables will be determined on a case by case basis.
2. The quality of liquid trade waste from some low risk commercial activities in Classification A and B will exceed acceptance limits listed in above Table. As a higher level of pre-treatment is not cost-effective, such waste is acceptable if the discharger installs, maintains, and properly operates the required onsite pre-treatment. Similarly, septic and pan waste may exceed some acceptance limits.
3. The analytical testing methods for the above parameters should be in accordance with the Australian Sewage Quality Management Guidelines, June 2012, WSAA and Council's requirements.

Always ask a laboratory to carry out a silica gel clean up, if other than petroleum products are expected to be present in a liquid trade waste sample, e.g. animal fats, plant oil, soil, etc.

Where hexavalent chromium (Cr6+) is present in the process water, pre-treatment will be required to reduce it to the trivalent state (Cr3+), prior to discharge into the sewer

Prohibited or Restricted Substances and Waste

Substances prohibited from being discharged into the sewerage system unless they are specifically approved under section 68 of the Act are listed in Table 2. Refer to Appendix B for detailed description of substances and discharges either prohibited or restricted.

Table 3. Substance prohibited from being discharged into the sewerage system

- Organochlorine weedicides, fungicides, pesticides, herbicides and substances of a similar nature and/or wastes arising from the preparation of these substances
- organophosphorus pesticides and/or waste arising from the preparation of these substances
- per- and poly-fluoroalkyl substances (PFAS)
- any substances liable to produce noxious or poisonous vapours in the sewerage system
- organic solvents and mineral oil#
- any flammable or explosive substance#
- discharges from 'Bulk Fuel Depots'
- discharges from chemicals and/or oil storage areas
- natural or synthetic resins, plastic monomers, synthetic adhesives, rubber, and plastic emulsions
- roof, rain, surface, seepage, or ground water, unless specifically permitted (clause 137A of the Local Government (General) Regulation 2005)
- solid matter#
- disposable products including wet wipes, cleaning wipes, colostomy bags, cat litter and other products marketed as flushable
- any substance assessed as not suitable to be discharged into the sewerage system
- liquid waste that contains pollutants at concentrations which inhibit the sewage treatment process – refer to Australian Sewage Quality Management Guidelines, June 2012, WSAA
- any other substances listed in a relevant regulation

In excess of the approved limit

Other substances/discharges either prohibited or restricted

- Stormwater from open areas
- Contaminated groundwater
- Landfill leachate
- Discharge from float tanks
- Discharge from new service station forecourts and other refuelling points
- Discharge of liquid waste arising from liquefaction and/or pulverisation of solid waste by physical or chemical processes (e.g., garbage grinders/in-sinkerators, macerators, alkaline hydrolysis).
- Discharge from solid food waste processing units (digesters/composters, etc.)
- Use of additives in pre-treatment systems

For further details on limitations and restrictions applicable to above discharges, refer to Appendix C of this policy, Chapter 3 of the NSW Liquid Trade Waste Management Guidelines, 2021 or click here. For the Blayney Council Liquid Trade Waste Guidelines

PART 3 – FRAMEWORK FOR REGULATION OF LIQUID TRADE WASTE

3.1 The NSW framework for regulation of sewerage and trade waste

Due to the *Tragedy of the Commons*[5] in the use of common pool resources, sound regulation of sewerage and trade waste requires implementation of **all** the following integrated measures.

1. Preparation and implementation of a sound trade waste regulation policy, assessment of each trade waste application and determination of appropriate conditions of approval. The conditions must be consistent with the LWU's *Integrated Water Cycle Management Strategy* and demand management plan. In addition, execution of a liquid trade waste services agreement is required for large dischargers to assure compliance.
2. Preparation and implementation of a sound *Development Servicing Plan*[6], with commercial sewerage developer charges to ensure new development pays a fair share of the cost of the required infrastructure.
3. Full cost recovery with appropriate sewer usage charges[7] and trade waste fees and charges[8] in order to provide the necessary pricing signals to dischargers. These charges must include non- compliance trade waste usage charges and non-compliance excess mass charges in order to provide the necessary incentives for dischargers to consistently comply with their conditions of approval.
4. Monitoring, mentoring and coaching of dischargers in order to achieve cleaner production and assist them to comply with their conditions of approval.
5. Enforcement, including appropriate use of penalty notices under section 222 of the *Protection of the Environment Operations Act 1997*. Orders may also be issued and penalties imposed for offences under sections 626, 627 and 628 of the *Local Government Act 1993*.
6. Disconnection of a trade waste service in the event of persistent failure to comply with the LWU's conditions of approval.

Together, the above six measures comprise the NSW framework for regulation of sewerage and trade waste. The framework involves a preventive risk management approach, which has been developed to address the use of common pool resources by providing economic incentives for dischargers to minimise their waste and to consistently comply with their conditions of approval.

3.2 Alignment with the national framework for wastewater source management

The NSW framework for regulation of sewerage and trade waste is outlined in section 3.1. The NSW framework is driven by the NSW Government's *Best-Practice Management of Water Supply of Sewerage Guidelines, 2007* and is consistent with that in the *National Framework for Wastewater Source Management*.[9]

In particular, under the *Best-Practice Management Guidelines* each LWU is required to achieve the following outcomes:

- Prepare and implement a 30-year Integrated Water Cycle Management Strategy, demand management plan, pay-for-use water supply pricing and community and customer involvement (Elements 1, 6, 8)
- Annual performance monitoring, including an annual triple bottom line (TBL) Performance Report and Action Plan to identify and address any areas of under-performance (Elements 5, 6, 9, 10, 11, 12)
- Achieve full cost recovery for water supply, sewerage and trade waste services and apply an appropriate non-residential sewer usage charge (Elements 3, 8)
- Prepare and implement a sound trade waste regulation policy and issue an appropriate approval to each trade waste discharger, including waste minimisation and cleaner production (Elements 1, 2, 3, 4, 7, 8)
- Appropriate trade waste fees and charges (including incentives to comply with LWU's approval conditions through non-compliance trade waste usage charges and non-compliance excess mass charges) (Elements 3, 8)
- Trade waste services agreement for large dischargers to assure compliance (Elements 3, 8)
- Appropriate training of LWU staff and monitoring, mentoring and coaching of trade waste dischargers (Elements 1, 4, 5, 7, 8)
- Enforcement, including appropriate use of penalty notices or orders (Elements 3, 8)
- Disconnection of a trade waste service in the event of persistent failure to comply with the LWU's conditions of approval (Element 8).

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[9] The following 12 elements of the *National Framework for Wastewater Source Management* are set out on page 22 of the *National Wastewater Source Management Guideline, July 2008*, WSAA:

COMMITMENT
1. Commitment to Wastewater Source Management

SYSTEM ANALYSIS and MANAGEMENT
2. Assessment of the Wastewater System
3. Preventive Measures for Wastewater Input Quality Management
4. Operational Procedures and Process Control
5. Verification of Wastewater Inputs Quality
6. Management of Incidents/Complaints and Emergencies

SUPPORTING REQUIREMENTS
7. Employee Awareness and Training
8. Customer and stakeholder involvement and awareness
9. System Validation and Research and Development
10. Documentation and Reporting

REVIEW
11. Evaluation and Audit
12. Review and Continual Improvement

3.3 Application Procedures

To obtain Council's approval to discharge liquid trade waste to Council's sewerage system, a discharger must lodge an application in writing. Application forms are available from Council. If a person wishes to discharge liquid trade waste to the sewerage system but is not the owner of the premises, the person must obtain the owner's consent to the application.

The applicant must provide the following information:

3.3.1 site owner's full name, address, contact telephone number
3.3.2 address of the business/industry where discharge to the sewerage system will occur
3.3.3 name of contact person for the premises and telephone contact for the business/industry
3.3.4 type of process/activity generating the liquid trade waste
3.3.5 normal hours of business operation
3.3.5 rate of discharge, including:
   a. the average per day, maximum per day and per hour, and
   b. hours of the day during which discharge will take place
3.3.6 characteristics of wastes, including:
   a. nature of source
   b. expected maximum and average concentrations of pollutants

(Where sampling and testing are required to establish the quality of the liquid trade waste, the testing should be carried out in accordance with the procedures set out in the *Standard Methods for the Examination of Water and Wastewater* published by the American Public Health Association, American Water Works Association and Water Pollution Control Federation.)

