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Your submission for this review:

One of the major triggers for this review is the DWM price increases over the past 5 years that is in excess of inflation and the rate peg. Many factors that influence DWM pricing are outside of councils control some of these are listed below in response to question 1. There has also been some controversy around IPARTs rate peg setting practices and the impact this is having on councils sustainability this would be compounded should there be sustainability shortfalls in IPART regulating councils individual charges or implementing a binding waste peg. DWM reasonable cost calculations are already subject to external audit IPART becoming involved would be a duplication of effort. Responses to the specific items feedback is requested on is included in the attached document 'IPART DEM responses.docx'

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

No. In the draft report, IPART has already noted that most Council's do not believe this is a good idea as DMW charges are variable due to not only external cost drivers (i.e. China's National Sword policy, Federal Government's export ban on waste and recyclables, Lack of new investment in waste infrastructure, Increases in the Waste Levy, Market concentration, regulatory/EPA increased requirements and The Container Deposit Scheme) **BUT ALSO** Council specific conditions such as:

- economies of scale, that is, the size of the council and population densities. This can change over time as demographics change within individual LGA's.
- Pensioner densities - levels of rebates individual councils are required to provide. This can change over time as demographics change within individual LGA's.
- differing service levels and/or scope of services
- potentially different timing of negotiating long term contracts, where those negotiated more recently could be impacted by external drivers of increasing costs that older contracts may not yet fully reflect
- different cost allocation practices
- locational cost differences – local environmental & geographical issues. These can even affect individual waste cell construction costs within one overall waste disposal facility.
- availability of suitable waste disposal sites & proximity
- remaining life of existing waste disposal site & future development costs, including environmental impact statements – these will vary from site to site.
- differing number of properties serviced per kilometre
- whether some councils are inside or outside the Waste Levy zone.

Council's have already expressed that providing a benchmark for DMW is comparing 'apples with oranges' across regions.

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

IPART's proposed pricing principles – no issues with these as it is believed this is already what is already being done. Additional guidance can only assist – provided it allows for all factors that can influence individual council costs. Consideration should be given to administrative overheads and how these should be recovered e.g. additional transparency requirements.

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, worked examples provided by OLG would be of assistance to ensure DMW charges are being applied consistently across LGA's.