

Domestic waste management charges - Discussion Paper

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Question	Response
Feedback and Submission Form	
Industry	Local Government
Review	Review of domestic waste management service charges
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1. Are there concerns with the prices councils charge for domestic waste management services? Why/why not?	No - I think DWM charges are far too cheap and do not reflect the true environmental and economic cost of collection, sorting of recyclables and landfilling (and its associated environmental costs - emission of landfill gas, dealing with leachate). Charges should vary between LGA's - some are part of regional groupings using a centralised collection and landfill facility which brings cost efficiencies, others operate independently and far from waste infrastructure. The DWM charges should reflect how thoughtful councils have been in future waste planning, and how far they are from appropriate facilities. It is not a one size fits all argument or an opportunity for cost cross-subsidisation. One of the reasons DWM charges have risen faster than inflation is that the NSW Waste Levy has risen faster than inflation. The costs of disposing of waste have increased beyond inflation. This is a deliberate policy disincentive to landfill to encourage better recycling. Also, many councils in recent years have included a green waste and/or food waste collection. This is a new cost (new collection, new processing facility etc.) for a new service which benefits residents and the environment (less landfill space consumed, less methane emissions). Again - this introduction of green/food waste services will result in a step change increase in costs, and may explain observed price increases seen since 2016, but it should be seen in the context of a new service which residents generally want, and improves environmental outcomes.
2. If there are concerns, how should IPART respond? For example, if IPART was to regulate or provide greater oversight of these charges, what approach would be the most appropriate? Why?	IPART should have no role in price setting - provision of waste services is a competitive marketplace with 128 councils in NSW and dozens of waste providers. Councils are subject to financial and performance audits under the Local Government Act and oversight by the Office of Local Government. The Audit Office could undertake strategic audits of DWM services in some councils to ensure transparency.

3. Would an online centralised database of all NSW councils' domestic waste charges allowing councils and ratepayers to compare charges across comparable councils for equivalent services (eg, kerbside collection), and/or a set of principles to guide councils in pricing domestic waste charges, be helpful? Why/why not?	No - you would not be making like comparisons. On the surface it will look like regional ratepayers are paying more for DWM services than for metro councils. This is because there are economies of scale and distance at play here. A database would only serve to distort perceptions about 'fairness' of DWM charges across councils (along regional - metro lines). Councils should be thoroughly transparent and accountable for the waste contracts they enter into with providers. That is all that is required.
4. Do you have any other comments on councils' domestic waste management charges?	The starting premise for IPART's inquiry seems to be that DWM charges have increased beyond inflation. This is a false concern given that the DWM services offered by councils have improved markedly during the same period (eg. introduction of green/food waste collections) and the true cost of waste management is now only becoming apparent in Australia given the recent disappearance of our cheap waste export markets to China. To deal with recyclables, properly manage landfills and process green/food waste is a costly service which we in Australia have had the luxury of taking for granted for far too long. The age of cheap, dump everything in landfill is on its way out and the true cost is now becoming more apparent. I am constantly amazed my council will pick up my 3 bins weekly/fortnightly and deal with all the recyclables/green waste and run a landfill for less than \$1000/yr. Have a look at what this costs in Europe or Japan. It is 3x more expensive.
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