



# BELLINGEN SHIRE COUNCIL

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29 April 2022

Independent Pricing and Regulatory Tribunal  
PO Box K35  
Haymarket Post Shop  
SYDNEY NSW 1240

Dear Tribunal,

## **Local Council Domestic Waste Management Charges - Draft Report submission**

Thank you for the opportunity to present this submission on behalf of Bellingen Shire Council.

Council is supportive of the IPART review into domestic waste charges, however, as outlined within this response, Council urges that caution be taken in comparing Councils with differing cost drivers and service levels. Council does not support a prescriptive regulation approach.

The information provided in this document reflects Bellingen Shire Council's submission to IPART in response to the discussion paper.

Set out below is our submission to each of the three items for which comment is being sought:

1. *Do you think our proposed annual benchmark waste peg will assist councils in setting their DWM charges?*

As you are aware, income obtained from charges for domestic waste management must be calculated as to not exceed the reasonable cost to the council of providing those services. As part of the fee setting process and Councils annual Integrated Planning and Reporting framework, Council must disclose the proposed charge to be levied in its draft Revenue Policy. As part of this process, the draft Revenue Policy must be placed on public exhibition for a period of 28 days, allowing the community to make submissions towards the proposed charges.

Noting the above annual process, setting and publishing an arbitrary peg does not align with the legislative requirements of reasonable costs nor does it give reference to individual Councils unique cost drivers, such as future site remediation costs, community service levy expectations and site specific EPA regulatory costs.

With reference to the proposed benchmark waste peg of 1.1% for the 2022/23 financial year, the benchmark is not reflective of the current high inflationary environment, noting the March 2022 release of the CPI at 5.1%. Setting a benchmark that is completely out of step with the real cost of providing a domestic waste service will only serve to confuse our community.

Noting the above, the setting of an annual benchmark waste peg is not supported.

2. *Do you think the pricing principles will assist councils to set DWM charges to achieve best value for ratepayers?*

Yes, Council believes pricing principles would be of assistance to councils in aligning their annual charges with the reasonable costs as required by the Local Government Act 1993. This will also assist in greater uniformity in the calculation of reasonable costs associated with the provision of domestic waste service across NSW.

3. *Would it be helpful to councils if further detailed examples were developed to include in the Office of Local Government's Council Rating and Revenue Raising Manual to assist in implementing the pricing principles?*

Yes, Council believes that further detailed examples within the Local Government's Council Rating and Revenue Raising Manual will be helpful to Councils.

Noting the current uncertain economic climate and recent local and state events, ongoing financial sustainability for NSW Councils is under significant pressure. This has deteriorated Councils revenue raising capacity and created significant cost increasing that are impacting service provision. In this context, Council would like to urge caution as to a prescriptive regulation approach to the Domestic Waste Charge.

I trust this information is of some assistance to the Tribunal in making its final determination.

If you have any enquiries or require clarification, please do not hesitate to contact me directly.

Kind regards,

Chris Hodge  
Chief Financial Officer