3.3.7 chemicals to be used – supply Material Safety Data Sheets
3.3.8 details of any proposed pre-treatment facilities, location and site plan. Details should include:
   a. pre-treatment process details
   b. internal wastewater drainage
   c. pump size
   d. rising main size, length and profile
   e. system operational characteristics
   f. operational procedures
   g. provisions for sampling and flow measurement, where required
   h. proposed connection point to the sewerage system

3.3.9 flow diagram and hydraulic profile of proposed liquid trade waste pre-treatment facilities
3.3.10 maintenance schedule for pre-treatment equipment, including contractor's details
3.3.11 stormwater drainage plan
3.3.12 measures for prevention of stormwater ingress into the sewerage system
3.3.13 location, nature and chemical composition of all substances stored/used on site
3.3.14 justification for disposing of the waste into the sewerage system over other possible options (if any)
3.3.15 methods of disposal for other wastes that are not discharged to the sewerage system
3.3.16 any relevant environmental impact assessments
3.3.17 any additional information as requested by Council.

The following information needs to be provided in regard to the discharge of septic tank and pan waste to the sewerage system:

3.3.18 identification of the pump out service provider
3.3.19 proposed method of discharge including plans and drawings if appropriate
3.3.20 details of any proposed facilities for a disposal point, location and site plan (if applicable). Details should include the proposed connection point to the sewerage system
3.3.21 security arrangements at the proposed disposal site (if applicable)
3.3.22 the provision of freshwater for hosing down where needed
3.3.23 bunding and measures to prevent the ingress of stormwater at the proposed dump point, if applicable

3.3.24 the use of odour inhibiting or other chemicals, if any, and their dosage rates
3.3.25 statement that septic effluent will not be mixed with septage, or grease trap pump out, ie. dedicated tankers will be used for each type of waste
3.3.26 for boat/marina facility – the type and number of vessels either moored at the marina and/or would utilise the pump-out facility on a regular basis:

a. private
b. commercial.

Council may, under section 86 of the Local Government Act, request an applicant to provide more information to enable it to determine the application.

3.4 Approval of applications

Where an application is approved, Council will notify the applicant as soon as practical of the approval and any conditions of the approval. The duration of the approval will be as stated in the approval. In cases where Council requires a discharger to enter into a liquid trade waste services agreement (refer to section 3.9), Council will issue a deferred commencement approval under section 95 of the Local Government Act requesting the discharger to do so within the time specified in Council's letter. In such cases, the approval will not be operative until the agreement has been executed by the discharger.

An applicant may make a minor amendment or withdraw an application before it is processed by Council. An applicant may also apply to Council to renew or extend an approval, in accordance with section 107 of the Local Government Act.

Refusal

If an application is refused, Council will notify the applicant of the grounds for refusal. Under section 100 of the Act the applicant may request the review of council's determination. Under section 176 of the Act, the applicant dissatisfied with Council's determination may appeal to the Land and Environment Court within 12 months

An approval to discharge liquid trade waste to Council's sewer is not transferable. A new application must be lodged, and a new approval obtained if there is a change of the approval holder or the activity. Council must be notified of change of ownership and/or occupier in all cases, whether a new approval is required or not, to allow updating of records

Who can lodge an application

The applicant must be either the owner or the occupier of the premises. If the applicant is not the owner of the premises, the owner's consent to the application is required.

Council's process in determination of applications

Council may request an applicant to provide further information to enable it to determine the application.

Change of approval holder

An approval to discharge liquid trade waste to Council's sewerage system is not transferable. A new application must be lodged, and a new approval must be obtained if there is a change of the approval holder. Council must be notified of change of ownership and/or occupier in all cases, whether a new approval is required or not, to allow updating of records.

Validity of an existing approval

A new approval is required where there is a change of:

- approval holder (either owner or occupier can be an approval holder);
- activity generating the waste;
- the quantity or the nature of liquid trade waste; or
- approval conditions.

Modification and revocation of approvals

Council reserves the right to modify or revoke an approval to discharge liquid trade waste to the sewerage system under the circumstances described in s.108 of the Local Government Act 1993.

3.5 Concurrence

If Council supports an application and has a notice stating that concurrence of the Secretary, NSW Department of Planning, Industry and Environment can be assumed for the liquid trade waste relevant to the application, Council will approve the application. Otherwise, Council will seek concurrence to its approval.

For concurrence purposes, liquid trade waste discharges are divided into four classifications:

- Concurrence Classification A – liquid trade waste for which Council has been authorised to assume concurrence to the approval subject to certain requirements.
- Concurrence Classification B – liquid trade waste for which Council may apply for authorisation to assume concurrence to the approval subject to certain requirements.
- Concurrence Classification S – the acceptance of septic tank, pan waste and ship-to-shore pump-out etc. Council may apply for authorisation to assume concurrence to the approval subject to certain conditions.
- Concurrence Classification C – all other liquid trade waste that do not fall within Concurrence Classification A, B or S, and therefore require Council to forward the application for concurrence.

Refer to Appendix E which lists type of discharges that Council have assumed concurrence (i.e. that Council can approve without seeking concurrence from the Department).

All councils have been authorised to assume concurrence for Concurrence Classification A liquid trade waste discharges. These are listed in Table 4 and Council will not need to seek DTIRIS concurrence for approval of trade waste applications for these activities.

Table 4. Liquid trade waste discharges with automatic assumed concurrence

Commercial retail food preparation activities	Other commercial activities
Bakery (retail)	Animal wash (pound, stables, racecourse, kennels, mobile animal wash and veterinary with no x-ray)
Bed and Breakfast (<10 persons)	Beautician
Bistro	Boiler blowdown
Boarding house/hostel kitchen	Car detailing
Butcher shop (retail)	Cooling tower
Café/coffee shop/coffee lounge	Craft activities (making of clay pottery, ceramics, cutting and polishing of gemstones or making of jewellery at clubs, cottage industries)
Canteen	Dental surgery/dental specialist
Cafeteria	Dental technician
Chicken/poultry shop (only fresh chickens/game sold)	Doctor's surgery, medical centre – plaster casts (no x-rays)
Chicken/poultry shop (retail BBQ/charcoal chicken)	Florist
Club (kitchen wastes)	Funeral parlour, morgue
Commercial kitchen/caterer	Hairdressing (includes barbers)
Community hall/civic centre	Jewellery shop
Day care centre	Laboratory (pathology/analytical)
Delicatessen	Laundry or Laundromat (coin operated)
Doughnut shop	Lawnmower repairs
Fast food outlet (McDonald's, KFC, etc.)	Mechanical repairs
Fish shop (retail – fresh and/or cooked)	Mobile cleaning units
Food caravan	Optical service
Fruit and vegetable shop (retail)	Pet shop (retail)
Function centre	Photographic tray work/manual development
Hotel	Plants retail (no nursery)
Ice cream parlour	School (primary and secondary)
Juice bar	Stone working
Mixed business	Swimming pools/spa/hydrotherapy
Motel	Vehicle washing (by hand/wand, automatic car wash, external truck wash or underbody/engine degrease only)
Nightclub	Venetian blind cleaning
Nursing home kitchen	Veterinary/animal kennels with x-ray
Nut shop	Waterless minilab
Patisserie	
Pie shop	

Pizza shop	
Restaurant	
Salad bar	
Sandwich shop	
School canteen	
Supermarket (with butcher /delicatessen /seafood / or charcoal chickens)	

Note:

The volume of liquid trade waste must be less than 5 kL/d or 1000 kL/a except in the case of commercial retail food preparation activities, where up to 16 kL/d is included in this category. If the waste discharged to the sewer exceeds these volumes, the application must be treated as Concurrence Classification B. Discharges over 20 kL/d must be treated as Classification C.

