

# 2014/15 Residential Waste Management Utility Price Benchmarking Report

Large Queensland Councils



**AECgroup**

## Outcomes Summary

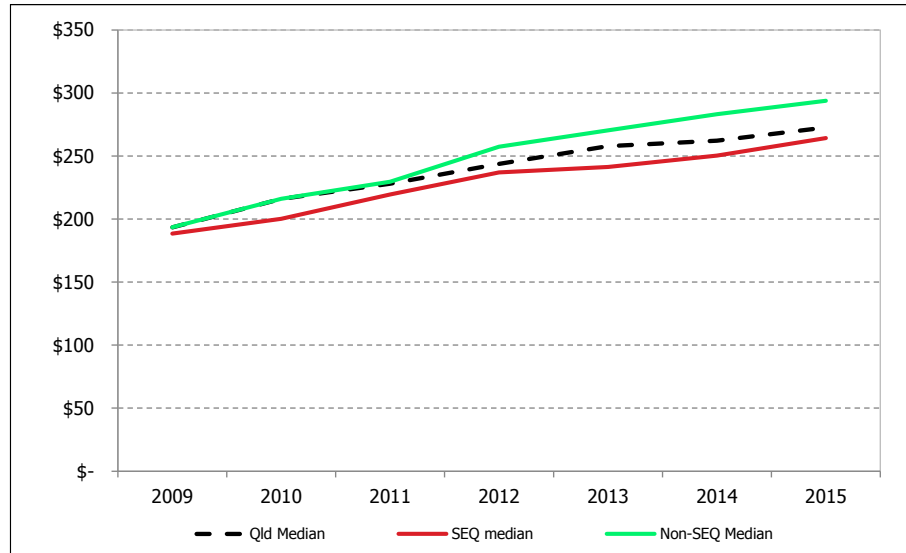
**AEC Group Pty Ltd (AEC) is an industry leader in the waste sector, having provided advice to a large number of clients across Australia in relation to financial and pricing outcomes and business strategies. We have developed a purpose-built, long-term waste management costing and pricing financial 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@aecgroup.com](mailto:gavin.odonovan@aecgroup.com).**

### Waste Management (Collection Service) Utility Pricing

The Queensland industry median waste management (collection service) utility charge for residential customers serviced by large Councils was calculated as \$272.55, an increase of 4.0% on the prior year median of \$262.09.

The non-SEQ median charge has been increasing more rapidly than the median SEQ charge in recent years, with the current difference being just under \$30.

**Median Residential Waste Management Utility Charge over Time, 2008/09-2014/15**



Source: AEC

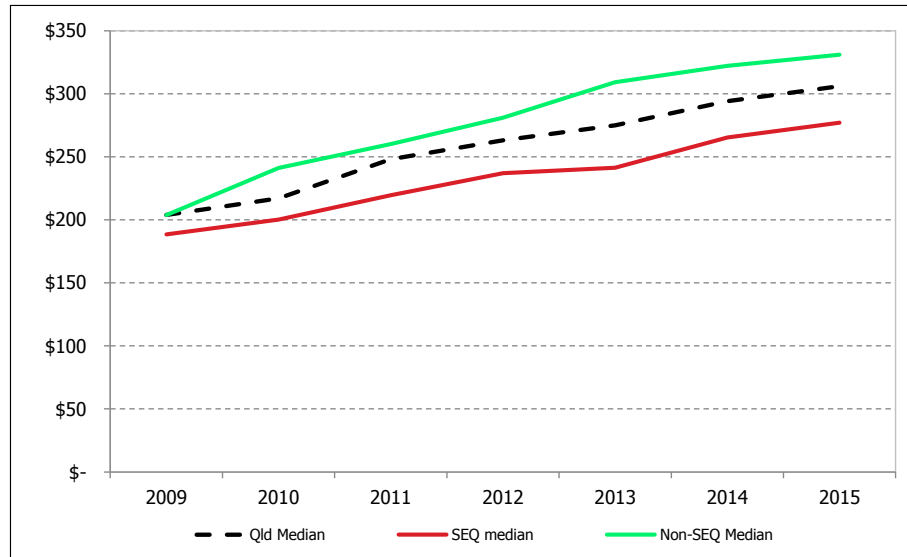
Looking forward, waste management utility charge increases will be increasingly dependent on the disposal cost associated with landfilling collected waste and the waste diversion strategy adopted at the local level (e.g. if third green waste or organics bins are mandated).

