

**Waste Management Residential
Price Benchmarking**

Large Queensland Service Providers

2013/14



AECgroup

Outcome Driven

Outcomes Summary

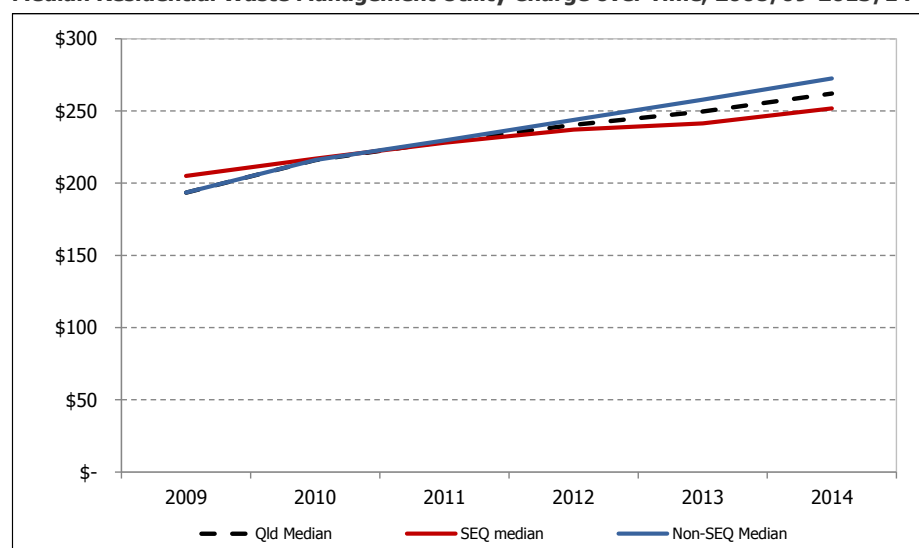
AECgroup is an industry leader in the provision of advice to local governments across Australia in relation to financial and pricing outcomes and strategies for the waste sector. We have developed a purpose-built, long-term waste management costing and pricing financial model that has already experienced 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.

Waste Management (Collection Service) Utility Pricing

The Queensland industry median waste management (collection service) utility charge for residential customers serviced by large local government utilities was calculated as \$262.09, an increase of 5.0% on the prior year median of \$249.52.

The following graph shows that median charges are reasonably comparable between SEQ and non-SEQ service areas, although the non-SEQ median charge has moved slightly higher than the median SEQ charge in recent years.

Median Residential Waste Management Utility Charge over Time, 2008/09-2013/14



Source: AECgroup

Looking forward, waste management utility charge increases will be increasingly dependent on the disposal cost associated with landfilling collected waste and the recycling strategy adopted at the local level.

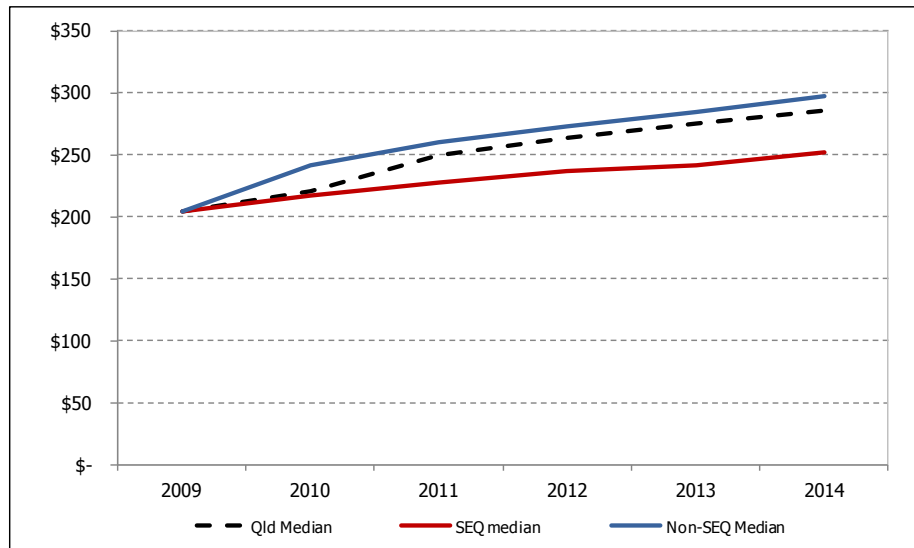
Waste Management Utility Pricing and Other Rates/Charges

Including other rates and charges relating to waste management functions, the median charge is \$286.36, which is 3.8% higher than the prior year median of \$275.76.