Description of various trade waste fees and charges

The following sections describe various trade waste fees and charges and the methodology of calculating them.

3.5.1 Application fee

The application fee recovers the costs of administration and technical services provided by Council in processing a liquid trade waste application. This fee varies for different charging categories to reflect the complexity of processing the application.

3.5.2 Annual trade waste fee

The purpose of this fee is to recover the costs incurred by council for ongoing administration and scheduled inspections, to ensure that the discharge complies with the approval conditions.

As part of an inspection, Council may undertake monitoring which may include, but is not limited to, flow measurement and the sampling. In general, cost of one inspection is included in the annual fee, in particular for Category 1 and 2 discharges.

Annual liquid trade waste fee varies for different charging categories to reflect the complexity of their inspection and administration requirements. In particular, for Category 3 discharges, Council may opt to set the annual fee on a case by case basis to reflect the complexity of monitoring requirements and the extent of inspection.

Refer to section D8.4 with regard to annual fees applicable to premises with multiple activities. Council may require a discharger to pay for monitoring (quantity and quality) based on full cost recovery.

3.5.3 Inspection fee/re-inspection fee

Cost of one inspection is usually included in annual liquid trade waste fee for charging categories 1 and 2. However, it may be required to conduct un-planned inspections or re-inspections of a premise (e.g. non-compliance with approved conditions, investigating an accident, etc.). Also, more frequent inspections may be necessary for large and industrial discharges.

Where more than one inspection is undertaken in a financial year and/or the cost of inspections is not included in the annual fee, the cost may be recovered from the discharger as the re-inspection fee. Council may recover the cost of sample analysis from the discharger, in addition to the re-inspection fee.

3.5.4 Renewal fee

Council may apply a renewal fee if an existing approval needs to be renewed or modified.

3.5.5 Category specific charges

The following sections describe the charging categories and relevant fees and charges. If a discharge is not listed, council will determine (with the consultation of the department) the relevant charging category, based on the quality and the quantity of discharge.

3.5.6 Responsibility for payment of fees and charges

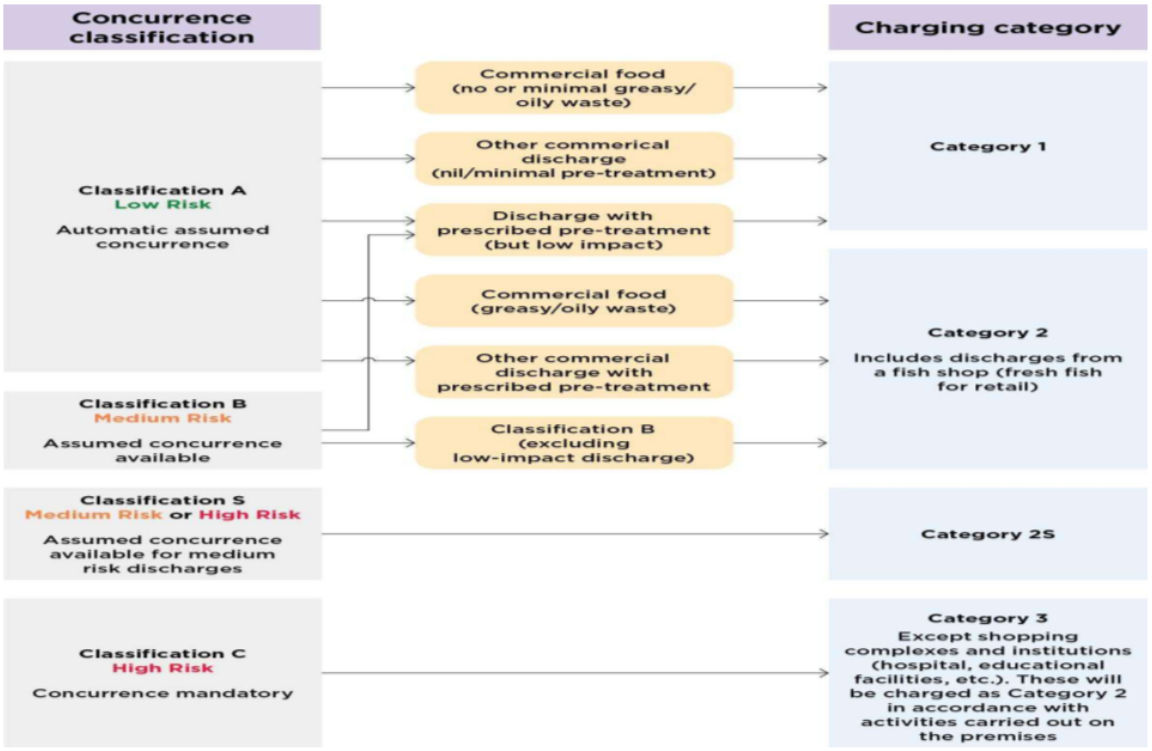
Property (land) owners are responsible for the payment of fees and charges for sewerage and liquid trade services provided by Council. This includes property owners of caravan park, etc., if a dump point located at their premises is connected to the sewerage system. Where another party (lessee) leases premises any reimbursement of the lessor (property owner) for such fees and charges is a matter for the lessor and the lessee.

3.6 Liquid trade waste charging categories

Four (4) classifications of liquid trade waste have been established for concurrence purposes, Classification A, B, C and S (refer section 3.5). For trade waste charging purposes there are also four (4) charging categories, Category 1, 2, 2S and 3.

Figure 1 below shows that Classification A dischargers fall into Charging Category 1 or Category 2. Classification B dischargers fall into Charging Category 2, except for a few dischargers with low impact on the sewerage system which fall into Category 1. Classification S dischargers fall into Charging Category 2S. Classification C dischargers fall into Charging Category 3.

Figure 1 Charging categories for liquid trade waste



* Also includes fish shop (fresh fish for retail)

\# Except shopping complexes and institutions (hospital, educational facilities, etc.). These will be charged as Category 2 in accordance with activities carried out on the premises.

3.7 Category specific charges

The following sections describe the charging categories and fees and charges applicable to each charging category. If a discharge is not listed, Council will determine (with the consultation of the Department) the relevant charging category, based on the quality and the quantity of discharge.

The following sections describe the charging categories and fees and charges applicable to each charging category. Liquid trade waste discharges that fall into each category are listed under each charging category. If not listed, Council will place the discharger in an appropriate charging category based on the quality and quantity of discharge.

Category 1 Discharger

Category 1 liquid trade waste dischargers are those conducting an activity deemed by Council as requiring nil or only minimal pre-treatment equipment and whose effluent is well defined and of a relatively low risk to the sewerage system. In addition, Category 1 includes dischargers requiring prescribed pre- treatment but with low impact on the sewerage system.

Classification A activities – Commercial retail food preparation activities that do not generate an oily/greasy waste: bakery (only bread baked on-site), bistro (sandwiches, coffee only), café/coffee shop/coffee lounge, canteen, community hall (minimal food), day care centre, delicatessen, fruit and vegetable shop, hotel, ice cream parlour (take away only), juice bar, mixed business, motel, nightclub, nut shop, pizza cooking/reheating (no preparation or washing up on-site, pizza heated and sold for consumption off-site), potato peeling (small operation), sandwich shop/salad bar, take away food outlet.

Classification A activities – Other commercial activities: animal wash, beautician/hairdressing, crafts
< 1000 L/d, dental surgery (plaster casts, no X-ray unless digital), doctor's surgery and medical centre (plaster casts, no X-ray), florist, funeral parlour, mobile cleaning units, morgue, jewellery shop, optical service (retail), pet shop, plants retail (no nursery), public swimming pool, photographic (tray work/manual development), venetian blind cleaning, veterinary (no X-ray).