### Waste Management (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), the median charge is \$306.00, which is 4.1% higher than the prior year median of \$294.00.

The median charge in non-SEQ areas has increased at a level greater than in SEQ areas, to the extent that gap has widened from \$15 in 2008/09 to \$54 in 2014/15. 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, 2008/09-2014/15



Source: AEC

Looking forward, increasing cost pressures will continue to be experienced in relation to the provision of modern waste transfer and disposal facilities, placing pressure on the traditional funding sources of utility (collection service) 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				Properties – No Collection Service				Notes
	Collection Service Charge	Discount	Other Charge/Levy	Discount	Utility Charge	Discount	Separate or Special Charge	Discount	
<b>SOUTH-EAST QUEENSLAND (SEQ)<sup>(a)</sup></b>									
<b>Brisbane</b>	\$289.44	0%	0.0155 cents in the dollar UCV (min. \$26.16) on all rateable properties	0%	Nil	n.a.	0.0155 cents in the dollar UCV (min. \$26.16) on all rateable properties	0%	<ul style="list-style-type: none"> <li>* 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)</li> <li>* The charge levied on Moreton Island properties is higher at \$367.00</li> <li>* 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</li> <li>* 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)</li> <li>* Optional fortnightly kerbside green waste bin collection services apply across the city at a cost of \$74.52 (after an initial \$30.00 establishment fee)</li> </ul>
<b>Gold Coast</b>	\$260.30	0%	Nil	n.a.	Nil	n.a.	Nil	n.a.	<ul style="list-style-type: none"> <li>* Collection service includes a weekly general refuse service (140L or 240L) and a fortnightly recycling service (240L), excluding South Stradbroke Island where no recycling service is offered but the same charge is levied</li> <li>* Where a 360L general refuse bin is provided, the service charge increases to \$437.00</li> <li>* 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</li> </ul>
<b>Ipswich</b>	\$316.00	0%	Nil	n.a.	Nil	n.a.	Nil	n.a.	<ul style="list-style-type: none"> <li>* Collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L)</li> <li>* Optional fortnightly kerbside green waste bin collection services are available at a cost of \$65.00</li> </ul>



Council	Properties – Collection Service				Properties – No Collection Service				Notes
	Collection Service Charge	Discount	Other Charge/Levy	Discount	Utility Charge	Discount	Separate or Special Charge	Discount	
<b>Lockyer Valley</b>	\$240.00	5%	\$145.00 per assessment	0%	\$145.00 per assessment	0%	Nil	n.a.	<ul style="list-style-type: none"> <li>* Collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L)</li> <li>* A Waste Management (Utility) Charge of \$145.00 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.</li> </ul>
<b>Logan</b>	\$272.00	5%	Nil	n.a.	Nil	n.a.	Nil	n.a.	<ul style="list-style-type: none"> <li>* Standard collection service includes a standard weekly 240L waste and fortnightly 140L or 240L recycling service</li> <li>* Properties requiring only a 140L general refuse service benefit from a reduced charge of \$259.00</li> </ul>
<b>Moreton Bay</b>	\$237.00	0%	Nil	n.a.	Nil	n.a.	\$107.00 per residential property	0%	<ul style="list-style-type: none"> <li>* Collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L)</li> <li>* Properties requiring only a 120L general refuse service benefit from a reduced charge of \$219.00</li> <li>* 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)</li> </ul>
<b>Noosa</b>	\$264.00	0%	Nil	n.a.	Nil	n.a.	Nil	n.a.	<ul style="list-style-type: none"> <li>* Collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L)</li> <li>* A 140L general refuse and 240L recycling service is available at a reduced price of \$230.00 per annum</li> <li>* An optional fortnightly 240L green waste bin service is available for \$65.00 per annum</li> </ul>
<b>Redland</b>	\$336.00	0%	\$62.00 per lot	0%	Nil	n.a.	\$62.00 per lot	0%	<ul style="list-style-type: none"> <li>* Standard collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L)</li> <li>* 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</li> <li>* A number of different bin configurations can be selected, e.g. a 140L general refuse service features a reduced charge of \$254.00 for Mainland and \$320.00 for Bay Islands</li> <li>* A Landfill Remediation Charge of \$62.00 per lot is charged to fund the monitoring and remediation of landfills closed prior to July 1998 and the landfill at Myora North Stradbroke Island</li> <li>* Optional fortnightly kerbside green waste bin collection services are available at a cost of \$53.00</li> </ul>



