

2015/16 Residential Waste Management Utility Price Benchmarking Report

Large Queensland Councils



Outcomes Summary

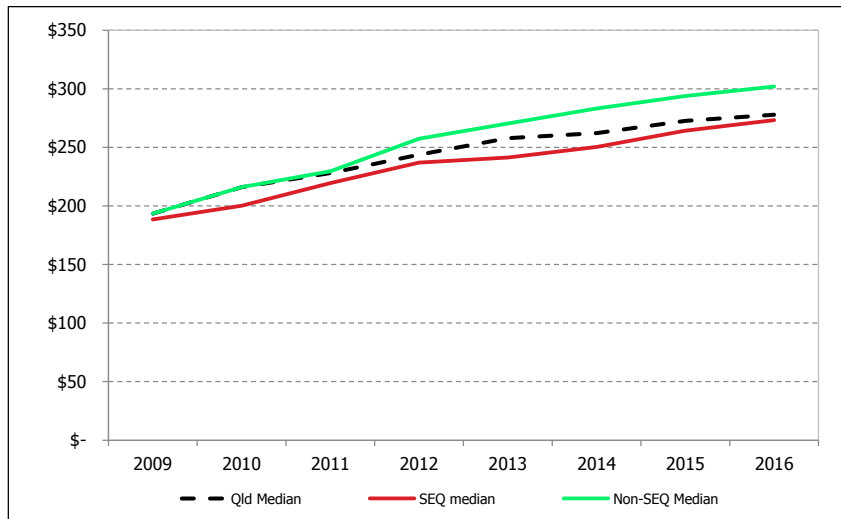
AEC Group Pty Ltd (AEC) is an industry leader in the waste sector, having provided advice to a large number of clients across Australia in relation to financial and pricing outcomes and business strategies. We have developed a purpose-built, long-term waste management costing and pricing financial model that has already experienced a high level of take-up by Queensland local governments. If you require assistance regarding any aspect of your waste business/function, please don't hesitate to contact Gavin O'Donovan, Director and Principal Consultant, on (07) 3831 0577 or gavin.odonovan@aecgrouppltd.com.

Waste Collection Service Utility Pricing

The Queensland industry median waste collection service utility charge for residential customers serviced by large Councils was calculated as \$277.83, an increase of 1.9% on the prior year median of \$272.55. Overall, the increase in median collection service utility charges in 2015/16 was quite modest.

The non-SEQ median charge is higher than the median SEQ charge – with the current difference being \$29 – although this differential appears to have stabilised in recent years.

Median Residential Waste Collection Service Utility Charge over Time, 2008/09-2015/16



Source: AEC

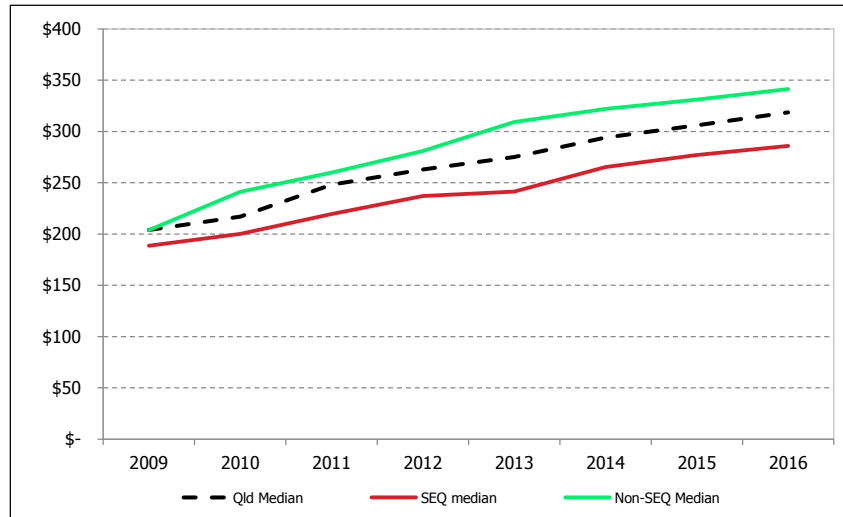
Looking forward, waste collection service utility charge increases will be increasingly dependent on the disposal cost associated with landfilling collected waste and the waste diversion strategy adopted at the local level (e.g. if third green waste or organics bins are mandated).