Classification A or B activities – dischargers with prescribed pre-treatment with low impact on the sewerage system: boiler blowdown, cooling tower, industrial boilers, laboratory (analytical/pathology/tertiary institution), laundry, primary and secondary school[10], vehicle washing.

Category 2 Discharger

Category 2 liquid trade waste dischargers are those conducting an activity deemed by Council as requiring a prescribed type of liquid trade waste pre-treatment equipment and whose effluent is well characterised.

Trade Waste dischargers with prescribed pre-treatment[11] include:

Classification A activities: Premises that prepare and/or serve hot food or foods that generate an oily/greasy waste: bakery (pies, sausage rolls, quiches, cakes, pastries with creams or custards), bistro, boarding house/hostel kitchen, butcher, café/coffee shop/coffee lounge, cafeteria, canteen, fast food outlet, chicken/poultry shop, club, community hall[12], commercial kitchen/caterer, nursing home, patisserie, supermarket, doughnut shop, fish shop (cooking on-site), function centre, hotel, ice cream parlour, motel, nightclub, pizza cooking, restaurant, sandwich shop/salad bar, take away food outlet.

Other commercial Classification A activities: car detailing, craft activities > 1000 L/d, dental surgery with X-ray, lawnmower repairs, mechanical workshop, stone working, veterinary (with X-ray), waterless mini-lab.

Classification B activities: auto dismantler, bus/coach depot, construction equipment maintenance and cleaning, equipment hire, maintenance and cleaning, glass cutting and grinding, graphic arts, hospital (with or without X-ray), medical centre (with X-ray), optical services (at medical or educational facilities, workshops), oyster processing – shucking, panel beating, photographic lab, radiator repairer, screen printing, service station forecourt, shopping complex, water wash mini-lab, X-ray radiologist.

Other Classification A activities: fish shop (fresh fish for retail).

Category 2S Discharger

Category 2S dischargers are those conducting an activity of transporting and/or discharging septic tank or pan content waste into the sewerage system.

Trade waste dischargers include the following Classification S activities:

Classification S activities: bus/rail coaches/caravan/motor home/caravan park waste dump points, mooring/marina dump points, pan waste, portable chemical toilet waste, septage, septic tank effluent, ship-to-shore pump-outs (galley waste and toilet waste).

Category 3 Discharger (large or industrial waste dischargers)

Category 3 liquid trade waste dischargers are those conducting an activity which is of an industrial nature and/or which results in the discharge of large volumes (over 20 kL/d) of liquid trade waste to the sewerage system. Any Category 1 or 2 discharger whose volume exceeds 20 kL/d becomes a Category 3 discharger, except shopping complexes and institutions (eg. hospitals, educational facilities, correctional facilities, etc.).

Large trade waste dischargers and other Classification C activities include: abattoir, bakery (wholesale), brewery, cooling towers, cosmetics/perfumes manufacture, dairy processing (milk/cheese/yoghurt/ice cream etc.), food processing (cereals/cannery/condiments/ confectionary/edible oils/fats/essence/ flavours/fish/fruit juice/gelatine/honey/meat/pickles/ smallgoods/tea and coffee/vinegar/yeast manufacture etc.), fruit and vegetable processing, flour milling, glue manufacturer, egg processing, pet food processing, plants nursery (open areas), potato processing, poultry processing, saleyards, seafood processing, soft drink/cordial manufacture, starch manufacture, sugar refinery, tanker washing, tip leachate, transport depot/ terminal, water treatment backwash, wholesale meat processing, winery, wine/spirit bottling.

Dischargers of industrial waste include the following Classification C activities: acid pickling, adhesive/latex manufacture, agricultural and veterinary drugs, anodising, bitumen and tar, bottle washing, cardboard and carton manufacture, carpet manufacture, caustic degreasing, chemicals manufacture and repackaging, contaminated site treatment, cyanide hardening, detergent/soaps manufacture, drum washing, electroplating, engine gearbox reconditioning, extrusion and moulding (plastic/metal), feather washing, fellmonger, felt manufacture, fertilisers manufacture, fibreglass manufacture, filter cleaning, foundry, galvanising, glass manufacture, ink manufacture, laboratories (excluding those in Category 2), liquid wastewater treatment facility (grease trap receival depot and other pump-out waste depot), metal finishing, metal processing (refining/rumbling/ non-cyanide heat treatment/phosphating/ photo engraving/printed circuit etching/sheet metal fabrication etc.), mirrors manufacture, oil recycling (petrochemical) and refinery, paint stripping, paint manufacture, paper manufacture, pharmaceuticals manufacture, plaster manufacture, powder coating, printing (newspaper, lithographic), sandblasting, slipway, tannery, timber processing (joinery and furniture/plywood/hardwood), textile manufacture (wool dyeing/ spinning/scouring), truck washing (internal), waxes and polishes.

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[10] If significant hot food preparation is carried out, Category 2 charges may be levied by Council.

[11] Excludes low impact activities, listed under Category 1.

[12] If the type and size of kitchen fixtures installed enable catering for large functions.

3.8 Liquid trade waste fees and charges

Council provides sewerage and liquid trade waste services on a commercial basis, with full cost recovery through sewerage and liquid trade waste fees and charges. Council's proposed fees and charges are advertised annually for public comment in its draft Management Plan. In addition to the trade waste fees and charges described below, Council may elect to include any trade waste charges shown in Appendix I of the *Liquid Trade Waste Regulation Guidelines, 2009*.

Liquid trade waste discharged to the sewerage system from industrial, commercial or other non- residential customers can impose significant costs on sewage transport and treatment facilities. To recover these costs and to ensure removal of existing significant cross-subsidies from residential customers, in addition to a two-part tariff with an appropriate **sewer usage charge/kL** for non- residential sewerage, appropriate fees and charges are levied for liquid trade waste.
Council's liquid trade waste fees and charges may include:

- Application fee
- Annual trade waste fee
- Re-inspection fee
- Trade waste usage charge
- Septic tank and pan waste disposal charge
- Excess mass charges
- Food waste disposal charge
- Non-compliance trade waste usage charge
- Non-compliance excess mass charge and pH charge
- Non-compliance penalty.

Application fee
The application fee recovers the costs of administration and technical services provided by Council in processing a liquid trade waste application. This fee varies for different charging categories to reflect the complexity of processing the application.

Annual trade waste fee
The purpose of this fee is to recover the costs incurred by council for ongoing administration and scheduled inspections, in order to ensure that the discharge complies with the approval conditions. As part of an inspection, Council may undertake monitoring which may include, but is not limited to, flow measurement and the sampling. In general, cost of one inspection is included in the annual fee, in particular for Category 1 and 2 discharges.
Annual liquid trade waste fee varies for different charging categories in order to reflect the complexity of their inspection and administration requirements. In particular, for Category 3 discharges, Council may opt to set the annual fee on a case by case basis to reflect the complexity of monitoring requirements and the extent of inspection.
Refer to section D8.4 with regard to annual fees applicable to premises with multiple activities.
Council may require a discharger to pay for monitoring (quantity and quality) based on full cost recovery.

Annual liquid trade waste fees are determined on the basis of the category of the discharger and are proportionate to the complexity of their inspection and administration requirements. Annual trade waste fees will be set by Council. Where the discharger is required to pay for monitoring this will be charged on the basis of full cost recovery.

Re-inspection fee

Cost of one inspection is usually included in annual liquid trade waste fee for charging categories 1 and 2.

However, it may be required to conduct un-planned inspections or re-inspections of a premise (e.g. non-compliance with approved conditions, investigating an accident, etc.). Also, more frequent inspections may be necessary for large and industrial discharges.

Where more than one inspection is undertaken in a financial year and/or the cost of inspections is not included in the annual fee, the cost may be recovered from the discharger as the re-inspection fee.

Council may recover the cost of sample analysis from the discharger, in addition to the re-inspection fee.

