

Singleton Council Background

Singleton Council provides a 3-bin waste collection system to our residents that includes a Residual bin (red), Dry Recycling bin (yellow) and Garden Organics bin (green). Noting the green bin is scheduled to transition from Garden Organics (GO) to a Food and Garden Organics (FOGO) bin in 2024.

Council provides waste service to approximately 10,000 properties including both residential and commercial. These services, includes approximately 8,000 Urban services, who receive the full 3-bin system and approximately 2,000 Rural services, who receive a modified 3-bin system where the red bin is fortnightly and the green bin is optional. Residents also receive an annual kerbside bulky waste collection, one tip voucher for 300kg of waste and access to problem waste drop off events.

Singleton Council also operates a Waste Management Facility that includes a landfill, Community Recycling Center (CRC) and a recycle shop. The residual waste collected from the red bins is disposed of at the landfill within this facility while the contents of the yellow and green bin are delivered direct to other waste facilities for processing

Over the previous five financial years, Singleton councils has on average increased DWM charge by 3.5% each year, However the individual annual increases range from 0% in 2020/21, as part of Councils COVID relief package for residents, up to 18.9% in 2016/17, when the green bin was introduced.

IPART Question - Do you think our proposed annual 'benchmark' waste peg will assist councils in setting their DWM charges?

The provision of domestic waste services is heavily impacted by external cost drivers, which often are unpredictable and difficult to plan for when calculating annual charges. The external cost drivers that can have an impact on domestic waste costs include such things as:

- Changes to waste legislation can change the cost dramatically for processing as it can alter
 - The external processing market
 - The way a waste must be processed
 - The options for processing of the waste
 - The location of the processing facility
 - Introduction of new waste initiatives that are not currently funded such as FOGO
- Fluctuations in the volumes of a waste streams can cause cost increase
 - For example, Singleton Council experienced a 1,000 tonne increase in our residual waste stream (Red) bin between 2020/21 and 2021/22. This alone resulted in an increase of \$20 (4%) on the domestic waste charge for 2022/23.
- Rise and fall calculations in collection contracts allow for
 - Changes to fuel costs
 - Changes to labour costs
 - As well as general CPI increase
- Disaster Events
 - Can produce a large volume of waste within residential properties

- Waste volumes from disaster events are not budgeted for as they are unknown and not guaranteed to occur at a similar volume each year.

In addition to this, the NSW Waste and Sustainable Materials Strategy is proposing a shift to FOGO for all Councils, 80% diversion from landfill and other additional waste recovery options to increase landfill diversion. While these changes to the waste services will deliver a better environmental outcome, which is crucial, it will however come with additional costs for Council and its residents.

Due to the information above Council believes the rigid approach of a rate peg that IPART is proposing is not considered fit for purpose for the calculation of the domestic waste charge.

IPART Question - Do you think the pricing principles will assist councils to set DWM charges to achieve best value for ratepayers?

Principle 1 - DWM revenue should equal the efficient incremental cost of providing the DWM service

The delivery of waste services to a resident has progressed to more than just the service provided at the kerbside as it incorporates a number of other services that allow residents to manage the waste generated within their properties. Other services Singleton Council provides and considers as part of our domestic service include:

- Operation of the Community Recycling Centres to allow disposal of problem waste generated within the residential property
- Provision of public place litter bins used by residents for waste either generated at home or purchased from a local facility when they visit parks and sporting grounds
- Clean-up of Illegal dumping generated at a residential property
- Education not related to source separation (i.e., excludes avoidance/litter/Illegal dumping)

All of these waste services are provided to the residents of Singleton to manage their waste and are a combination of kerbside collection and self-haul and considered a total package to maximise resource recovery and landfill diversion.

Principal 2 - Councils should publish details of all the DWM services they provide, the size of the bin, the frequency of the collection and the individual charges for each service.

Singleton Council has no concerns with any proposed greater transparency with our residents as it allows them to understand the cost of the service provided to them.

Principal 3 - Within a council area, customers that are:

- ***Imposing similar costs for a particular service should pay the same DWM charge***
- ***Paying the same DWM charge for a particular service should reflect the same level of service.***

Singleton Council currently provides two levels of service to our residents, depending on the residential location i.e. either in the urban or rural setting.

Urban Collection - includes a weekly 240L red bin collection and a fortnightly 240L yellow and green bin collection

Rural collection – includes a Fortnightly red, yellow and green bin collection.

Due to the amount of travel involved to service the rural customers it costs more to provide the Rural service than it does the Urban service. If the Rural customers were charged the real cost of the service they would be paying more for a lower level of service than the urban residents.

In light of the above, Singleton Council has concerns with the general principle. It is believed that the above example demonstrates the contextual complexity of delivering DWM services and why a rigid approach will not work.

Principal 4 - Any capital costs of providing DWM services should be recovered over the life of the asset to minimise price volatility

Singleton Council does not believe this principal aligns with how waste management is delivered. Waste management involves substantial capital investments at various stages of the service delivery, for example land acquisition, landfill cell development, cell capping and infrastructure development and renewal.

The Capital costs should continue to be recovered based on forward planning as opposed to relying on borrowings to fund expenditure and recover costs post implementation. It is thought that the large value of the loans required to fund these projects could potentially impose a significant extra financial burden on ratepayers and does not represent the most efficient cost of service delivery.

Question 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?

Singleton Council believes that the review and development of a clear definition of what domestic waste includes, combined with the rebalancing option, will be sufficient enough to allow Councils to clearly understand what is to be included when calculating their domestic waste charges and to ensure the charges are fair and appropriate for residents.

Councils Position

Singleton Council's overall position and recommendations are

- **Singleton Council oppose the introduction of a DWM rate peg**
- **Singleton Council is supportive of transparency with our residents**
- **Singleton Council supports the development of a clear definition of what domestic waste services includes**
- **Following the development of what domestic waste service includes Singleton Council supports the proposal for the rebalancing process, which would allow Council's a one-off opportunity to move those services and the funding for them from the domestic waste charge to Councils general revenue budget allowing the uninterrupted delivery of these vital services.**