Waste Collection Service and Other Rates/Charges

Including other rates and charges relating to waste management functions (e.g. separate charges levied to help fund waste management facility provision) with collection service utility charges, the median waste management charge levied on residential assessments is \$318.55, which is 4.1% higher than the prior year median of \$306.00. Overall, increases in waste management charges appear to have moderated somewhat over the past two years.

The median charge in non-SEQ areas is presently \$55 higher than in SEQ areas, with much of this difference is attributed to the greater prevalence of waste management separate charges in non-SEQ areas given an increased need for alternative funding sources for waste disposal facilities which feature considerably lower volumes of self-haul waste.

Median Residential Total Waste Management Charge over Time, 2008/09-2015/16



Source: AEC

Looking forward, increasing cost pressures will continue to be experienced in relation to the provision of modern waste transfer and disposal facilities and the rehabilitation of an increasing number of closed landfills, placing pressure on the traditional funding sources of collection service utility charges and disposal fees. As such, a greater reliance on other funding sources such as waste management separate charges is likely to occur.

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1. Residential Waste Management Utility and Other Charges

The following table provides detailed information on the waste management utility and other charges levied in 2014/15 by large Queensland Councils on a normal residential property.

Waste Residential Price Benchmarking for Large Service Providers in Queensland

Council	Properties – Collection Service Area				Properties – Outside Collection Service Area				Notes
	Collection Service Charge	Discount	Other Charge/Levy	Discount	Utility Charge	Discount	Separate or Special Charge	Discount	
SOUTH-EAST QUEENSLAND (SEQ)^(a)									
Brisbane	\$296.68	0%	0.0151 cents in the dollar UCV (min. \$26.80) on all rateable properties <i>Separate Rate</i>	0%	Nil	n.a.	0.0151 cents in the dollar UCV (min. \$26.80) on all rateable properties <i>Separate Rate</i>	0%	<ul style="list-style-type: none"> * Collection service includes a weekly general refuse service (120L, 140L or 240L) and a fortnightly recycling service (240L or 340L, with a \$30.00 establishment fee if 340L is requested) * The charge levied on Moreton Island properties is higher at \$376.16 * An Environmental Management and Compliance Levy is levied on all rateable land in addition to the collection service charge to cover costs associated with the protection and enhancement of the natural environment (including landfill issues) and in meeting its requirements under the EPA Act 1994 – only a portion of the revenue collected from this levy is applied to fund waste management activities, with the remainder being applied to fund environmental initiatives * The charge is levied on a differential basis by rate category and is calculated by applying a rate in the dollar UCV (subject to a minimum annual charge) * Optional fortnightly kerbside green waste bin collection services apply across the city at a cost of \$76.36 (after an initial \$30.00 establishment fee)
Gold Coast	\$260.30	0%	Nil	n.a.	Nil	n.a.	Nil	n.a.	<ul style="list-style-type: none"> * Collection service includes a weekly general refuse service (80L, 140L, 240L or 360L) and a fortnightly recycling service (240L or 360L), excluding South Stradbroke Island where no recycling service is offered but the same charge is levied * Where a 360L general refuse bin is provided, the service charge increases to \$442.00 * An optional fortnightly 240L green waste service is available for \$52.00 per annum in urban areas and \$57.00 per annum in urban and park living areas
Ipswich	\$326.00	0%	Nil	n.a.	Nil	n.a.	Nil	n.a.	<ul style="list-style-type: none"> * Collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L) * Optional fortnightly kerbside green waste bin collection services are available at a cost of \$70.00