Where non-compliance with the conditions of an approval has been detected and the discharger is required to address these issues, Council will undertake re-inspections to confirm that remedial action has been satisfactorily implemented. Council will impose a fee for each re-inspection. The re- inspection fee will be set annually by Council on the basis of full cost recovery. A re-inspection may include the monitoring of liquid trade waste discharges, the cost of which may be recovered from the discharger.

Trade waste usage charge

The trade waste usage charge is imposed to recover the additional cost of transporting and treating liquid trade waste from Category 2 dischargers.

Trade Waste Usage Charge ($) = Q x $ (current fees & charges)

Where Q = Volume (kL) of liquid trade waste discharged to sewer.

Table 5. Deemed concentration of substances in domestic sewage

Substance	Concentration (mg/L)
Biochemical Oxygen Demand (BOD5)	300
Suspended Solids	300
Total Oil and Grease	50
Ammonia (as Nitrogen)	35
Total Kjeldahl Nitrogen	50
Total Phosphorous	10
Total Dissolved Solids	1000
Sulphate (SO4)	50[#]

Except The concentration in the potable water supply to be used if it is higher than 50mg/L.
NB. Substances not listed above are deemed not to be present in domestic sewage.

Excess mass charges

Excess mass charges will apply for substances discharged in excess of the deemed concentrations in domestic sewage shown in Table 5 below. For excess mass charge calculation, Equation 1 below will be applied.

$$\text{Liquid Trade Waste Excess Mass Charge (\$)} = \frac{(S - D) \times Q \times U}{1{,}000}$$

Equation 1

Where: S = Concentration (mg/L) of substance in sample
D = Concentration (mg/L) of substance deemed to be present in domestic sewage.
Q = Volume (kL) of liquid trade waste discharged to the sewerage system.
U = Charging rate ($/kg) for discharge of substance to the sewerage system.

Charging rates (U) used in Equation 1 are as shown in Council's Annual Management Plan.

With regard to BOD, Equation 1 applies for BOD5 up to 600mg/L.

Excess mass charges for BOD exceeding 600mg/L
If Council approves the acceptance limits for BOD higher than 600mg/L, an exponential type equation will be used for calculation of the charging rate U_e ($/kg) as shown in Equation 2. Equation 2 provides a strong incentive for dischargers to reduce the strength of waste. In addition, Equation 5 will be used where the discharger has failed to meet their approved BOD limit on two (2) or more instances in a financial year.

U_e is the excess mass charging rate for BOD ($/kg).

$$U_e = 2C \times \frac{(Actual\ BOD - 300mg/L)}{600\ mg/L} \times 1.05^{\left(\frac{Actual\ BOD - 600mg/L}{600mg/L}\right)}$$

Equation 2

Where: C = the charging rate ($/kg) for BOD_5 600mg/L

Actual BOD – the concentration of BOD_5 as measured in a sample

For example if C = $0.623/kg, Equation 2 would result in the following excess mass charging rates:

$0.623/kg for BOD_5 600mg/L

$1.96/kg for BOD_5 1200mg/L

$5.05/kg for BOD_5 2400mg/L

$$\text{The excess mass charge for BOD(\$)} = \frac{(S - D) \times Q \times U_e}{1{,}000}$$

Food waste disposal charge[13]

Where Council has permitted the use of a food waste disposal unit for an existing hospital, nursing home or other eligible facility, the following additional food waste disposal charge will be payable annually.

Food Waste Disposal Charge ($) = B x UF

Where: B = Number of beds in hospital or nursing home.
UF = Annual charging rate ($/bed) for a food waste disposal unit at a hospital or nursing home.

Non-compliance charges

Category 1 and 2 Dischargers

If the discharger has not installed or maintained appropriate pre-treatment equipment, the following trade waste usage charges will be applied for the relevant billing period:

Category 1 Discharger - see Council's Fees & Charges

Category 2 Discharger - see Council's Fees & Charges

Category 3 Discharger
Non-compliance pH charge

Equation 3 is used for waste with pH being outside the approved range. This equation provides an incentive for dischargers to apply appropriate pH correction so their waste remains within the approved pH limits. Council may require industrial and large dischargers to install and permanently maintain a pH chart recorder or data logger as control of pH is critical to minimising odour and corrosion problems in the sewerage system.

Charging rate for pH where it is outside the approved range for the discharger =

$$K \times (\text{actual pH} - \text{approved pH})^{\#} \times 2^{(\text{actual pH} - \text{approved pH})\#}$$

absolute value to be used.

Equation 3 (example)

K = pH coefficient = $0.377 (Prescribed fee per Fees and Charges and needs to be adjusted in accordance with changes in the CPI.)

Example: Council has approved the pH range 8.0 to 9.0 for a large discharger generating high strength trade waste in order to prevent corrosion and odour problems in the sewerage system.

Case 1: pH measured 7.0

$$\text{Charging rate (\$/kL)} = 0.377 \times [7 - 8] \times 2^{[7-8]} = \$0.75/kL$$

Case 2: pH measured 11.0

$$\text{Charging rate (\$/kL)} = 0.377 \times [11 - 9] \times 2^{[11-9]} = \$3.02/kL$$

[13] For existing installations only. New installations are not permitted.

Non-compliance excess mass charges

Where a discharge quality fails to comply with the approved concentration limits of substances specified in Council's approval conditions (or the acceptance criterion listed in Council's trade waste policy), Council incurs additional costs in accepting and treating that waste. Council may also face problems with the effluent and biosolids management.

In order to recover Council's costs, Equation 4 shall apply for non-compliance excess mass charges, except for BOD where Equation 5 shall apply.

$$\text{Non-compliant Excess Mass Charges (\$)} = \frac{(S-A)\times Q\times 2U}{1{,}000} + \frac{(S-D)\times Q\times U}{1{,}000}$$

Equation 4

Where:
S = Concentration (mg/L) of substance in sample
A = Approved maximum concentration (mg/L) of pollutant as specified in Council's approval (or liquid trade waste policy)
Q = Volume (kL) of liquid trade waste discharged to the sewerage system.
U = Charging rate ($/kg) for discharge of substance to the sewerage system.
D = Concentration (mg/L) of substance deemed to be present in domestic sewage

Non-compliance excess mass charges for BOD

If a discharger has failed to meet the approved maximum concentration of BOD on two or more instances in a financial year, the non-compliance excess mass charging rate for BOD Un will be levied on the basis of Equation 5:

U_n is the BOD non-compliance excess mass charging rate.

$$U_n = 2C \times \frac{(A - 300\,mg/L)}{600\,mg/L}^{\frac{(A-600mg/L)}{600mg/L}} \times 1.05 + 4C \times \frac{(Actual\ BOD - A)}{600\,mg/L}^{\frac{(\text{Actual BOD - A})}{600mg/L}} \times 1.05$$

Equation 5

For example, if C = $0.623/kg, BOD_5 actual (measured) level is 2400mg/L and the approved maximum concentration of BOD (A) is 1000mg/L, Equation 5 would result in a non-compliance excess mass charging rate of $8.02/kg.

Non-compliance Excess Mass Charge for BOD is calculated using Equation 1:

$$\text{Non-compliance Excess Mass Charge} \quad \frac{(S - D) \times Q \times U_n}{1{,}000}$$

Where:
S = Concentration (mg/L) of a substance in sample
A = Approved maximum concentration (mg/L) of pollutant as specified in council's approval (or liquid trade waste policy)
Q = Volume (kL) of liquid trade waste discharged for the period of non-compliance
U = Excess mass charging rate ($/kg) for the substance, as shown in council's annual Management Plan

D = Concentration (mg/L) of the substance deemed to be present in domestic sewage

The non-compliance excess mass charges shown above are in lieu of the excess mass charges in section 3.8

***NB**. Council will continue applying the above non-compliance excess mass charge until the quality of discharge complies with Council's approved quality (or the trade waste policy) limits, within the time frame determined by Council for remedying the problem. If the discharger fails to rectify the problem within this time frame, the discharger may be required to cease discharging liquid trade waste into Council's sewerage system and may also be required to pay a 'non-compliance penalty' as indicated in the following section.*

3.8.1 Non-compliance penalty

The non-compliance penalty covers instances where Council may seek compensation for its costs relating to legal action, damage to infrastructure, incurred fines and other matters resulting from illegal, prohibited or unapproved liquid trade waste discharged to the sewerage system. Also included are fines under:

3.8.1.1 *Protection of the Environment Operations Act 1997*, section 120(1) (Pollution of any waters by a discharger who fails to comply with the conditions of approval for discharge of liquid trade waste to sewer)

3.8.1.2 *Local Government Act, 1993*, section 627 (Failure to comply with an approval), section 628 (Failure to comply with an order). Non-compliance penalties will be pursued by legal action.

