

2016/17 Residential Waste Management Utility Price Benchmarking Report

Large Queensland Councils



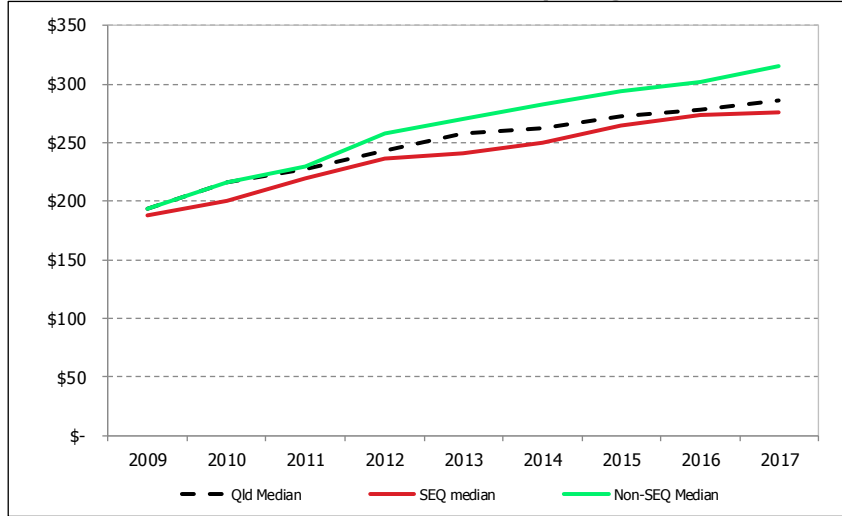
Outcomes Summary

AEC is an industry leader in the waste sector with two decades of experience. We have developed a purpose-built, long-term waste management costing and pricing financial model that allows you to identify the costs of each aspect of your waste management function. Please don't hesitate to contact Gavin O'Donovan, Director and Principal Consultant on (07) 3831 0577 or gavin.odonovan@aecgroup.com for further information.

Waste Collection Service Utility Pricing

The Queensland median residential waste collection utility charge serviced by large Councils is \$286.34, 3.1% higher than the prior year median of \$277.83. The increase in the charge was quite modest in SEQ as many Councils did not increase charges in the year. The non-SEQ charge is higher than the SEQ charge – with the current difference being \$40.

Median Residential Waste Collection Service Utility Charge over Time, 2008/09-2016/17



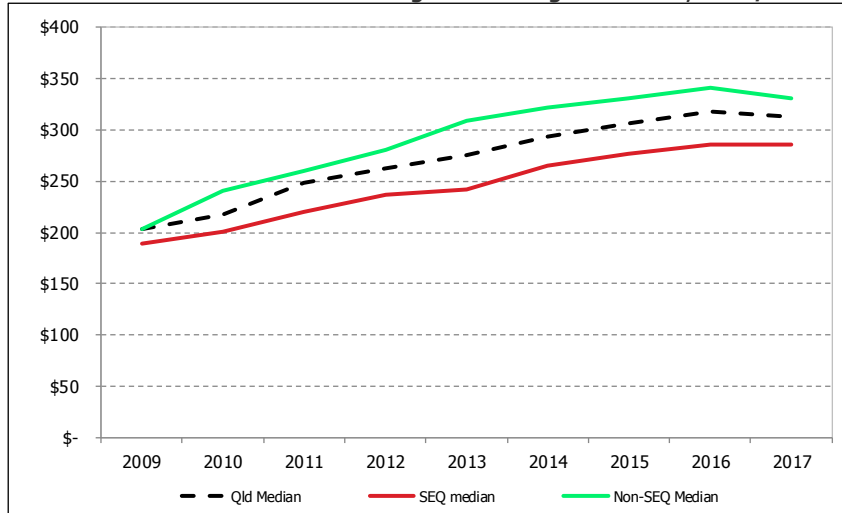
Source: AEC

Increases should remain subdued due to a competitive collection contract market and with disposal fees having been increased to commercially viable levels by most Councils. Significant amendments are only likely to occur as a result of 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 (e.g. separate charges), the median charge is \$312.71, 1.8% lower than the prior year median of \$318.55. The median charge in non-SEQ areas is presently \$45 higher than in SEQ areas.