Council	Properties – Collection Service Area				Properties – Outside Collection Service Area				Notes
	Collection Service Charge	Discount	Other Charge/Levy	Discount	Utility Charge	Discount	Separate or Special Charge	Discount	
Lockyer Valley	\$246.00	5%	\$150.00 per assessment <i>Utility Charge</i>	0%	\$150.00 per assessment <i>Utility Charge</i>	0%	Nil	n.a.	* Collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L) * A Waste Management (Utility) Charge of \$150.00 is levied on all land in the region to fund recurrent and capital expenditure and the administration costs associated with the provision, improvement and management of Council's waste management facilities, in addition to a portion being allocated for other environmental initiatives.
Logan	\$272.00	5%	Nil	n.a.	Nil	n.a.	Nil	n.a.	* Standard collection service includes a weekly general reuse service (240L) and fortnightly recycling service (140L or 240L) * Properties requiring only a 140L general refuse service benefit from a reduced charge of \$259.00
Moreton Bay	\$237.00	0%	Nil	n.a.	Nil	n.a.	\$107.00 per residential property <i>Special Charge</i>	0%	* Collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L) * Properties requiring only a 120L general refuse service benefit from a reduced charge of \$219.00 * A Rural Recycling and Waste Management Special Charge of \$107.00 is levied on residential properties not receiving a collection service to help fund the cost associated with the availability and management of recycling and waste disposal facilities (commercial premises are also levied a special charge)
Noosa	\$275.00	0%	Nil	n.a.	Nil	n.a.	Nil	n.a.	* Collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L) * A 140L general refuse and 240L recycling service is available at a reduced price of \$253.00 per annum * An optional fortnightly 240L green waste bin service is available for \$65.00 per annum
Redland	\$342.50	0%	\$40.00 per lot <i>Separate Charge</i>	0%	Nil	n.a.	\$40.00 per lot <i>Separate Charge</i>	0%	* Standard collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L) * Bay Islands features a higher charge of \$371.00, and is deemed to be the service area that includes Southern Moreton Bay Islands, North Stradbroke Island and Coochiemudlo Island * A number of different bin configurations can be selected, e.g. a 140L general refuse service features a reduced charge of \$266.50 for Mainland and \$335.50 for Bay Islands * A Landfill Remediation Separate Charge of \$40.00 per lot is charged to ensure long term funding for the remediation of all closed landfills to manage financial, safety and environmental risks to meet statutory requirements and wider community benefit. * Optional fortnightly kerbside green waste bin collection services are available at a cost of \$54.50





Council	Properties – Collection Service Area				Properties – Outside Collection Service Area				Notes
	Collection Service Charge	Discount	Other Charge/Levy	Discount	Utility Charge	Discount	Separate or Special Charge	Discount	
Scenic Rim	\$314.00	0%	Nil	n.a.	\$97.00 per assessment Utility Charge	0%	Nil	n.a.	* Collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L) * A Waste Disposal Utility Charge is levied on residential and rural properties that do not receive a Council kerbside waste and recyclables collection or Council bulk bin service to fund recurrent and capital expenditure and administration costs associated with the ongoing operation, maintenance and upgrading of Council's waste management facilities.
Sunshine Coast	\$271.40	0%	Nil	n.a.	\$121.00 per assessment excluding vacant land Utility Charge	0%	Nil	n.a.	* Standard collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L or 360L) * The charge reduces to \$235.00 where a 140L general refuse bin exists – it is important to note that there is a significant take-up of the 140L general refuse bins * Optional fortnightly kerbside green waste bin collection services apply across the region at a cost of \$60.00 (\$120.00 annual charge x 50% as serviced fortnightly) * A Waste Management Facility Charge of \$121.00 per annum is levied on all rateable properties (excluding vacant land) not levied a waste collection utility charge
OTHER QUEENSLAND									
Bundaberg	\$325.00	0%	Nil	n.a.	Nil	n.a.	Nil	n.a.	* Collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L)
Cairns	\$357.62	0%	Nil	n.a.	\$178.80 per rateable property requesting waste to be collected (South Woolanmaroo Reserve and Russell Head Reserve East Russell) Utility Charge	0%	Nil	n.a.	* Collection service includes a weekly general refuse service and a fortnightly recycling service * A cleansing minimum charge of \$178.80 is levied on all rateable properties in South Woolanmaroo Reserve and Russell Head Reserve East Russell where those ratepayers have signed an agreement for Council to remove household refuse from an agreed location

