



PORT STEPHENS
C O U N C I L

Carmel Donnelly - Chair
Review of Domestic Waste Management Charges
Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop
Sydney NSW 1240

Dear Carmel,

Re: Review of Domestic Waste Management Charges – Independent Pricing and Regulatory Tribunal

Port Stephens Council (PSC) refers to the recent draft report received from The Independent Pricing and Regulatory Tribunal (IPART), Review of Domestic Waste Management Charges (DWMC) within NSW Local Government context.

Port Stephens Council appreciates the opportunity to respond and comment on the draft report and would like to make the following comments.

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

PSC currently has a contractual arrangement with external providers to provide waste services to the community for both collection and processing of the domestic waste within the Local Government area. As you would be aware, Local Government Councils in NSW go to formal tender for goods and services over the amount of \$250,000 and, as such, throughout this process tenders are assessed based on the applicants' ability to provide required services on a technical and resource level, pricing, previous experience and the delivery of products and services thus ensuring value for expenditure.

We also set our DWM charges using a very detailed calculation to recover the reasonable cost of delivering the service that our community has agreed on. Comprehensive feedback has been sought through our waste strategy on the level of service we deliver to the community and a peg may affect our ability to continue to deliver these valued services to the community. We welcome guidance on DWM principles, however, believe the scope of services should be reviewed to better align to the expectations of the community.

PSC is not in support of the rate peg model, as major costing disparities can occur within the waste industry such as:

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- Through the increase and decrease in the pricing of commodities, such as recyclables due to change in state, national and international policies such as the China Sword Policy and the banning of export of these materials by the Federal Government.
- The waste levy.
- The introduction of the Container Deposit Scheme.
- Mandated services by the EPA 20 Year Strategy.

PSC, in principle, supports the rebalance and the non-binding benchmarking approach and the transparency and awareness measures requested for adoption for the benefit of the ratepayer outlined in the report. These are the following concerns that appear to be acknowledged, but not addressed:

- The benchmarking approach would need to ensure that similar services are provided throughout like Councils to get consistent results in servicing and pricing from Councils.
- Increases in major contributing pricing of contractual agreements, such as fuel.
- The lack of investment in NSW for infrastructure requirements, specifically in the areas of available landfill airspace and the movement toward FOGO and away from MWOO.
- Lack of investment in research and development in an ever and fast changing industry in part due to the introduction of Waste and Sustainable Materials legislation and regulation.
- There is a no acknowledgment for areas with high growth rates and the DWMC being able to keep pace with the "bringing on" of new services.

Therefore, due to the reasons outlined above, the benchmarking should be, at a minimum, aligned to the forecasted CPI and growth rates for the following year. PSC believes that DWMC revenue should also be able to be used for forward planning purposes, in particular in relation to capital costs as opposed to expenditure recovery as outlined in the report. There should be clear and consistent pricing principles, however, any rebalancing of the DWMC with the general rates over a 2 year period should only occur once there has been a review on expanded definitions of waste and domestic waste management services.

Should you need further information on this response or clarification on any of the items outlined, please contact [REDACTED] or mobile [REDACTED] email [REDACTED]

Yours sincerely,

[REDACTED]

Wayne Wallis
GENERAL MANAGER

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