3.8.2 Discharge of stormwater to the sewerage system

The discharge of stormwater, surface and subsoil waters to the sewerage system is prohibited under this policy. As indicated in Section 2.4, the acceptance of first flush stormwater runoff may be permitted. A charge will be applied to Category 3 dischargers in accordance with the non-compliance trade waste usage charge, if approval is granted to accept the above waters. Excess mass charges will be also applied in accordance with Section 3.7.5.

Septic and pan waste disposal charge

This charge is imposed to recover the cost of accepting and treating septic tank and pan waste.

Septic tank and pan waste disposal charge ($) = Q x S

Where: Q = Volume (kL) of waste discharged to sewer.
S = Charging rate in $/kL for septic tank effluent, septage or chemical toilet waste as indicated in Council's Annual Management Plan.*

All dischargers of liquid trade waste to Council's sewerage system should be aware that they are subject to prosecution and imposition of fines under the *Local Government Act 1993* and the *Protection of the Environment (Operations) Act 1997* and Regulations. In addition to fines, Council may recover costs of damages and fines incurred by Council as a result of an illegal liquid trade waste discharge.

Table 6. Summary of trade waste fees and charges[14]

Fee/Charge	Category 1	Category 2	Category 2S	Category 3
Application fee	Yes[6]	Yes	Yes	Yes
Annual non-residential sewerage bill with appropriate sewer usage charge/kL	Yes	Yes	Yes	Yes
Annual liquid trade waste fee	Yes[7]	Yes	Yes	Yes
Re-inspection fee (when required)	Yes	Yes	Yes	Yes
Trade waste usage charge/kL	No	Yes	No	No
Human waste disposal charge/kL	No	No	Yes	No
Excess mass charges/kg	No	No	No	Yes
Non-compliance trade waste usage charge/kL	Yes[9]	Yes	No	No
Non-compliance excess mass/kg and pH charges/kL (if required)	No	No	No	Yes
Non-compliance penalty (if required)	Yes	Yes	Yes	Yes

3.8.3 Monitoring

Council will carry out inspections of the premises of all liquid trade waste dischargers and their treatment facilities at least once per annum. Inspections of commercial premises preparing hot food may be carried out at least four (4) times per annum (refer to section 3.5.2). Monitoring of the large and industrial dischargers is to be carried out as specified in the approval conditions.

The applicant may be required to monitor the liquid trade waste discharge as a condition of an approval or agreement. They may also be required to pay for any sampling and testing of liquid trade waste undertaken by Council.

For this purpose, an inspection/sampling point, where the waste can be inspected and sampled, will be specified in the approval and/or agreement. This point will normally be located after the pre- treatment facility. The discharger may need to install a suitable method of flow measurement.

Council may require the discharger to:

- install a permanent primary measurement device
- measure the volume and flow rate using the permanently installed flow measurement system (such as a flow metering system)
- install a flow measurement device on a temporary basis and obtain enough data to determine a basis for assessing the flow rate and volume
- provide a system which allows obtaining a flow weighted composite sample.

Testing of samples is to be undertaken by a NATA-registered or other laboratory recognised by NSW Office of Water (NOW) to ensure reliable and accurate results. Where the discharger is sampling the effluent, Council may randomly take duplicates to confirm the waste characteristics.

[14] In addition, a Food Waste Disposal Charge will apply where Council has approved the use of an existing food waste disposal unit for a hospital, nursing home or other eligible facility (refer to s.3.7.6 on p.33).

[15] Not applicable for dischargers exempted in Table 1.

[16] Non-compliance trade waste usage charge, if the discharger fails to install or properly maintain appropriate pre-treatment equipment:
Category 1 – per Council's Fees & Charges
Category 2 - per Council's Fees & Charges

[17] Only applicable if the discharger has a dump point located at their premises which is connected to the sewerage system

3.8.4 Liquid trade waste services agreement

In addition to its approval under the Local Government Act, Council may require certain dischargers, including those who wish to discharge liquid trade waste in large volumes (discharge >20 kL/d) or industrial waste (Concurrence Classification C discharges) or Classification S into its sewerage system to execute a liquid trade waste services agreement (refer to Attachment 1). The agreement will set out the conditions associated with the discharge and execution of the agreement will be a condition of the approval issued by Council (refer to section 3.4). The conditions will be binding on the applicant and the Council. The agreement will be for a period of up to five (5) years. No discharge is to be made to Council's sewerage system until an agreement or an interim agreement has been executed.

Provision can be made in the agreement for (in addition to Council's approval conditions):

- additional conditions for discharge of liquid trade waste
- cancellation of the agreement and/or order to cease the discharge if the discharger is found to be in breach of the agreement or the liquid trade waste approval or, in the opinion of Council, the waste is adversely affecting the sewerage system or the environment
- entry by Council officers to inspect the liquid trade waste collection, treatment, monitoring and disposal systems
- the applicant to notify Council in advance of any changes that may affect the quality and quantity of the liquid trade waste
- the amount of bond/security to be lodged with Council prior to discharging to the sewerage system.

3.8.5 Enforcement of approvals and agreements

(see the attached sample agreement at Attachment 1)
Any person who fails to obtain Council's approval to discharge liquid trade waste into the sewerage system or fails to comply with the conditions of the approval, may be liable to a penalty as provided under the *Local Government Act 1993* (sections 626 to 628 and 634 to 639).

Polluting of any waters by a discharger of liquid trade waste who does not have a Council approval or who fails to comply with the conditions of the approval is an offence under section 120 (1) of the *Protection of the Environment Operations Act 1997*. In addition, under section 222 of this Act, Council may issue a penalty notice (ie. an on-the-spot fine) to such a discharger.

Any person who fails to comply with the terms or conditions of a liquid trade waste services agreement (ie. there is a breach of the agreement) will be required to indemnify the Council against any resulting claims, losses or expenses in accordance with Section 9 of the agreement.

Suspensions may also apply and may include a notice to cease the discharge.

3.8.6 Modification and revocation of approvals

Council reserves the right to modify or revoke an approval to discharge liquid trade waste to the sewerage system in any of the following circumstances:

- if the approval was obtained by fraud, misrepresentation or concealment of facts
- for any cause arising after the granting of the approval which, had it arisen before the approval was granted, would have caused the council not to have granted the approval
- for failure to comply with a requirement made by or under the *Local Government Act 1993* relating to a condition of the approval
- for failure to comply with a condition of the approval.

3.8.7 Prevention of waste of water

Water must be used efficiently and must be recycled where practicable. It is an offence under section 637 of the *Local Government Act 1993* and its Regulation (refer to Attachment 2) to waste or misuse water.

Dilution of trade waste with water from any non-process source including Council's water supply, bore water, groundwater and/or stormwater as a means of reducing pollutant concentration is therefore strictly prohibited.

3.8.8 Effluent improvement plans

Where the existing liquid trade waste discharged does not meet Council's requirements, the applicant may be required to submit an Effluent Improvement Plan setting out how Council's requirements will be met. The proposed plan must detail the methods/actions proposed to achieve the discharge limits and a timetable for implementation of the proposed actions. Such actions may include more intensive monitoring, improvements to work practices and/or pre-treatment facilities to improve the effluent quality and reliability.

3.8.9 Due diligence programs and contingency plans

For *Concurrence Classification A,* a discharger is not required to submit either a due diligence program or a contingency plan.