Council	Properties – Collection Service Area				Properties – Outside Collection Service Area				Notes
	Collection Service Charge	Discount	Other Charge/Levy	Discount	Utility Charge	Discount	Separate or Special Charge	Discount	
Fraser Coast	\$359.00	10%	Nil	0%	Nil	n.a.	\$87.00 per separate parcel of rateable land Separate Charge PLUS \$359.00 (Fraser Island only) Special Charge	0% 10%	<ul style="list-style-type: none"> * Standard collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L) * A Fraser Island Garbage Levy of \$359.00 is applied to properties on Fraser Island * A Minimum Waste Service Charge of \$287.00 per annum is levied on all occupied land or structures within the defined waste collection area but not levied a waste collection utility charge * The Waste Management Levy of \$87.00 is included in the collection service charge and is only separately levied on properties who do not receive a bin service (e.g. rural residential properties and vacant urban properties) to help fund the ongoing waste reform process * Discount does not apply to the waste management levy (if not included as part of the collection service charge)
Gladstone	\$290.00	10%	Nil	n.a.	Nil	n.a.	Nil	n.a.	<ul style="list-style-type: none"> * Standard collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L) * Properties taking up a smaller general refuse service (140L) are levied a lower charge of \$272.00 * Properties taking up a larger recycling service (340L) are levied a higher charge of \$314.00
Gympie	\$303.42	5% 1 st rate notice 10% 2 nd rate notice	\$85.00 per assessable property Separate Charge	5% 1 st notice 10% 2 nd rate notice	\$230.00 (ex-Coolooloa) \$90.00 (ex-Kilkivan/Tiaro) Utility Charge	5% 1 st notice 10% 2 nd rate notice	\$85.00 per assessable property Separate Charge	5% 1 st notice 10% 2 nd rate notice	<ul style="list-style-type: none"> * Collection service includes a weekly general refuse service and a fortnightly recycling service * Properties in the Rainbow Beach town ship are levied a collection charge of \$377.98 * Properties in the ex-Coolooloa, Kilkivan and Tiaro shires who do not receive a contracted collection service are levied a waste management operational charge of \$230.00 (Coolooloa) and \$90.00 (Kilkivan / Tiaro) * A Waste Management Separate Charge of \$85.00 is levied on all assessable properties (excluding forestry, mining and special leases, occupation and stock permits) for the purpose of funding the closure of existing waste sites, waste transfer stations, the purchase and development of a central waste site, and other waste management strategies
Livingstone	\$433.60	10%	\$55.10 per rateable assessment Separate Charge	0%	Nil	n.a.	\$55.10 per rateable assessment Separate Charge	0%	<ul style="list-style-type: none"> * Collection service includes a weekly general refuse service and a fortnightly recycling service (excluding Great Keppel Island and Ogmore) * Properties on Great Keppel Island are provided an appropriate number of 140L general refuse services at a central station to hold domestic general waste which are disposed once per week * Ogmore properties are provided a fortnightly general waste only service for \$215.00 * A Natural Environment Separate Charge of \$55.10 per annum is levied per rateable assessment for the purpose of defraying part of the cost of formulating and implementing environmental initiatives including waste management initiatives



Council	Properties – Collection Service Area				Properties – Outside Collection Service Area				Notes
	Collection Service Charge	Discount	Other Charge/Levy	Discount	Utility Charge	Discount	Separate or Special Charge	Discount	
Mackay	\$256.80	10%	\$146.60 per rateable assessment <i>Utility Charge</i>	10%	\$146.60 per rateable assessment <i>Utility Charge</i>	10%	Nil	n.a.	<ul style="list-style-type: none"> * Standard collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L) * The Waste Facilities Operations Levy is levied as a utility charge to help offset the residual cost involved in providing waste management facilities not recouped from user charges, as well as help meet public expectations in matters of disposal of refuse that affect public health and visual amenity * Six (6) vouchers for the disposal of domestic refuse at Council's waste disposal facilities are included as part of the Waste Facilities Management Levy to residential ratepayers.
Rockhampton	\$384.10	10%	\$51.00 per rateable assessment <i>Separate Charge</i>	0%	Nil	n.a.	\$51.00 per rateable assessment <i>Separate Charge</i>	0%	<ul style="list-style-type: none"> * Collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L) * A Natural Environment Separate Charge of \$51.00 is levied on each rateable assessment to help fund the cost of environmental projects, including various waste management initiatives contributing to environmental outcomes
Toowoomba	\$220.40	0%	\$60.00 per rateable assessment <i>Separate Charge</i>	10%	\$55.42 per rateable assessment <i>Utility Charge</i>	0%	\$60.00 per rateable assessment <i>Separate Charge</i>	10%	<ul style="list-style-type: none"> * Collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L) * An optional green waste service exists in the Toowoomba District area only at a cost of \$37.00 * A mandatory Waste Management Facility charge of \$55.42 is levied on all assessments where no collection charges are applied. * An Environmental Levy of \$60.00 per rateable assessment is levied for the purposes of implementation of the Waste Management Strategic Plan which includes the consolidation, rationalisation and improvements to Council's waste management facilities and rehabilitation of closed landfill sites
Townsville	\$223.00	0%	Nil	n.a.	Nil	n.a.	Nil	n.a.	<ul style="list-style-type: none"> * Standard collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L) * A higher charge of \$248.00 is levied if the recycling service is increased to 360L * A general refuse only service is provided to properties in the Paluma area for \$167.00 * Eight (8) vouchers for the disposal of domestic refuse at Council's landfill sites are included as part of the collection service charge