The following graph shows that the median charge in non-SEQ areas has increased at a level greater than in SEQ areas, to the extent that gap widened from \$24 in 2009/10 to \$45 in 2013/14.

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 throughput than those in SEQ.

Median Residential Total Waste Management Charge over Time, 2008/09-2013/14



Source: AEC Group

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.

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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 2013/14 by selected large service providers in Queensland 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	Separate Charge/Levy	Discount	Waste Management Charge	Discount	Separate or Special Charge	Discount	
Brisbane	\$278.72	0%	0.0153 cents in the dollar UCV (min. \$25.16) on all rateable properties	0%	Nil	n.a.	0.0153 cents in the dollar UCV (min. \$25.16) on all rateable properties	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 \$353.40 * 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 \$71.76 (after an initial \$30.00 establishment fee)
Bundaberg	\$294.00	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)
Cairns	\$347.14	0%	Nil	n.a.	\$149.12 per rateable property (north of Ellis Beach only)	0%	Nil	n.a.	<ul style="list-style-type: none"> * Collection service includes a weekly general refuse service and a fortnightly recycling service * A refuse disposal special charge of \$149.12 is levied on all rateable properties with an improvement north of Ellis Beach that do not receive the Council collection service to reflect the cost of these properties disposing of waste free of charge to local waste facilities
Fraser Coast	\$330.00	10%	Nil	0%	Nil	n.a.	\$79.70 per separate parcel of rateable land PLUS \$330.00 (Fraser Island only)	0%	<ul style="list-style-type: none"> * Standard collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L) * If a 360L recycling service is taken up, a higher charge of \$372.00 is levied * A Fraser Island Garbage Levy of \$330.00 is applied to properties on Fraser Island * The Waste Management Levy of \$79.70 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)



Council	Properties – Collection Service				Properties – No Collection Service				Notes
Gladstone	\$265.00	10%	Nil	n.a.	Nil	n.a.	Nil	n.a.	* Collection service includes a weekly general refuse service and a fortnightly recycling service
Gold Coast	\$249.00	0%	Nil	n.a.	\$80.00	n.a.	Nil	n.a.	* 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 * Where a 360L general refuse bin is provided, the service charge increases to \$419.00 A waste management charge of \$80.00 is levied on all occupied rateable residential properties that are not provided with a Council collection service to cover the costs of managing and operating Council's waste management facilities.
Gympie	\$286.76	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 township are levied a collection charge of \$357.22 * A general refuse only service is provided to properties in the Western townships and es-Tiaro area for \$196.54 * 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
Ipswich	\$306.00	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) * Optional fortnightly kerbside green waste bin collection services are available at a cost of \$60.00
Logan	\$265.00	5%	Nil	n.a.	Nil	n.a.	Nil	n.a.	* Standard collection service includes a standard weekly 240L waste and fortnightly 140L or 240L recycling service * Properties requiring only a 140L general refuse service benefit from a reduced charge of \$252.00
Mackay	\$254.25	10%	\$163.40 per rate assessment	0%	Nil	n.a.	\$163.40 per rate assessment	0%	* Standard collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L) * The Waste Facilities Management 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 * \$18.28 of the charge contributes to the cost of carbon management on providing waste facilities and services that is not met from other fees and charges

Council	Properties – Collection Service				Properties – No Collection Service				Notes
Moreton Bay	\$237.00	0%	Nil	n.a.	Nil	n.a.	\$107.00 per occupied residential property	0%	<ul style="list-style-type: none"> * 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 occupied residential properties not receiving a collection service to help fund the cost associated with the availability and management of recycling and waste disposal facilities
Redland	\$325.00	0%	\$60.00 per lot	0%	Nil	n.a.	\$60.00 per lot	0%	<ul style="list-style-type: none"> * Standard collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L) * Bay Islands features a higher charge of \$358.00, 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 \$245.50 for Mainland and \$309.50 for Bay Islands * A Landfill Remediation Charge of \$50.00 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 * Optional fortnightly kerbside green waste bin collection services are available at a cost of \$51.50
Rockhampton	All Areas ex Livingstone = \$380.80 Livingstone = \$371.40	10%	\$47.60 per rateable assessment	0%	Nil	n.a.	\$47.60 per rateable assessment	0%	<ul style="list-style-type: none"> * Collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L) * Properties on Great Keppel Island are only provided a weekly 140L general refuse service * A Natural Environment Separate Charge of \$47.60 is levied on each rateable assessment to help fund the cost of environmental projects, including various waste management initiatives contributing to environmental outcomes
Sunshine Coast	\$246.00	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) * The charge reduces to \$199.00 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 \$176.00 where an 80L general refuse bin is adopted * Optional fortnightly kerbside green waste bin collection services apply across the region at a cost of \$75.00
Toowoomba	\$209.00	0%	\$55.00	10%	\$52.50	0%	\$55.00	10%	<ul style="list-style-type: none"> * An optional green waste service exists in the Toowoomba District area only at a cost of \$35.00 * A mandatory Waste Management Facility charge of \$52.50 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