Council	Properties – Collection Service				Properties – No Collection Service				Notes
	Collection Service Charge	Discount	Other Charge/Levy	Discount	Utility Charge	Discount	Separate or Special Charge	Discount	
<b>Scenic Rim</b>	\$305.00	0%	Nil	n.a.	\$94.00 per assessment	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.
<b>Sunshine Coast</b>	\$264.50	0%	Nil	n.a.	\$118.00	0%	Nil	n.a.	* Standard collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L) * The charge reduces to \$229.00 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 * In the South (Caloundra) area, the charge reduces to \$206.00 where an 80L general refuse bin is adopted * Optional fortnightly kerbside green waste bin collection services apply across the region at a cost of \$70.00 (\$140.00 annual charge x 50% as serviced fortnightly) * A Waste Management Facility Charge of \$118.00 per annum is levied on all rateable properties (excluding vacant land) not levied a waste collection utility charge
<b>OTHER QUEENSLAND</b>									
<b>Bundaberg</b>	\$307.00	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)
<b>Cairns</b>	\$352.34	0%	Nil	n.a.	\$176.16 per rateable property requesting waste to be collected from agreed location (South Woolanmaroo Reserve and Russell Head Reserve East Russell)	0%	Nil	n.a.	* Collection service includes a weekly general refuse service and a fortnightly recycling service * A refuse disposal special charge of \$176.16 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				Properties – No Collection Service				Notes
	Collection Service Charge	Discount	Other Charge/Levy	Discount	Utility Charge	Discount	Separate or Special Charge	Discount	
<b>Fraser Coast</b>	\$344.00	10%	Nil	0%	Nil	n.a.	\$83.00 per separate parcel of rateable land  PLUS  \$344.00 (Fraser Island only)	0%	* Standard collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L) * A Fraser Island Garbage Levy of \$344.00 is applied to properties on Fraser Island * The Waste Management Levy of \$83.00 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)
<b>Gladstone</b>	\$282.00	10%	Nil	n.a.	Nil	n.a.	Nil	n.a.	* Collection service includes a weekly general refuse service and a fortnightly recycling service
<b>Gympie</b>	\$295.36	5%	\$85.00 per assessable property	5%	\$230.00 (ex-Cooloola)  \$90.00 (ex-Kilkivan/Tiaro)	5%	\$85.00 per assessable property	5%	* 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 \$367.94 * Properties in the ex-Cooloola, Kilkivan and Tiaro shires who do not receive a contracted collection service are levied a waste management operational charge of \$230.00 (Cooloola) and \$90.00 (Kilkivan / Tiaro) * A Waste Management Separate Charge of \$85.00 is levied on all assessable properties 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
<b>Livingstone</b>	\$411.80	10%	52.30	0%	Nil	n.a.	\$52.30	0%	* A Natural Environment Separate Charge of \$52.30 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 * Properties on Great Keppel Island are only provided an appropriate number of 140L general refuse services at a central station to hold domestic general waste which are disposed once per week
<b>Mackay</b>	\$256.80	10%	\$165.05 per rate assessment	0%	Nil	n.a.	\$165.05 per rate assessment	0%	* Standard collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L) * The Waste Facilities Operations Levy is levied 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
<b>Rockhampton</b>	\$394.60	10%	\$49.40 per rateable assessment	0%	Nil	n.a.	\$49.40 per rateable assessment	0%	* Collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L) * A Natural Environment Separate Charge of \$49.40 is levied on each rateable assessment to help fund the cost of environmental projects, including various waste management initiatives contributing to environmental outcomes