Source: AEC, assorted service providers

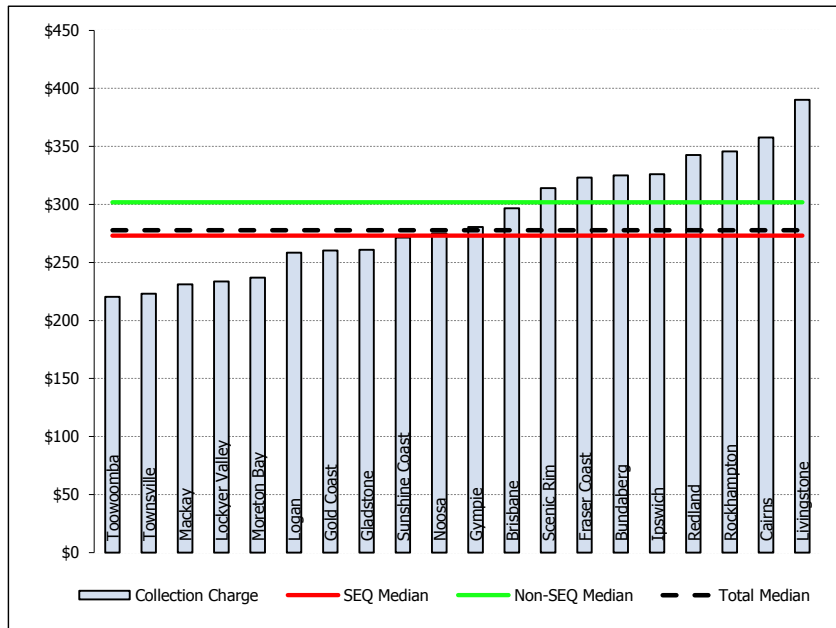
Notes: (a) The same classifications as that adopted for water (i.e. SEQ Water Grid versus Other Queensland) are retained for waste management charging for consistency.

2. Comparison of Residential Waste Collection Service Utility Charges

NOTE: Historic benchmarks have been recalculated to include the de-amalgamated Noosa and Livingstone Councils, and the benchmark sample now consists of 10 SEQ and 10 non-SEQ Councils.

The graph below compares annual residential waste collection service utility charges (net of any relevant discount), selecting the main area/s of service provision within each region. (Note that this comparison excludes the impact from any separate charges or levies that may also apply.) The industry median charge is \$277.83, an increase of 1.9% on the prior year median of \$272.55.

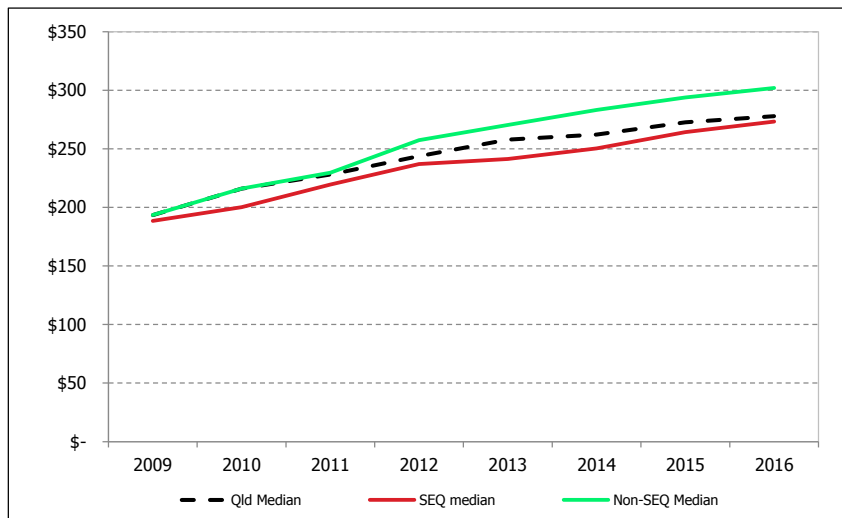
Median Residential Waste Collection Service Utility Charge (net of discount), 2015/16



Source: AEC

The following graph provides a summary of SEQ and non-SEQ median residential waste collection service utility charges over time. It is evident that the non-SEQ median charge is higher than the median SEQ charge – with the current difference being \$29 – although this differential appears to have stabilised in recent years.