Council	Properties – Collection Service				Properties – No Collection Service				Notes
Townsville	\$231.00	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 \$180.00 * Seven (7) vouchers for the disposal of domestic refuse at Council's landfill sites are included as part of the collection service charge

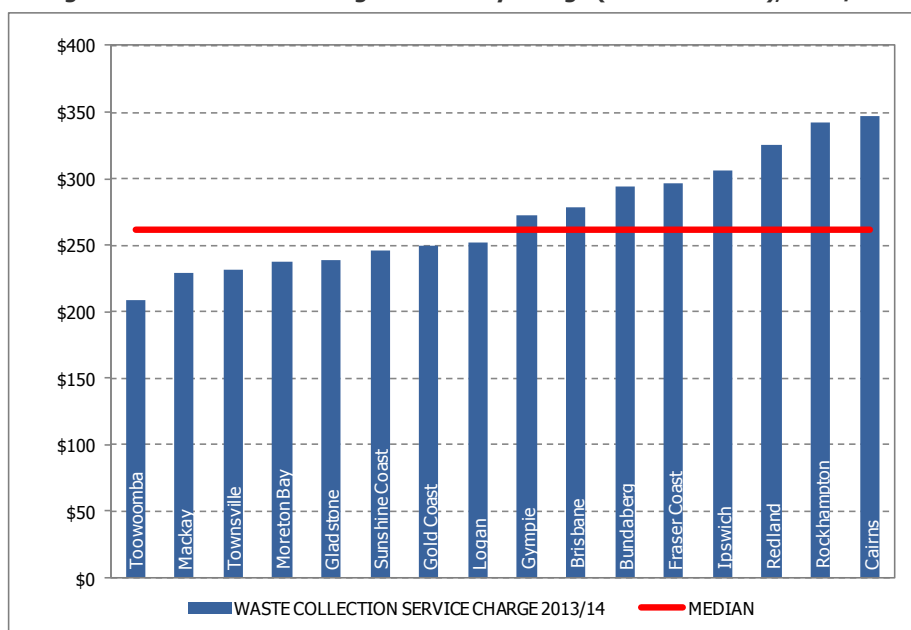
Source: AECgroup, assorted service providers



2. Comparison of Residential Waste Management Utility Charges

The graph below compares annual residential waste management 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 \$262.09, an increase of 5.0% on the prior year median of \$249.52.

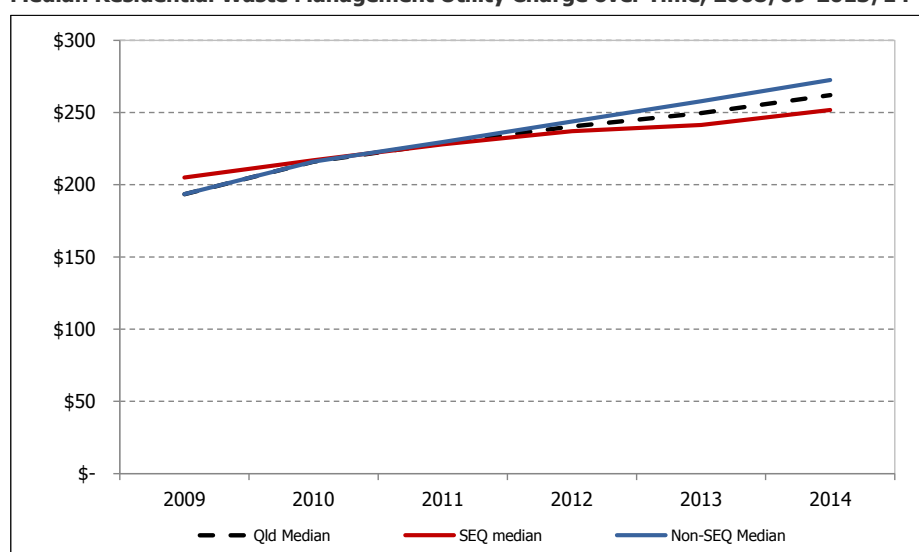
Average Residential Waste Management Utility Charge (net of discount), 2013/14



Source: AECgroup

The following graph provides a summary of SEQ and non-SEQ median residential waste management utility charges over time. It is evident that charges are reasonably comparable between SEQ and non-SEQ service areas, although the non-SEQ median charge has moved slightly higher than the median SEQ charge in recent years.

