

SUBMISSION COVER SHEET

THIS FORM WILL
NOT BE PUBLISHED

If you are sending us your submission by **email, post or fax**,
please complete this form and **attach it to the front of your submission**.

This form is not required if you are sending us your submission via our online portal.

Name of the review to which your submission relates:

Review of Domestic Waste Management Charges

Date 1/10/2020

Contact details

Name of your organisation (if applicable):

Goulburn Mulwaree Council

Name of author: Marina Hollands

If this submission is made on behalf of an organisation, this should be a person authorised to make the submission

Position or title of author (if applicable): Director Utilities

Email address (if applicable):

Fax number (if applicable): N/A

Postal address

Street: Locked Bag 22

Suburb: Goulburn

State: NSW

Postcode: 2580

I have read and accept IPART's Submission Policy ☒ Yes

IPART publishes the submissions we receive on our website as part of our commitment to transparency.
We will never publish your email address, postal address or telephone number on our website.

If you would like the submission or author's name to remain confidential, please indicate below:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Publish | My submission and name can be published on the IPART website |
| <input checked="" type="checkbox"/> Confidential | All or part of my submission should be treated as confidential and not published by IPART. I have indicated which parts of my submission are confidential. |
| <input checked="" type="checkbox"/> Anonymous | My submission can be published , but please do not publish my name . |
| <input checked="" type="checkbox"/> Confidential and anonymous | Please do not publish my name or the contents of my submission. |

After completing this form please **SAVE**, and **PRINT**, and **include with your submission**



**Independent Pricing
and Regulatory Tribunal**
PO Box K35
Haymarket Post Shop, NSW, 1240s



Fax: (02) 9290 2061
*Please include this form
as the first page of your
fax transmission*



Phone: (02) 9290 8400



Email: ipart@ipart.nsw.gov.au



Goulburn Mulwaree Council
Locked Bag 22
Goulburn NSW 2580

Civic Centre
184 - 194 Bourke Street
Goulburn NSW 2580
t (02) 4823 4444
e council@goulburn.nsw.gov.au
www.goulburn.nsw.gov.au

1 October 2020

Contact: Marina Hollands

Independent Pricing Regulatory Tribunal
PO Box K35
HAYMARKET POST SHOP SYDNEY NSW 2580

Dear Sir/Madam

Subject: Review of Domestic Waste Management Charges

Goulburn Mulwaree Council provides a domestic waste service to Goulburn and Marulan and a recycling service only to Tarago. Currently Council provides a three bin service to Goulburn and Marulan that includes recycling, general waste and FOGO. Also as part of the domestic waste service, two bulky waste disposal weekends are provided to residents.

Goulburn Mulwaree Council is part of the Canberra Region Joint Organisation (CRJO). The CRJO has a waste working group that meet monthly. This group has prepared a submission on this discussion paper that we support as one of the member Councils. That submission discusses the various questions posed in the discussion paper. This separate submission raises additional comments from our Council perspective.

Goulburn Mulwaree Council is a regional Council that has retained our domestic waste service as an in-house delivered service. Council owns a fleet of collection trucks and employs dedicated staff to deliver this service to our community. Council views this task as an essential service to our community and as Council is one of the largest employers in our Local Government area, we are committed to maintaining this service in house and providing local jobs. This business unit, like all the business units of Council, is operated as a business to maximise efficiencies to provide the service required while minimising cost. It is our belief, that in house services need to be operated like a contract service however the work does not necessarily need to be completed by contractors.

Goulburn is a regional city that is not located where the current main contractors for NSW are located. As such, providing these services by contract does not necessarily result in a lower price for the community. This discussion paper heavily states this is the case, which may be the case for metropolitan Councils, however it would not be the case state wide. It is our belief that contractors would not provide the same level of service that is currently provided by in house staff at a significantly lower rate.

Council is not supportive of the idea of creating a 'rate pegging' on the raising of fees charged. With the ongoing changes in the waste industry, the disposal of waste is constantly rising. Waste disposal fees are being impacted severely by increases in waste disposal costs through increasing EPA requirements that increase the disposal price of the domestic waste collected. Staff costs also continue to increase through union based salary increases that are beyond standard rate cap levels. China sword has also significantly changed the markets for recycled products significantly increasing the cost of recycling. Rate pegging costs is not ideal with the industry changes that are being experienced.

The idea of creating a register of successful contract values will not provide reductions in price as all Councils faces different issues with their domestic waste issues. Costs vary based on location, population densities, the number of services and the proximities to their disposal points. The register of contract prices will not drive down the prices obtained for services. A generic contract template would be useful for Council's considering moving to contractors to complete this work however Council's throughout the state are too different for valid comparisons to be made with this suggested database.

The document has a section that discusses the pensioner rebates and recommends that this subsidy should be funded from general revenue rather than domestic waste. The reason for this recommendation is that the domestic waste price does not then reflect the proportion of cost that this customers imposes on the system. The pensioner rebates are costed to domestic waste services in accordance with where the discount has been levied in accordance with the Local Government Act. General rates cannot afford to subsidise pensioner rate rebates for domestic waste and doing this then would not accurately reflect the income and expenditure for this service. Shifting this cost, to an already rate capped income, is not sustainable or achievable for Councils.

The proposal for IPART to provide additional oversight over domestic waste charges would be in addition to all the other NSW Government checks on Council operations. The waste sections of Council's are already highly regulated through the EPA and the completion of WARR returns and other EPA returns for the operation of Landfill sites. To provide another layer of oversight, with the already existing oversight through Council's financial auditors, seems to be excessive. Perhaps, IPART should be reviewing existing Council financial statements, together with WARR reports and contacting the council's with extreme rate rises rather than creating another level of reporting across the board for all Councils.

Domestic waste needs to continue to pay its share of Council corporate overheads as part of Council's finances. It is fully understood that domestic waste charges should be set to cover the service and not to generate a large reserve of money. This is understood and would be part of the Council Auditors brief to review not part of another process for local government to complete.

It appears that IPART are trying to establish a generic solution for waste for NSW despite Council's in NSW being unique with respect to their domestic waste services provided. We are not supportive of a potential capping on domestic waste rate rises, particularly as waste costs continue to increase. We do not believe that releasing a market obtained price for waste services throughout the state will help in reducing prices. While there are only two main contractors in the waste service, competition will always remain minimal. We are not supportive of changes to the charging of the domestic waste pensioner rebate to general fund for waste and we would also not support another layer of reporting with respect to the income generated for domestic waste. Council currently reports on waste to the EPA, in a number of formats and another layer of reporting is not required with any required checks being possible within existing regimes.

Yours faithfully



Marina Hollands
Director Utilities