

17 March 2022

Independent Pricing and Regulatory Tribunal
2-24 Rawson Place
Sydney NSW 2000

To whom it may concern,

The purpose of this letter is to provide Camden Council's response to the NSW Independent Pricing and Regulatory Tribunals (IPART) Review of Domestic Waste Management Charges draft report. Council has provided responses to all three (3) questions raised by IPART.

Q1. Do you think our proposed annual 'benchmark' waste peg will assist councils in setting their DWM charges?

Council supports the implementation of an annual benchmark as a guide and reference point for comparison.

Over the last 5 years the state average annual increase in DWM charges was 4.5% with Camden Council's average annual increase being 2%. Additionally, the average annual CPI increase over this same period was 1.9%. based on this Camden Council believe that the proposed 1.1% benchmark is too low.

A large proportion of Council's cost drivers for domestic waste services are determined by other cost drivers that are outside of Council's control such as award-based salary increases, fuel prices, CPI and inflation. Based on this we believe that at a minimum the benchmark should be in line with CPI.

Council's long term financial plan is based on an annual DWM charge increase of between 2.5% to 3.0% to address projected increases across the key cost drivers, CPI increases and growth in the region. Reducing this annual DWM charge increase to 1.1% would impact Council's ability to recover actual costs in relation to service provision.

Setting the benchmark significantly lower at 1.1% will result in most councils simply being unable to align with the benchmark long term. This will also result in a large number of Councils being highlighted in the proposed IPART annual report every year.

With the above in mind Council proposes that IPART review the way the benchmark is calculated and bring it in line with CPI as a recognised cost index.

Additionally, Council would like to propose an alternate two (2) part process similar to the current rate peg (as recently developed by IPART) process where:

Part 1 - Base increase (in line with CPI)

Part 2 – Population/growth factor

This would allow for councils in high growth areas to respond to the additional costs associated

with managing growth.

Q2. Do you think the pricing principles will assist councils to set DWM charges to achieve best value for ratepayers?

Yes, Camden Council supports the intention behind the pricing principles proposed by IPART.

Council suggests updating pricing Principle One to the following:

'DWM revenue should equal the efficient incremental cost of collecting all waste generated by domestic properties'

This modification will provide councils with clarity and ensure that a broad range of essential domestic waste services and functions are able to be funded via DWM revenue. This would allow services such as hazardous waste disposal in the form of Community Recycling Centres and collection events to be funded via DWM revenue.

Q3. 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, they assist in providing clearer guidance in relation to the calculation of costs.

Detailed examples would ensure all stakeholders have consistent definitions of reasonable costs.

Council would support a general review and update of the Rating and Revenue Raising Manual which was last updated in 2007.

Camden Council wishes to thank you for the opportunity to provide feedback on the IPART's Review of Domestic Waste Management Charges. Should you require further information please contact Councils Manager Waste and City Presentation Corey McArdle on [REDACTED]

Yours Sincerely,

Corey McArdle
Manager Waste and City Presentation