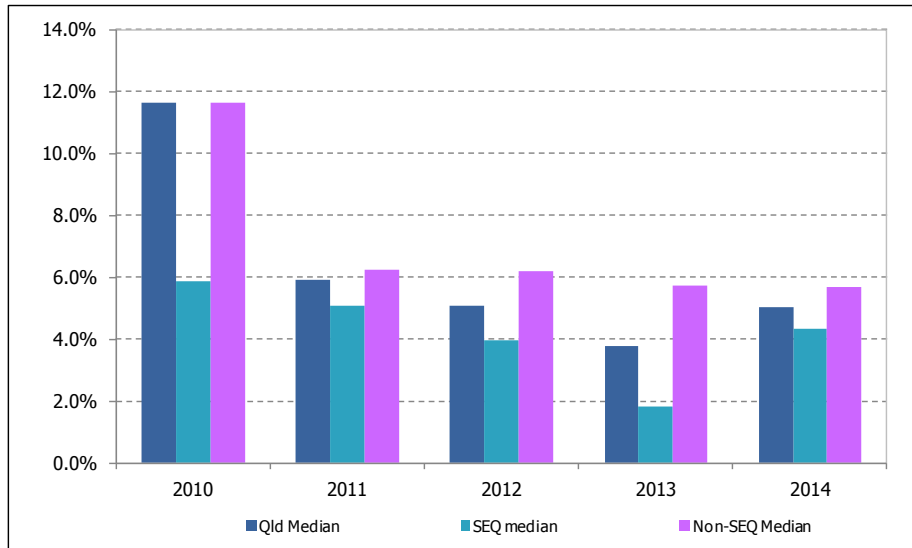
Median Residential Waste Management Utility Charge over Time, 2008/09-2013/14



Source: AECgroup

The following graph provides a summary of annual percentage increases in SEQ and non-SEQ median residential waste management utility charges over time. It is evident that increases since 2009/10 have been higher in non-SEQ service areas.

Percentage Increase in Median Residential Waste Management Utility Charge over Time, 2009/10-2013/14

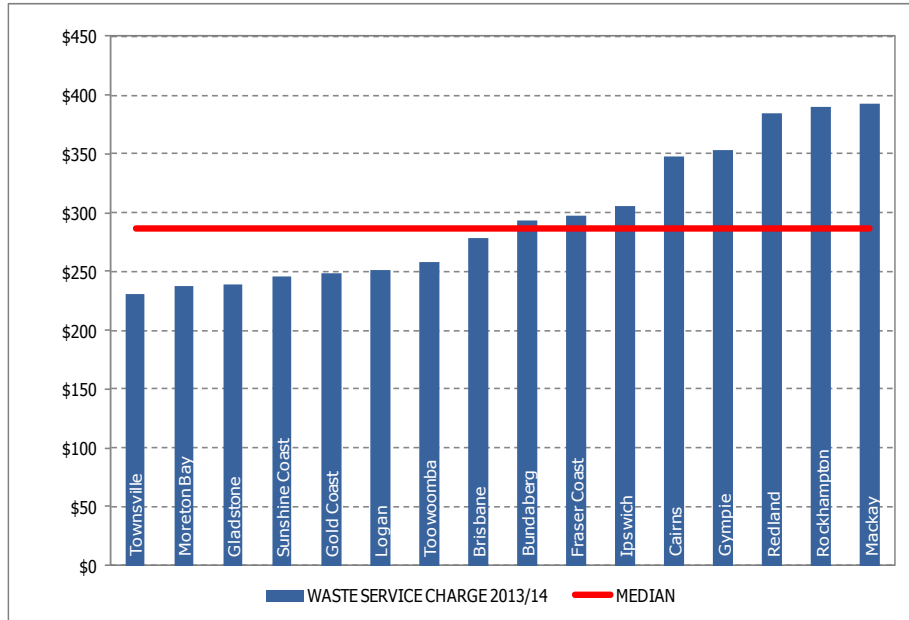


Source: AECgroup

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

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 \$286.36 is 3.8% higher than the prior year median of \$275.76.