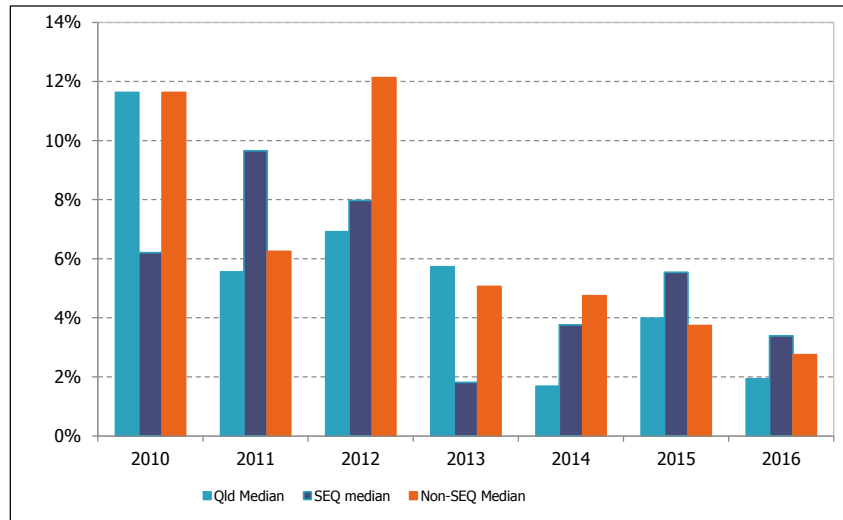
Median Residential Waste Collection Service Utility Charge over Time, 2008/09-2015/16



Source: AEC

The following graph provides a summary of annual percentage increases in SEQ and non-SEQ median residential waste management utility charges over time. Overall, the increase in median collection service utility charges in 2015/16 was quite modest.

Increase in Median Residential Waste Management Utility Charge over Time, 2008/09-2015/16



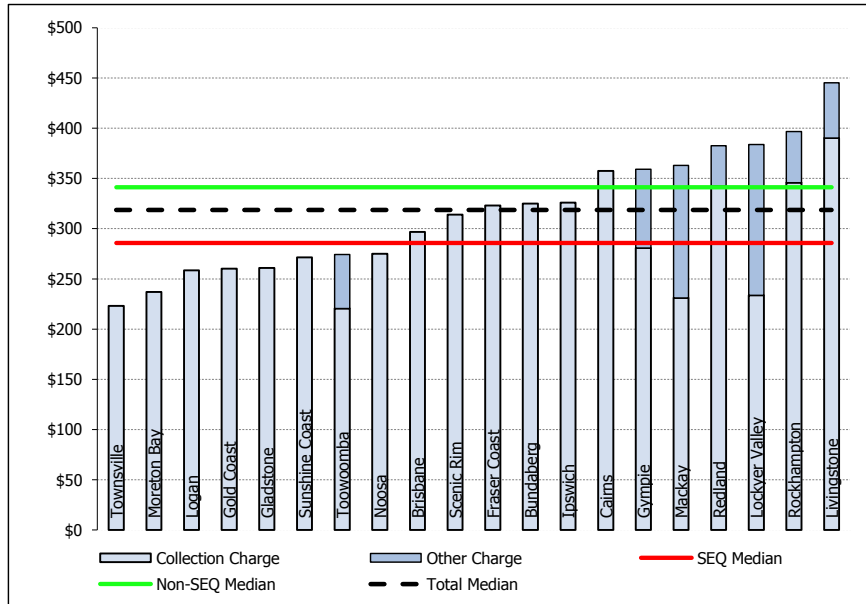
Source: AEC

3. Comparison of Total Residential Waste Management Utility and Other Charges

NOTE: Historic benchmarks have been recalculated to include the de-amalgamated Noosa and Livingstone Councils, and the benchmark sample now consists of 10 SEQ and 10 non-SEQ Councils.