Council	Properties – Collection Service				Properties – No Collection Service				Notes
	Collection Service Charge	Discount	Other Charge/Levy	Discount	Utility Charge	Discount	Separate or Special Charge	Discount	
<b>Toowoomba</b>	\$214.00	0%	\$55.00	10%	\$53.80	0%	\$55.00	10%	* An optional green waste service exists in the Toowoomba District area only at a cost of \$35.92 * A mandatory Waste Management Facility charge of \$53.80 is levied on all assessments where no collection charges are applied. * An Environmental Levy of \$55.00 per rateable assessment is levied for the purposes of the consolidation, rationalisation and improvements to Council's waste management facilities and rehabilitation of closed landfill sites
<b>Townsville</b>	\$214.00	0%	Nil	n.a.	Nil	n.a.	Nil	n.a.	* Standard collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L) * A general refuse only service is provided to properties in the Paluma area for \$131.00 * 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.

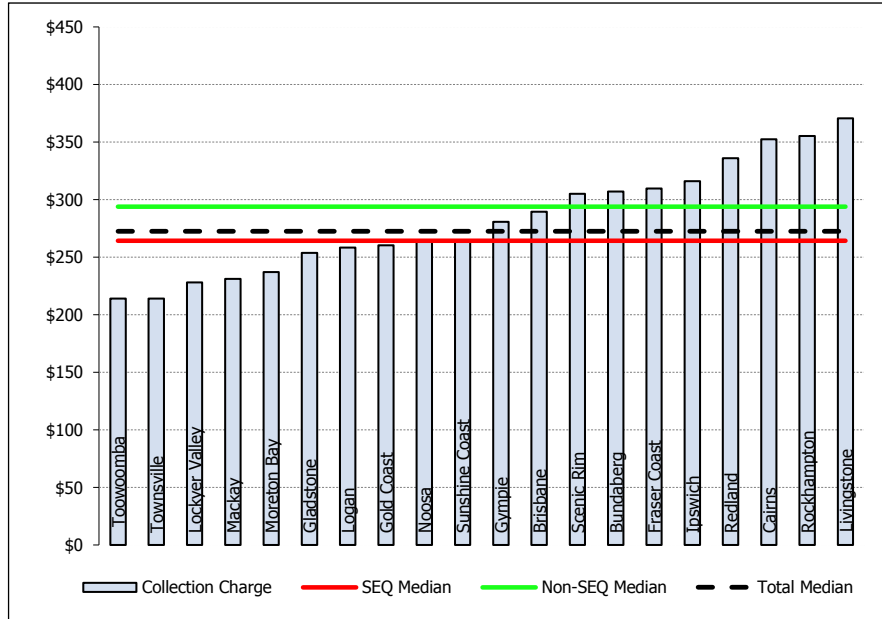


## 2. Comparison of Residential Waste Management Utility Charges

*NOTE: Historic benchmarks have been recalculated to include the de-amalgamated Noosa and Livingstone Councils, and Scenic Rim and Lockyer Valley Councils have also been added to the benchmark sample which now consists of 10 SEQ and 10 non-SEQ Councils.*

The graph below compares annual residential waste management (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 \$272.55, an increase of 4.0% on the prior year median of \$262.09.

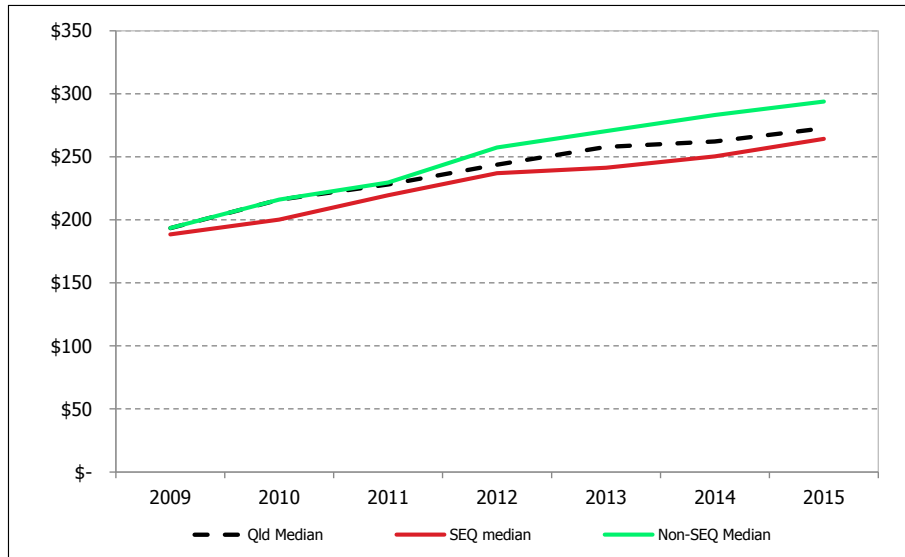
**Median Residential Waste Management Utility Charge (net of discount), 2014/15**