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



Source: AEC

Table of Contents

OUTCOMES SUMMARY	I
TABLE OF CONTENTS.....	II
1. RESIDENTIAL WASTE MANAGEMENT UTILITY AND OTHER CHARGES.....	1
2. COMPARISON OF RESIDENTIAL WASTE COLLECTION SERVICE UTILITY CHARGES.....	6
3. COMPARISON OF TOTAL RESIDENTIAL WASTE MANAGEMENT UTILITY AND OTHER CHARGES.....	8



Disclaimer:

Whilst all care and diligence have been exercised in the preparation of this report, AEC Group Limited does not warrant the accuracy of the information contained within and accepts no liability for any loss or damage that may be suffered as a result of reliance on this information, whether or not there has been any error, omission or negligence on the part of AEC Group Limited or their employees. Any forecasts or projections used in the analysis can be affected by a number of unforeseen variables, and as such no warranty is given that a particular set of results will in fact be achieved.

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	\$269.40	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 \$457.40 * 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, or \$47.00 when included with a 140L refuse bin and a 240L recycling bin
Ipswich	\$336.00	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 \$75.00

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	\$256.00	5%	\$160.00 per assessment Utility Charge	0%	\$160.00 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 Management (Utility) Charge of \$160.00 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	\$277.00	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 \$263.00
Moreton Bay	\$237.00	0%	Nil	n.a.	Nil	n.a.	\$107.00 per residential property Special Charge	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 \$264.00 per annum * An optional fortnightly 240L green waste bin service is available for \$65.00 per annum
Redland	\$349.50	0%	\$40.86 per lot Separate Charge	0%	Nil	n.a.	\$40.86 per lot Separate Charge	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 \$280.00 for Mainland and \$335.50 for Bay Islands * A Landfill Remediation Separate Charge of \$40.86 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 \$56.00



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	
Scenic Rim	\$322.00	0%	Nil	n.a.	\$99.00 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	\$276.00	0%	Nil	n.a.	\$123.00 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 \$239.00 where a 140L general refuse bin exists * Optional fortnightly kerbside green waste bin collection services apply across the region at a cost of \$60.00 * A Waste Management Facility Charge of \$123.00 per annum is levied on all rateable properties (excluding vacant land) not levied a waste collection utility charge
OTHER QUEENSLAND									
Bundaberg	\$335.00	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	\$363.00	0%	Nil	n.a.	\$181.50 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 \$181.50 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	\$363.00	10%	Nil	0%	Nil	n.a.	\$88.00 per separate parcel of rateable land Separate Charge PLUS \$363.00 (Fraser Island only) Special Charge	0% 10%	* Standard collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L) * A Fraser Island Garbage Levy of \$363.00 is applied to properties on Fraser Island * A Minimum Waste Service Charge of \$290.00 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 \$88.00 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.	* 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	0%	Nil	n.a.	\$230.00 (ex-Cooloola) \$90.00 (ex-Kilkivan/Tiaro) Utility Charge	0%	Nil	n.a.	* 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-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)
Livingstone	\$454.80	10%	\$57.80 per rateable assessment Separate Charge	0%	Nil	n.a.	\$57.80 per rateable assessment Separate Charge	0%	* 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 \$225.50 * A Natural Environment Separate Charge of \$57.80 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 Separate Charge	10%	\$146.60 per rateable assessment Separate Charge	10%	Nil	n.a.	* 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 separate 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	\$396.80	10%	\$50.00 per rateable assessment Separate Charge	0%	Nil	n.a.	\$50.00 per rateable assessment Separate Charge	0%	* Collection service includes a weekly general refuse service (240L) and a fortnightly recycling service (240L) * A Natural Environment Separate Charge of \$50.00 is levied on each rateable assessment to help fund the cost of environmental projects, including various waste management initiatives contributing to environmental outcomes
Toowoomba	\$240.40	0%	\$60.00 per rateable assessment Separate Charge	10%	\$60.40 per rateable assessment Utility Charge	0%	\$60.00 per rateable assessment Separate Charge	10%	* 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 \$40.32 * A mandatory Waste Management Facility charge of \$60.40 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.	* 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 240L 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

