

# 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
Document Reference	c1e253a1-4210-41d3-97de-3be8f315fce7
1. Are there concerns with the prices councils charge for domestic waste management services? Why/why not?	
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?	
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?	
4. Do you have any other comments on councils' domestic waste management charges?	
5. Which Council do your comments relate to?	
Your submission for this review:	
If you have attachments you would like to include with your submission, please attach them below.	<a href="#">Domestic Waste Management 2020.pdf</a>
Your Details	
Are you an individual or organisation?	Organisation
If you would like your submission or your name to remain confidential please indicate below.	Publish - my submission and name can be published (not contact details or email address) on the IPART website
First Name	Vicki

Last Name	Mayo
Organisation Name	Local Government Professionals Australia, NSW
Position	Chief Executive Officer
Email	[REDACTED]
IPART's Submission Policy	I have read & accept IPART's Submission Policy

20 October 2020

Ms Sheridan Rapmund  
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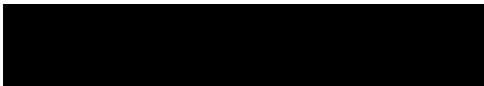
Dear Ms Rapmund

Thank you for the opportunity to provide feedback on the discussion paper on domestic waste management charges levied by local councils.

Local Government Professionals Australia, NSW is the leading association representing the professionals in NSW local government. We are committed to maintaining high professional and ethical standards throughout the sector and ensuring that our members are at the forefront of change and innovation.

On behalf of our members, please find below responses to the questions outlined in the discussion paper.

Kind regards



Stewart Todd  
President

**Is it a concern that DWM charges appear to be rising faster than the rate peg? Are there particular cost-drivers that may be contributing to this?**

*LG Professionals, NSW has no concerns with the price councils are charging for domestic waste management. These charges reflect the costs associated with providing this service to the community. DWM charges increasing faster than rate peg is a reflection of industry increases and variations as well as the increased expectations of communities.*

**To what extent does the variation in services and charges reflect differing service levels, and community expectations and preferences across different councils?**

*There are many contributing factors as to why fees and charges vary between councils across the state. There is regular consultation with communities regarding service levels, including domestic waste management and charges, and the fees and charges are set to reflect the level of service provided to meet community expectation.*

**Is there effective competition in the market for outsourced DWM services? Are there barriers to effective procurement?**

*Our experience indicates that there is effective competition within the market and DWM services can be outsourced. The decision to outsource or provide the service in-house should remain solely with the local council.*

**Are overhead expenses for DWM services appropriately ring-fenced from general residential rates overhead expenses?**

*Councils can determine the costs of service delivery by area and therefore can 'ring-fence' these overheads from those incurred in delivering other essential services. As part of the Performance Excellence Program, that 49 councils in NSW subscribe to, we can determine the service delivery cost of solid waste management as compared to other services. The allocation of overheads should remain the responsibility of councils, which should be an auditable, transparent transaction and only levied against DWM charges where applicable.*

**If IPART was to regulate or provide greater oversight of DWM charges, what approach is the most appropriate? Why?**

*LG Professionals, NSW does not support DWM charges being regulated by IPART as the environment and market is regularly changing and the charge should be adjusted to reflect this active industry.*

**Are there any other approaches that IPART should consider?**

*LG Professionals, NSW supports waste services being customised and relevant for each council's community.*

**If a reporting and benchmarking approach was adopted, how could differences in services and service levels, as well as drivers of different levels of efficient cost, be accounted for?**

*Additional guidance, where it is developed in consultation with the sector, could improve consistency across the states in regard to the principles underpinning the setting of fees and charges.*

*LG Professionals, NSW does not support a reporting and benchmarking approach which adds a reporting burden being placed on councils. We would welcome the opportunity to work with IPART to refine the questions asked within the Performance Excellence Program so councils can easily report this as part of their annual reporting to the OLG.*

**Is there merit in IPART's proposed approach to developing a reporting, monitoring, and benchmarking approach and pricing principles for setting DWM charges? Is it likely to be an effective approach? Why/why not?**

*As above, LG Professionals, NSW does not support additional reporting burdens on councils, but we do support working with the sector to develop sector wide principles for setting fees and charges. Developing these principles / guidelines will provide clarity for all councils.*

**Are there any issues that should be considered with regards to developing an online centralised database for all NSW councils' DWM charges to allow councils and ratepayers to benchmark council performance against their peers?**

*LG Professionals, NSW supports the open and transparent disclosure of fees and charges by all councils. A comparative, online database (similar to what is in existence from the OLG based on council's current annual returns) would provide some benefit from a management and community awareness perspective, however, as with any metric studied in isolation, will in many communities cause discontent where a higher charge is levied in adjoining LGAs (despite a higher level of service delivery). There should also be consideration to ensure this does not become a reporting burden for councils.*

**Do you agree with IPART's proposed pricing principles? Why/why not?**

*LG Professionals, NSW agrees with the proposed pricing principles and see how the principles would provide guidance to local councils in setting their DWM charges.*

**Could a centralised database and display of key elements of all successful DWM service contracts (eg, name of tenderer, service provided and contract amount) assist councils in procuring efficient services? If not, why not?**

*LG Professionals, NSW does not see merit in a centralised database to display key elements of successful DWM service contracts, as the limited detail will not give context to the tender specifications which could be to the detriment of either party. The current tender guidelines*

*and group procurement through ROCs and JOs should ensure the current processes deliver the best outcomes*