A discharger may be required to submit a due diligence program and a contingency plan for *Concurrence Classification B or Classification S* where it is considered that the discharge may pose a potential threat to the sewerage system. If required, a due diligence program and contingency plan must be submitted to Council within six (6) months and three (3) months respectively of receiving a liquid trade waste approval.

For *Concurrence Classification C,* a discharger may need to provide a due diligence program and contingency plan to Council within six (6) months and three (3) months respectively of receiving a liquid trade waste approval.

It should be noted that:

1. If the discharger has an accredited environmental management system in place, a due diligence program and contingency plan may not be required. However, proof of accreditation must be provided to Council with the application. The EMP may not include all necessary provisions in regard to trade waste. In such cases Council may require that a suitable due diligence program and contingency plan be developed and submitted to Council.
2. Where Council considers there is potential risk to the sewerage system from a discharge, it may request a due diligence program and contingency plan to be submitted prior to commencing the discharge.

ATTACHMENT 1

SAMPLE LIQUID TRADE WASTE SERVICES AGREEMENT
between Blayney Shire Council and [Applicant]

Liquid Trade Waste Services Agreement

Between

1. The Council

And

2. The Applicant

Recitals

A. The Council is the owner and operator of a sewerage system within the Blayney area.

B. The Applicant has made application to the Council to discharge liquid trade waste from the Premises into the Council's sewerage system.

C. The application has been approved by the Council on certain conditions ("the Approval"), including the condition that the Council and the Applicant enter into this Agreement.

D. The Director-General of the Department of Trade and Investment, Regional Infrastructure and Services has concurred in the Approval in accordance with clause 28 of the *Local Government (General) Regulation 2005*.

E. The Approval does not operate until this Agreement has been executed by both parties.

F. The parties enter this Agreement in consideration of the mutual promises contained herein.

Operative Part

1. Definitions and interpretation

1.1 **In this Agreement, unless the context otherwise requires: "Act"** means the *Local Government Act 1993* (NSW). **"Annexure"** means the annexure to this Agreement.

"Annual Management Plan" means the annual management plan of the Council, as adopted by the

Council from time to time.

"Applicant" means the entity named as such in the Annexure.

"Approval" means the approval described in Recital C. **"Council"**

means the council named as such in the Annexure.

"Liquid Trade Waste Services" mean the making available by the Council of its sewerage system for connection to the Premises, for the purpose of discharge by the Applicant of its liquid trade waste.

"Premises" means the premises described in the Annexure.

1.2 Unless the context otherwise requires:

(a) A reference to this Agreement is a reference to this Agreement, including the Annexure, as amended from time to time in accordance with its terms

(b) A reference to the discharge of liquid trade waste means the discharge of liquid trade waste by the Applicant from the Premises to the Council's sewerage system

(c) A reference to any legislation is a reference to such legislation as amended from time to time

(d) Where the Applicant is comprised of more than one person, each obligation of the Applicant will bind those persons jointly and severally and will be enforceable against them jointly and severally.

2. Liquid Trade Waste Services

The Council will provide the Liquid Trade Waste Services to the Applicant on the terms of this Agreement.

3. Additional conditions for discharge of liquid trade waste

3.1 The Applicant may discharge liquid trade waste to the Council's sewerage system in accordance with the Approval and subject to this Agreement.

3.2 The Applicant must comply with all applicable Acts, regulations, by laws, proclamations and orders and with any lawful direction or order given by or for the Council or any other competent authority.

3.3 The Applicant must not discharge liquid trade waste contrary to this Agreement or the Approval or in any manner which may have an adverse effect on any person or property (including the sewerage system and the ecological system in the waters, land or area receiving sewage treatment works effluent or biosolids), or which may cause the Council to be in breach of any applicable Act, regulation, by law, proclamation or order or of any lawful direction given by or for any competent authority.

3.4 The Applicant must at its own cost monitor its discharges in accordance with the requirements set out in the Approval and must maintain records of such monitoring for inspection by the Council for such period as may be specified in the Approval.

3.5 The Council will carry out routine sampling and testing of the waste stream.

3.6 Where any flow-metering device is installed, the Applicant must at its own cost cause the device to be calibrated at least annually by a person or company approved by the Council. The Applicant must obtain a calibration certificate and provide a copy of the certificate to the Council within one month of receiving it.

3.7 If the Applicant is required to cease discharging liquid trade waste for any period, then the Applicant must cease discharging such waste for the period specified.

3.8 Where the Applicant ceases to discharge waste in the circumstances prescribed in clause 3.7, the Council may, at its discretion, elect to refund part of the annual trade waste fee on a pro rata basis, calculated according to the period of suspension.

3.9 If this Agreement is terminated, the Applicant must immediately cease to discharge liquid trade waste.

4. Fees and charges

4.1 In accordance with the section 560 of the *Local Government Act 1993*, Council will levy all water supply, sewerage and liquid trade waste fees and charges on the owner of the property.

4.2 In consideration of provision of the Liquid Trade Waste Services, the fees and charges as specified in the Council's Annual Management Plan and notified by Council to the owner and the Applicant must be paid to the Council, including fees for sampling and testing by Council in accordance with the Approval.

4.3 Fees and charges payable will include both non-residential sewerage charges and liquid trade waste fees and charges.

4.4 All monies payable to the Council must be paid within the time specified in the notice of charge.

5. Term

5.1 This Agreement will commence from the date it is signed on behalf of the Council, and will continue until the Applicant's Approval is revoked or the Applicant permanently ceases to discharge liquid trade waste pursuant to the Approval, whichever is the earlier. Upon such revocation or permanent cessation of the approved activity this Agreement shall automatically terminate by operation of this clause.

5.2 Termination of this Agreement is without prejudice to any accrued rights or obligations of either Party.

6. Powers of the Council

6.1 The Council may enter the Premises at a reasonable hour in the daytime or at any hour during which business is in progress or is usually carried on at the Premises for the purpose of conducting any inspection, examination, testing, monitoring or sampling to determine whether the Applicant is complying with the conditions of this Agreement.

6.2 The Applicant acknowledges that the Council has statutory powers available to it under the *Local Government Act 1993* and other Acts to issue orders and directions to the Applicant in relation to the discharge of liquid trade waste. The Applicant undertakes to comply with each such order or direction that may be notified by the Council to the Applicant within the time specified for compliance in that order or direction.

6.3 The Applicant releases the Council from any liability to the Applicant for any loss or damage due to the disruption of the Applicant's business arising out of the exercise of Council's rights pursuant to this clause.

7. Information supplied by the Applicant

7.1 The Applicant warrants that all information in its application for approval is true, complete and accurate to the best of its knowledge.

7.2 The Applicant must immediately notify the Council in writing of any error or omission in that information or any change to the information of which the Applicant becomes aware.

7.3 The Applicant must not provide any false or misleading information to the Council.

8. Indemnity

8.1 The Applicant indemnifies the Council from and against any claims, losses or expense (including legal costs on a solicitor and client basis) which the Council pays, suffers, incurs or is liable for as a result of:

(a) any unlawful, negligent, reckless or deliberately wrongful act or omission of the Applicant or its personnel or agents in connection with the discharge of liquid trade waste, including (without limitation) such acts or omissions which cause damage to property, personal injury or death

(b) a breach of this Agreement by the Applicant.

8.2 The Applicant's liability to indemnify the Council shall be reduced proportionally to the extent that any unlawful, negligent, reckless or deliberately wrongful act or omission of the Council caused or contributed to the liability or loss.

9. Insurance

The Applicant must effect and maintain for the term of this Agreement a public risk policy of insurance in the minimum of the sum specified in the Annexure and must, upon request by the Council, produce evidence of such insurance to the Council.

10. Bond

10.1 The Applicant must pay to the Council a bond in the sum specified in the Annexure.

10.2 The Council may at any time and without prior notice to the Applicant have recourse to the bond for the recovery of any sum due and owing by the Applicant to the Council.