The graph below compares annual residential waste management utility and other charges (net of any relevant discount), selecting the main area/s of service provision within each region. The median charge of \$318.55 is 4.1% higher than the prior year median of \$306.00.

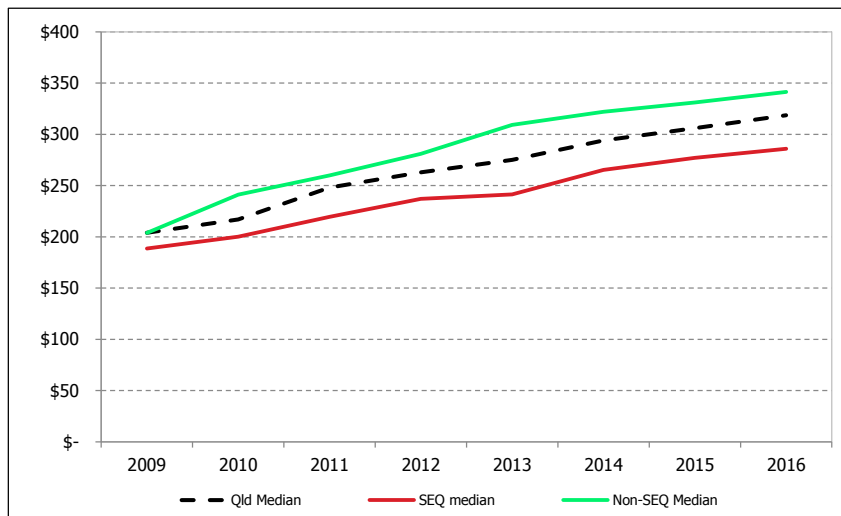
Median Residential Total Waste Management Charge (net of discount), 2015/16



Note: Brisbane has an Environmental Management and Compliance Levy, but it has been excluded due to the methodology associated with the calculation of the levy (i.e. rate in the dollar calculation, only a proportion being allocated to waste management activities). Source: AEC

The following graph provides a summary of SEQ and non-SEQ median total residential waste management charges over time.

Median Residential Total Waste Management Charge over Time, 2008/09-2015/16



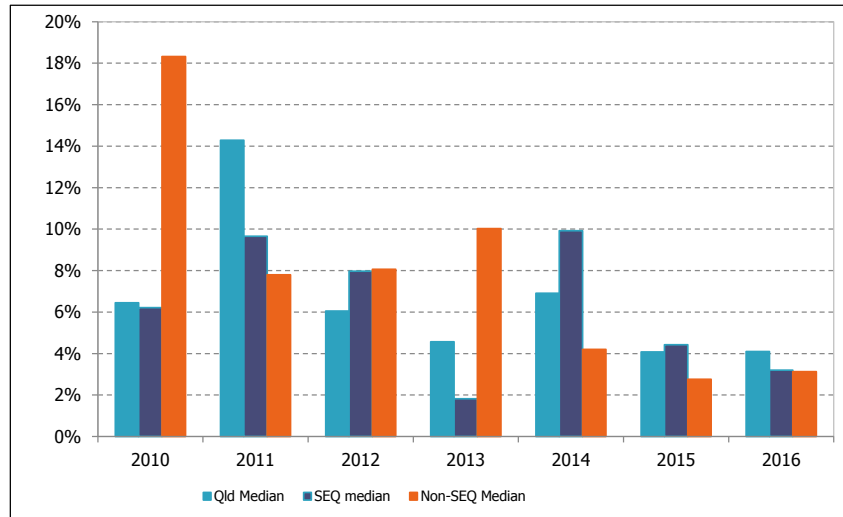
Source: AEC

The median charge in non-SEQ areas is presently \$55 higher than in SEQ areas, with much of this difference is attributed to the greater prevalence of waste management separate

charges in non-SEQ areas given an increased need for alternative funding sources for waste disposal facilities which feature considerably lower volumes of self-haul waste.

The following graph provides a summary of annual percentage increases in SEQ and non-SEQ median residential waste management charges over time. Overall, increases in waste management charges appear to have moderated somewhat over the past two years.

Increase in Median Total Waste Management Charge over Time, 2009/10-2015/16



Source: AEC



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