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Ref: 2022/115424  
27 April 2022

Review of Domestic Waste Management Charges  
Independent Pricing and Regulatory Tribunal  
PO Box K35  
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Sydney NSW 1240

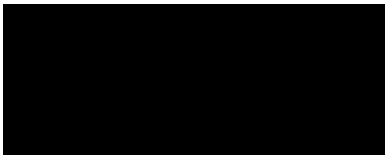
### **Review of Domestic Waste Management Charges - Submission by Ku-ring-gai Council**

Please find attached Ku-ring-gai Council's submission to the Independent Pricing and Regulatory Tribunal's Draft Report on the *Review of the Domestic Waste Management Charge – December 2021*.

Ku-ring-gai Council has considered the review questions from IPART on this matter and has resolved at the Ordinary Meeting of Council on 26th April the following feedback for IPART's consideration

Council wishes to thank IPART for the opportunity to provide feedback on this important matter and looks forward to hearing from IPART once submissions have been reviewed.

Yours sincerely,



John McKee  
**General Manager**  
**Ku ring-Gai Council**

**IPART Seeks Comment on their December 2021 report:**

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

The proposed annual benchmark waste peg is not supported as:

- Council waste costs vary significantly from benchmarked costs due to service level, density, demographics, and timing of service introductions compared to other councils
- It would incentivise councils to provide low service levels, prioritise cost over innovation and delivering best-practice services.
- It would pose a significant barrier to delivery of council targets and the NSW Waste and Sustainable Materials Strategy (WaSM) targets.
- It would increase risk to the successful roll-out of new services such as food organics and garden organics (FOGO), which the EPA has mandated by 2030.
- The peg may not represent the real costs of providing the service and is subject to limitations in the IPART pricing methodology
- It would increase the regulatory cost for councils and the state government.
- Council waste services may become unsustainable, consistent with the general financial position of many NSW councils under the rate pegging regime.

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

The primary impact of the pricing principles would be the requirement that council overheads allocated to the DWM service be the incremental cost rather than a proportional amount relative to all council services. This is unlikely to improve value for money as overhead costs will be less visible when transferred to the general council budget rather than remaining part of the DWM charge.

If pricing principles are introduced that result in reducing DWM revenue, councils would be left to rebalance the reduced DWM charges with general rates which impacts on the Council's general financial position or alternatively Council would be required to apply for a special rates variation application. Imposing a requirement for special rates variations to make up for lost DWM revenue would therefore result in significant additional costs and create uncertainty for councils in planning for the future. This would also be inconsistent with the Local Government Act that requires Councils to levy the community for the reason costs of providing the domestic waste services.

**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?**

The pricing principles proposed in the IPART discussion paper are very brief and require further detailed development, including the provision of examples, before implementation.