

# Domestic waste management charges - Discussion Paper

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Question	Response
Feedback and Submission Form	
Industry	Local Government
Review	Review of domestic waste management service charges
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1. Are there concerns with the prices councils charge for domestic waste management services? Why/why not?	
2. If there are concerns, how should IPART respond? For example, if IPART was to regulate or provide greater oversight of these charges, what approach would be the most appropriate? Why?	The difficulty with IPART regulating or providing greater oversight of these charges is that Council's offer a hugely varying range of waste services to their residents. It would be difficult to develop an approach or model that was capable of taking into account the wide variation in services and service levels offered by councils and then find a sensible way to make comparisons across these to determine what constitutes an appropriate or fair charge.
3. Would an online centralised database of all NSW councils' domestic waste charges allowing councils and ratepayers to compare charges across comparable councils for equivalent services (eg, kerbside collection), and/or a set of principles to guide councils in pricing domestic waste charges, be helpful? Why/why not?	It would be difficult to determine what would be "comparable" councils. Councils offer a wide range of waste services and service levels. For example some councils only offer a single mixed waste bin service, some councils offer a two bin service (mixed waste and recyclables) and some councils may offer a three bin service (the third bin may be for garden organics solely or it may be for FOGO - Food Organics/Garden Organics). Some councils may offer a mixture of bin services. For example Dubbo offers a three bin service in major towns, two bin service in rural villages and 52 vouchers to residents in rural areas without a bin service to allow access to rural transfer stations. Bulky waste collections vary widely. They can be annual, twice annually etc, up to ten times per year on call. They can be on call and covered by the waste charges

or they can be on call with the resident required to pay a contribution each time they are used.

Timing of entering into a domestic waste contract can affect cost as can length of contract period, proximity to major centres, proximity to landfills (does the council own the landfill? Does the waste need to be transported hundreds of kilometres to a facility?), proximity to a Materials Recovery Facility (MRF), proximity to an organics processing facility will all influence costs and will vary widely depending upon individual council's circumstances.

Councils may own and operate their own landfills, MRFs and Organics Facilities or may be entirely dependent upon a third party supplying these facilities or they may operate using a mixture of the above (i.e. some owned, some contracted out). These relationships will all influence cost to the the resident.

Councils may also be subject to fluctuating charges (e.g. MRF for processing of recyclables - in the case of DRC this charge has been escalating annually as council is beholden to a single monopoly supplier and prices have been significantly increased each year at rates that are far beyond CPI increases).

There are many variables that will influence cost that may make any comparison quite tenuous.

A centralised database for comparison would need to be very well thought out to make sure any comparisons being made are valid and apples are being compared with apples.

4. Do you have any other comments on councils' domestic waste management charges?	Domestic Waste Management Charges are quite complex and broken up into a number of components that are not necessarily related to the rate peg or CPI. To make the comment that council charges may be increasing each year by greater than the rate peg or CPI is to ignore the market in which councils must operate to provide these waste services. For example Dubbo Regional Council's cost to process recyclables has been increased significantly in each of the past two years. The increases reflect changing international trends (i.e. China Sword Policy) and also the relative monopoly by one major company in the recyclables processing sector. If the charge has been doubled year upon year by a service provider it is not possible to be critical of councils and state that waste management charges should only reflect the rate peg or CPI. The circumstances of each council need to be understood to make valid comments. With the complexity and variety of waste services being provided by councils it would be difficult to see how appropriate benchmarks around pricing could be set that would allow fair comparisons to be made between councils.
5. Which Council do your comments relate to?	Dubbo Regional Council but comments are also general and stress caution should be used when comparing waste management charges across councils.
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