

Domestic waste management charges - Discussion Paper

Submission date: 23 August 2020, 6:50PM

Receipt number: 25

Related form version: 4

Question	Response
Feedback and Submission Form	
Industry	Local Government
Review	Review of domestic waste management service charges
Document Reference	c1e253a1-4210-41d3-97de-3be8f315fce7
1. Are there concerns with the prices councils charge for domestic waste management services? Why/why not?	Please refer attached word document
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?	N/A
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?	Please refer attached word document
4. Do you have any other comments on councils' domestic waste management charges?	Please refer attached word document
5. Which Council do your comments relate to?	Cumberland Council
Your submission for this review:	Please refer attached word document
If you have attachments you would like to include with your submission, please attach them below.	IPART waste charges.docx
Your Details	
Are you an individual or organisation?	Individual
If you would like your submission or your name to remain confidential please indicate below.	Anonymous - my submission can be published but my name should remain anonymous
First Name	

Last Name	
Organisation Name	
Position	
Email	
IPART's Submission Policy	I have read & accept IPART's Submission Policy

Submission - Review of domestic waste management service charges

Are there concerns with the prices councils charge for domestic waste management services? Why/why not

I have concerns with the prices Cumberland Council charges for domestic waste management (DWM) services - and I have pointed this out to Council on several occasions, including in my submission regarding their 2020-2021 Operational Plan & Fees and Charges. But I never receive any real response.

I enclose Cumberland Council's 2019-20 and 2020-21 DWM charges below - to support my concerns flagged in this submission regarding Cumberland Council's DWM charges.

Domestic Waste Management Service Charges	2019-20	2020-21	\$ Increase	% Increase
240L garbage bin, 240L green waste and 240L recycling bin (single unit dwellings only)	\$626	\$650	\$24	4%
240L garbage waste bin and 240L recycling bin (former Holroyd only)	\$492	\$556	\$64	13%
120L /140L garbage bin, 240L green waste and 240L recycling bin	\$446	\$500	\$54	12%
120L garbage bin and 240L recycle bin (strata properties only)	\$426	\$480	\$54	13%
Commercial Waste Management Charge				
140L Garbage bin service collection once per week per bin/per week	\$10	\$10.50	50c	5%
240L Garbage bin service collection once per week per bin/per week	\$14	\$14.80	80c	6%
240L Garden waste bin collected once per fortnight per bin/per fortnight	\$5	\$5.30	30c	6%
240L Recycling bin collected once per fortnight per bin/per fortnight	\$5	\$5.30	30c	6%
660L Garbage bin service collection once per week per bin/per week	\$47.50	\$49.90	\$2.40	5%

Cumberland Council's DWM charges definitely are increasing faster than the rate peg and inflation

Please refer p.3 & 4 of IPART's Discussion Paper on local council DWM charges that state analysis indicates that generally DWM charges appear to be increasing faster than the rate peg and inflation.

Figure 1.1 looks at the cumulative percentage increase in DWM charges, inflation rate and rate peg from 2014-15 to 2017-18 - and I note the average residential rate cumulative percentage increase for metropolitan councils from 2014-15 to 2017-18 is 12.4%.

Yet under Cumberland Council -as per the 2020-2021 increases listed above:

- the main domestic rates have gone up 12-13% in a single year!
- the commercial bin rate went up 5-6%
- strata percentage increases were higher than the single dwelling rate - as both increased the same amount ie \$54

Increases in Cumberland Council's DWM charges are greater than the metropolitan average annual DWM charges

P. 36 of the Discussion Paper states that the annual % increase in the residential DWM rate (\$/year) 2011-12 to 2017-18 for metropolitan Councils is 5%.

The figures quoted above reflect that the increase this year for Cumberland Council's residential DWM rate was an average of 10.5%!

Inequities between strata and home owner & commercial DWM charges

I asked Cumberland Council why there were the above inequities in percentage increases when their Draft Operational Plan and Fees & Charges 2020-2021 were placed on exhibition - but was given no real feedback - although their Business Paper (1/4/20 C04/20-408 Draft Operational Plan 2020-21 and Fees & Charges) stated Council had observed large increases in waste disposal costs.

Council has repeatedly told me the cost of waste services is not directly related to the volume of waste and recycling disposal capacity at individual properties, but rather the provision of the waste services to the community as a whole.