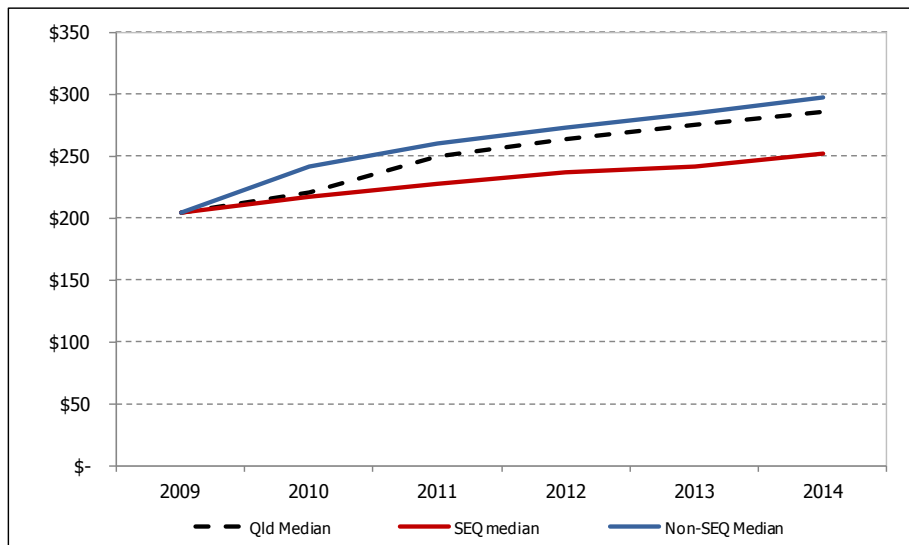
Average Residential Total Waste Management Charge



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, proportion attributable to waste management activities).
Source: AECgroup

The following graph provides a summary of SEQ and non-SEQ median total residential waste management charges over time. The median charge in non-SEQ areas has increased at a level greater than in SEQ areas, to the extent that gap widened from \$24 in 2009/10 to \$45 in 2013/14. 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 throughput.

Median Residential Total Waste Management Charge over Time, 2008/09-2013/14

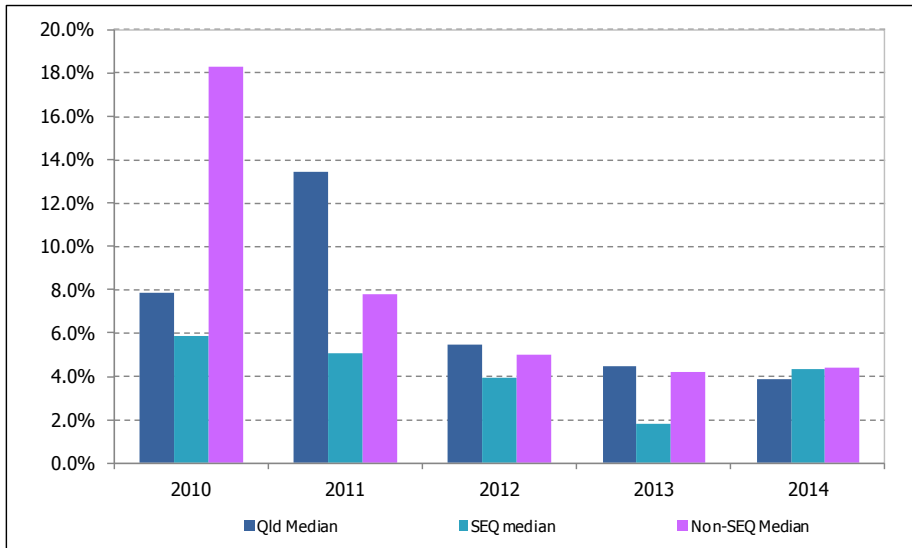


Source: AECgroup



The following graph provides a summary of annual percentage increases in SEQ and non-SEQ median residential waste management charges over time. It is evident that median residential collection charge increases have been higher in the non-SEQ service areas across all years.

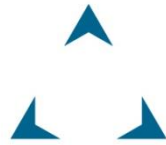
Percentage Increase in Median Residential Waste Services Charges over Time, 2009/10-2013/14



Source: AECgroup

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