Source: AEC

The following graph provides a summary of SEQ and non-SEQ median residential waste management utility charges over time. It is evident that the non-SEQ median charge has been increasing more rapidly than the median SEQ charge in recent years, with the current difference being just under \$30.

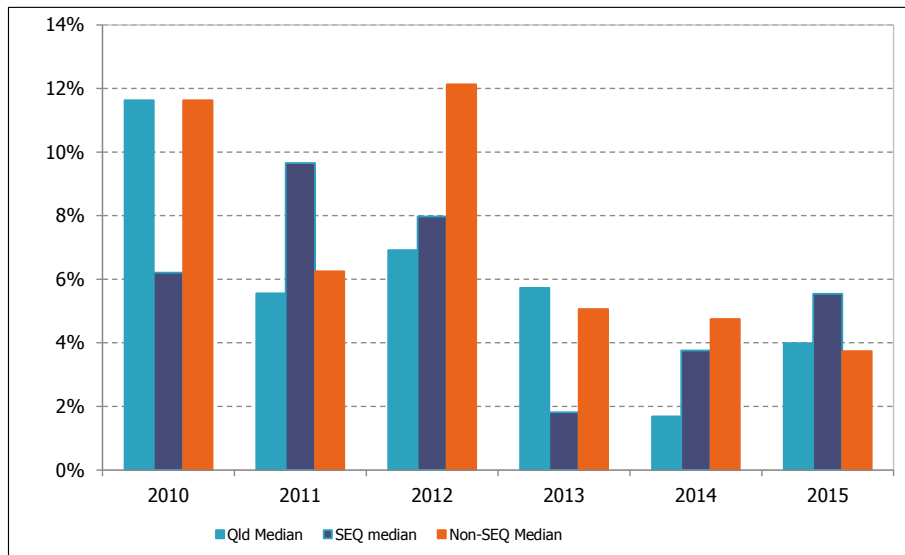
**Median Residential Waste Management Utility Charge over Time, 2008/09-2014/15**



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.

**Increase in Median Residential Waste Management Utility Charge over Time, 2009/10-2014/15**



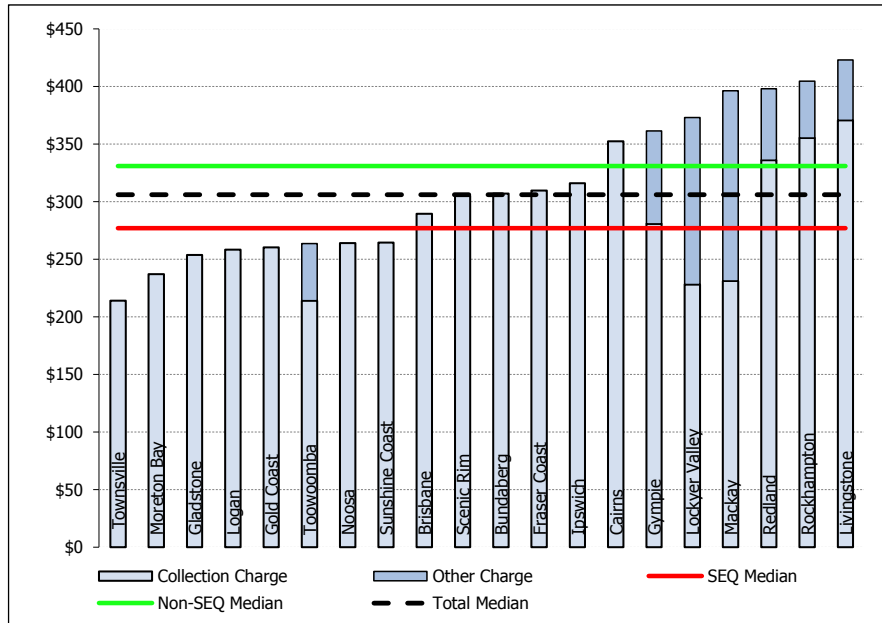
Source: AEC

### 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 Scenic Rim and Lockyer Valley Councils have also been added to the benchmark sample which 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 \$306.00 is 4.1% higher than the prior year median of \$294.00.