- So I asked why is there such a differential in the hike in domestic and commercial waste rates - with commercial rates increasing 5.6% and residential rates increasing 10.5% on average.

Council has also repeatedly talked of the problem of rate harmonisation and the inability of certain demographics to afford rate increases - so I asked why is Council not making waste charge increases more equitable.

- In the previous year, the increase in charges between commercial and domestic waste charges was quite equitable.
- I asked why there was such an apparent anomaly between the percentage increases (domestic and commercial) in the waste service charges proposed this year by Council.

I pointed out that I understood Council needs to balance a sadly struggling DWM budget - but most Council ratepayers would not have received a 12-13% pay rise or pension rise in the past year. And it's a known fact that Cumberland LGA has one of the lowest socio-economic demographics in the Sydney region, with limited ability to continually pay substantial increases.

I also pointed out that inequitable and unfair structures also seemed to be compounded in the proposed DWM charges - when surely Council needed to harmonise DWM charges between its ratepayers.

- I asked why the former Holroyd Council domestic rate (and the strata rate that was only applied for the first time to the former Holroyd area last year) has risen by 13% and the other main single dwelling domestic rate only increased by 12%.
 - And I pointed out that the inequity in this difference was surely reflected through the fact that the former Holroyd Council had established a waste reserve of over \$7 million - which the Administrator distributed by crediting a \$210 payment to each Holroyd ratepayer's rate assessment. (I believe he should have awarded a larger proportion to the strata ratepayers of Holroyd - but such anomalies in waste management fees between ratepayers should not be allowed to start again, through varied percentage increases).
- If Council says the cost of waste services is not directly related to the volume of waste and recycling disposal capacity at individual properties, why should strata rates increase 13%, not 12%.
 - Both categories increased the same - by \$54 per annum.
 - Is it fair and reasonable for strata ratepayers are now to pay an extra (larger) percentage increase, over and above suburban neighbours - matching their 'suburbia' neighbours in both having to pay an extra \$54?
- And I also asked this question particularly because - as a strata ratepayer - I'm still being asked to pay for a 240L recycling bin even though I'm only allocated one third of a 240L recycling bin as per Council's DCP. Is this fair and reasonable?
- There is only a \$20 annual differential between strata ratepayers and those in single dwellings who opt to have an extra 240L bin for green waste.
 - Strata ratepayers are surely subsidising single dwelling ratepayers who have an extra bin picked up?
 - And surely IPART's Discussion Paper through Figure A.5 on p.29 provides evidence of this - reflecting the different DWM services, showing estimates of the cost components of the different services.
(I note the table indicates a green bin costs \$81.03 per bin per year, yet strata ratepayers are not provided with such a bin).
- Shouldn't charges better reflect service delivered and provided - and the differentials between the strata ratepayers and other ratepayers should be more varied.
- The varying differentials in increases don't seem equitable – and there seems to be no harmonisation of waste charges between ratepayers (unit dwellers and house dwellers) in this regard.

Household waste and recycling is one of the areas that continually generates resident (and Councillor) comment - and dissatisfaction. It's surely a priority area for Council to get right - one of Council's traditional 3 Rs - rubbish, roads and rates!

Former Holroyd Council DWM reserve (surplus) of \$7million

At amalgamation, how did the former Holroyd Council manage to have a waste reserve of over \$7 million - yet Auburn and Parramatta had no waste reserve? (This reserve was subsequently distributed to the former Holroyd Council ratepayers by the Administrator crediting \$210 to each Holroyd ratepayer's rate assessment).

Until 2019, the former Holroyd Council ratepayers still had no strata DWM fee structure - and continued to be charged DWM fees under the same structure as they always had - the same as traditional house owners - but I gather surpluses post amalgamation must no longer have been achieved.

The cessation of achieving a surplus doesn't seem quite right to a former Holroyd Council ratepayer - and raises questions:

- If Council is no longer able to generate a surplus does this mean DWM collection services are being carried out less efficiently?
- Do residents in part of the amalgamated Council need more education regarding waste collection, recycling and illegal dumping etc?

Democratic process of elections doesn't impact DWM charges

I note p.12 of the Discussion Paper states that the democratic process, which allows rate payers to vote councils in and out based on their levels of satisfaction with services and charges (amongst other factors), provides some check on councils' DWM charges.