10.3 Where the applicant fails to cease discharging trade waste as prescribed in clause 3.7, the Council may require the applicant to forfeit 50% of the bond.

10.4 The Council must return the bond to the Applicant, less any amount deducted by the Council under this clause, upon termination of this Agreement.

11. No assignment

The Applicant may not assign or otherwise transfer its rights and/or obligations under this Agreement.

12. Notices

12.1 A notice under this Agreement must be:

(a) in writing, directed to the representative of the other party as specified in the Annexure

(b) forwarded to the address, facsimile number or the email address of that representative as specified in the Annexure or the address last notified by the intended recipient to the sender.

12.2 A notice under this Agreement will be deemed to be served:

(a) in the case of delivery in person - when delivered to the recipient's address for service and a signature received as evidence of delivery

(b) in the case of delivery by post - within three business days of posting

(c) in the case of delivery by facsimile–at the time of dispatch if the sender receives a transmission report which confirms that the facsimile was sent in its entirety to the facsimile number of the recipient

(d) in the case of delivery by email, on receipt of confirmation by the recipient that the recipient has received the email.

12.3 Notwithstanding the preceding clause 12.2, if delivery or receipt of a communication is on a day which is not a business day in the place to which the communication is sent or is later than 5 pm (local time in that place) it will be deemed to have been duly given or made at 9 am (local time at that place) on the next business day in that place.

13. Variation

13.1 If the Applicant's Approval to discharge liquid trade waste from the Premises is varied, this Agreement shall be deemed to be varied in accordance with the variation made to that approval or to the fees, by operation of this clause.

13.2 In addition to automatic variation under clause 13.1, this Agreement may be varied by written agreement of the parties, provided that a variation to this Agreement that is inconsistent with:

(a) the Approval, including rights granted under, and conditions attached to, the Approval

(b) any applicable legislation; or

(c) Council's Annual Management Plan in respect of applicable fees and charges, shall have no force or effect.

14. Severability

If any part of this Agreement is prohibited, void, voidable, illegal or unenforceable, then that part is severed from this Agreement but without affecting the continued operation, so far as possible, of the remainder of this Agreement.

15. Applicable law

15.1 This Agreement is governed by, and must be construed in accordance with, the laws in force in the State of New South Wales.

15.2 Each party submits to the exclusive jurisdiction of the courts exercising jurisdiction in the State of New South Wales and the courts of appeal there from.

16. Rights cumulative

The rights and remedies provided under this Agreement are in addition to, and not exclusive of, any other rights or remedies provided by law.

Executed as an agreement

Execution by the Council:

..... was affixed this .....day of
..... 20.....

in the presence of:

.....
General Manager (Signature of General Manager)

and

.....
[print name of witness] (Signature of witness)

Executed by the Applicant (corporate entity):

..... PTY LIMITED
was affixed this .....day of ..... 20..... in
the presence of:

.....
[name of Director] (Signature of Director)

.....
[name of Director/Secretary] (Signature of Director/Secretary)

Executed by the Applicant (individual):

Signed by: .....
[print name of applicant] (Signature of Applicant)

This .....day of ..... 20..... in the
presence of:

.....
[print name of Witness] (Signature of Witness)

ANNEXURE

A. The Council

1 Full Name of Council	
2 ABN	
3 Address	
4 Telephone	
5 Emergency Contact	
Telephone	

B. The Applicant

1 Full Name of Applicant	
2 ABN	
3 Business or Trading Name	
4 Address	
5 Telephone	
6 Emergency Contact	
Telephone	

C. The Premises

1 Lot and DP Number:	Lot(s)		DP	
2 Location				
3 Description				
4 Nature of Business				

D. Notices

Applicant's Representative	
Postal Address	
Facsimile	
Email	
Council's Representative	
Postal Address	
Facsimile	
Email	

E. Public Liability Insurance

Minimum Cover:	**$**

F. Bond

Bond:	**$**

ATTACHMENT 2

PROVISIONS IN THE *LOCAL GOVERNMENT (GENERAL) REGULATION 2005* IN REGARD TO ACCEPTANCE OF LIQUID TRADE WASTE INTO THE SEWERAGE SYSTEM

APPENDIX G – LEGISLATIVE PROVISIONS

Clause 25 Matters to accompany applications relating to discharge into sewers

An application for approval to discharge trade waste into a sewer under the control of a Council or that connects with such a sewer must be accompanied by the information required by Table 1 to the Liquid Trade Waste Management Guidelines#.

Clause 28 Approval to discharge waste into sewers: concurrence required

A council must not grant an approval under section 68 of the Act to discharge trade waste (whether treated or not) into a sewer of the council unless the Director-General of the Department of Energy, Utilities and Sustainability* has concurred with the approval.

Note: Section 90 (2) of the Act permits any person or authority whose concurrence is required before an approval can be granted to give the council notice that the concurrence may be assumed (with such qualifications or conditions as are specified in the notice).

Clause 32 Disposal of trade waste

(1) An approval to dispose of trade waste into a sewer of the council is subject to such conditions (if any) as the council specifies in the approval.

(2) In imposing any such conditions, the council is to have regard to the matter set out in Table 5 to the Liquid Trade Waste Management Guidelines#.

Clause 159 Prevention of waste and misuse of water

The owner, occupier or manager of premises to which water is supplied by the council must:

(a) prevent waste of water by taking prompt action to repair leaking taps, pipes or fittings located on the premises

(b) take any other action that is reasonable to prevent waste and misuse of water.

Clause 159 Prevention of waste and misuse of water

The owner, occupier or manager of premises to which water is supplied by the council must:
(a) Prevent waste of water by taking prompt action to repair leaking taps, pipes or fittings located on the premises.
(b) Take any other action that is reasonable to prevent waste and misuse of water.

137A Substances prohibited from being discharged into public sewers

(1) For the purposes of section 638 of the Act (Discharge of prohibited matter into sewer or drain), roof, rain, surface, seepage or ground water is prescribed as prohibited matter.

(2) This clause does not apply in relation to:

(a) A discharge that is specifically approved under section 68 of the Act, or

(b) A discharge into a public drain or a gutter of a council

* In accordance with the *Government Sector Employment Act 2013*, this is the Secretary of the NSW Department of Industry.

143 Inspection of pipes and drains and measurement of water and sewage

The council may, at any reasonable time:

(a) inspect any drain connected to a sewer main, and

(b) install meters or other devices for measuring the quantity of sewage discharged from premises, and

(c) measure the quantity of sewage discharged from premises, and

(d) inspect any pre-treatment devices connected to the council's sewerage system.

- The occupier of the relevant premises must provide to the council such information as it requires to enable it to estimate the quantity of water actually supplied to, or the quality and quantity of sewage actually discharged from, the premises.
- In this clause,
  "pre-treatment device" means any device used to reduce or eliminate contaminants in trade waste, or to alter the waste's nature, before it is discharged into a sewer.

SCHEDULE 12 – Penalty notice offences

COLUMN 1	COLUMN 2
Offence under *Local Government Act 1993*	PENALTY
Section 626 (3)-carry out without prior approval of council an activity specified in item 4 of Part C (Management of waste) of the Table to section 68	$330
Section 627 (3)-having obtained the council's approval to the carrying out of an activity specified in item 4 of Part C (Management of waste) of the Table to section 68, carry out the activity otherwise than in accordance with the terms of that approval	$330

"Liquid Trade Waste Management Guidelines" means the Guidelines of that name produced by the Department of Energy, Utilities and Sustainability in March 2005, as in force from time to time. The 2005 Guidelines have now been superseded by *Liquid Trade Waste Regulation Guidelines, April 2009*.

* From 27 July 2009 a reference to the Director-General of the Department of Energy, Utilities and Sustainability is to be construed as a reference to the Director-General of the Department of Environment, Climate Change and Water.

End of Policy

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Formulae corrected to align with the DPIE formula	**12/04/2024**	
	XX/XX/2026	
Next Review:	**23/04/2030**	