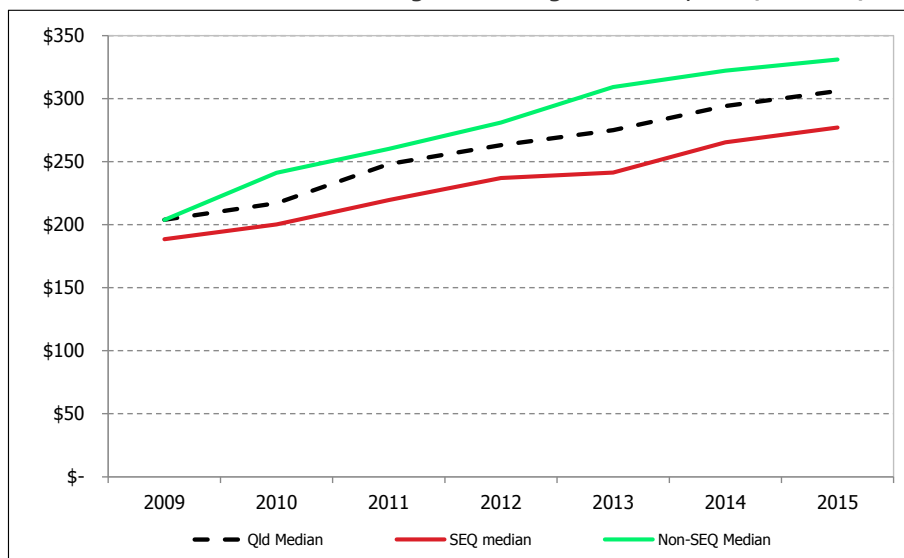
**Median Residential Total Waste Management Charge (net of discount), 2014/15**



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, 2008/09-2014/15**

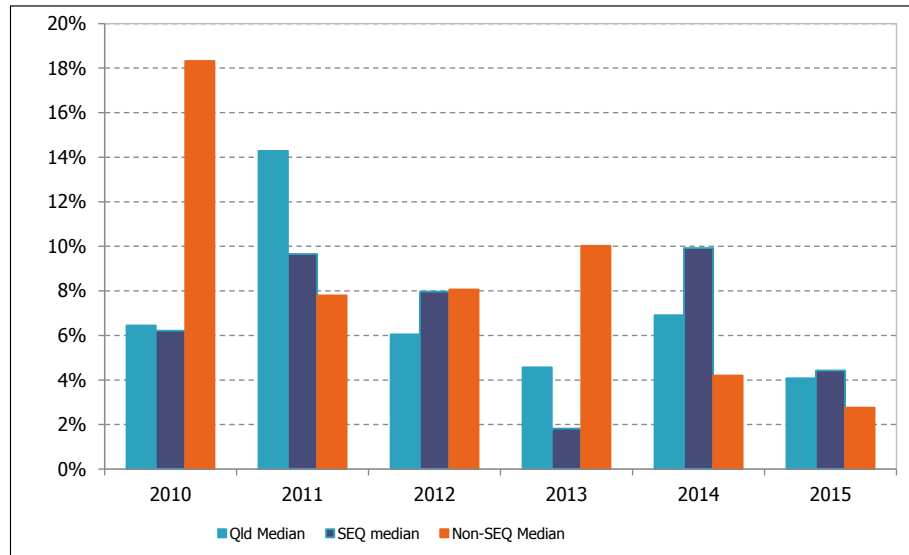


Source: AEC

The median charge in non-SEQ areas has increased at a level greater than in SEQ areas, to the extent that gap has widened from \$15 in 2008/09 to \$54 in 2014/15. 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.

**Increase in Median Total Waste Management Charge over Time, 2009/10-2014/15**



Source: AEC



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