This is absolutely not true - because unless an individual is part of a political machine - it's almost impossible for any 'outsider' to enter Council. Potential Cumberland Councillors certainly don't seem to have election agendas that include changing DWM charges - and I don't believe DWM charges have ever been mentioned at election time. (Regrettably it seems Cumberland Councillors are simply elected according to the size of their party machine - and the number of personnel that can be provided at all the various polling booths - to hand out 'how to vote' leaflets).

Furthermore, DWM charges seem to be set by Council Officers - and merely rubber stamped by Councillors.

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?

Reporting and bench marking regime would be useful

As flagged in the Discussion Paper, a reporting, monitoring and benchmarking regime and the development of pricing principles for setting DWM charges could be useful to:

- Improve transparency and council accountability in the setting of DWM charges
- Inform future regulatory decisions on DWM charges.

I had asked the former Holroyd Council (and newly amalgamated Cumberland Council) why strata unit ratepayers had to pay for 1 x 240L waste bin 1 x 240L recycling bin when we only had access to one third of a 240L recycling bin and half a waste bin. And I was simply repeatedly told that waste removal charges are shared by the whole LGA.

But when Cumberland Council had to start to harmonise its DWM charges, as a unit owner, I was finally given a general waste strata DWM rate - I imagine as the former Auburn ratepayers were charged a reduced strata rate!

Had there been access to a transparent reporting, monitoring and benchmarking regime for DWM charges in the past, I obviously could have become aware of a strata DWM rate - which would have clarified this issue for me. (And then perhaps this issue could have been addressed ages ago - and years of overcharging would not have eventuated - and we could have asked for the Holroyd DWM surplus to be more fairly divided between strata ratepayers, not all Holroyd ratepayers!)

Please note:

I am still charged for a full re-cycling bin even though I am only provided access to one third of a recycling bin - as part of Council's DWM provision for my strata unit block.

Enhancing transparency for customers / Issue of strata rates

I note p.21 of the Discussion Paper states the DWM charge customers face for each service should be simple and transparent. Where councils offer different size bins, the costs should be separately displayed - as should there also be a separately identified charge for each service: general waste (red bin), recycling (yellow bin) and organics (green bin). And this would also empower ratepayers/customers to scrutinise their own council's charges and compare DWM charges and service provision with other councils.

This obviously still doesn't happen under Cumberland Council:

- I still am charged for a full re-cycling bin even though I am only provided access to one third of a recycling bin - as part of Council's DWM provision for my strata unit block.
- There is only a \$20 annual reduction between strata ratepayers and those in single dwellings who opt to have an extra 240L bin for green waste.
 - Strata ratepayers are surely subsidising single dwelling ratepayers who have an extra bin picked up each fortnight?

Do you have any other comments on councils' domestic waste management charges?

Clean-up services / illegal dumping / trolley dumping

'Free' clean-up services are definitely needed, particularly in areas of large unit numbers with high turnover of itinerant tenants who seem to have less regard for their surrounding environment - who have little storage space - may have no cars or trailers to deliver to a drop-off service - and may have come from countries where the norm has been to dump rubbish in the street.

Discussion with - and regulation of - shopping centres is also needed with regard to trolley dumping. (Trolleys should not be able to be taken from the shopping centres).

Cumberland Council needs an appropriate Waste and Resource Recovery Strategy

- Cumberland Council needs an appropriate Waste and Resource Recovery Strategy that contains quantifiable KPIs - it needs to include Service Performance Measures with Targets. (Shouldn't Service Performance Measures and Targets be included with actions to undertake identified - in an attempt to better manage our waste?)

And surely the ongoing problem dealing with rubbish in Cumberland - as flagged repeatedly at Council meetings - suggests the Service Performance Measures used that simply quantify numbers - eg number of waste education workshops held and attendees - are ineffective and different measures need to be developed and used.

Targets need to become more substantive and solid - not 'waffle'.

As suggested repeatedly to Cumberland Council, surely more quantifiable performance indicators are needed to truly facilitate continuous improvement? For example, a more useful KPI to include in a Strategy could be *'5-10% reduction in illegal dumping'* - not just *'100% illegal dumping incidents collected'*.

But, as said to Council before, I do realise such a different KPI could result in Council not meeting a KPI - and Council always seems to set KPIs that are achievable - which does defeat the purpose of setting Service Performance Measures to facilitate continuous improvement.