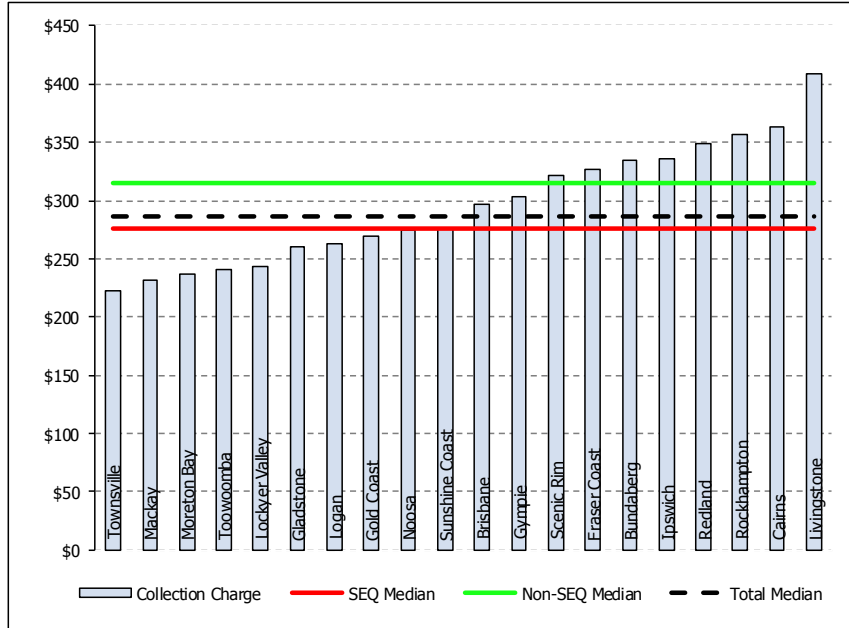
Source: AEC, assorted service providers

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

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 \$286.34, an increase of 3.1% on the prior year median of \$277.83.

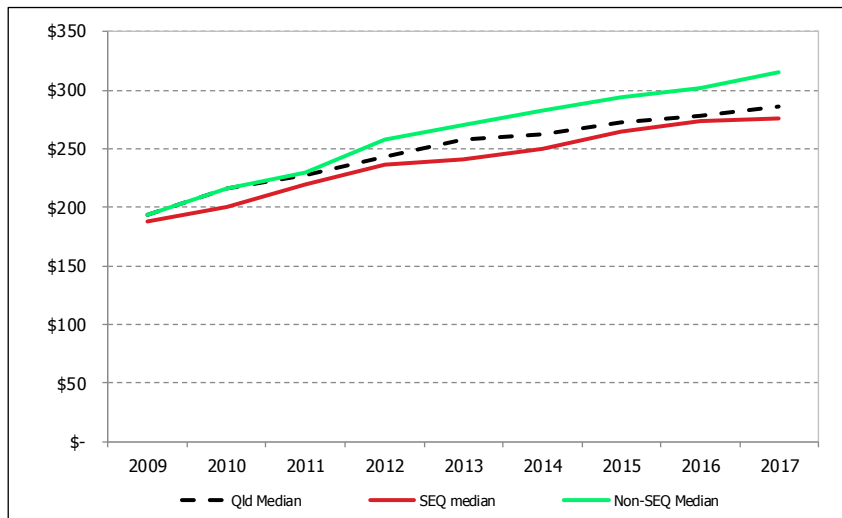
Median Residential Waste Collection Service Utility Charge (net of discount), 2016/17



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 \$40.

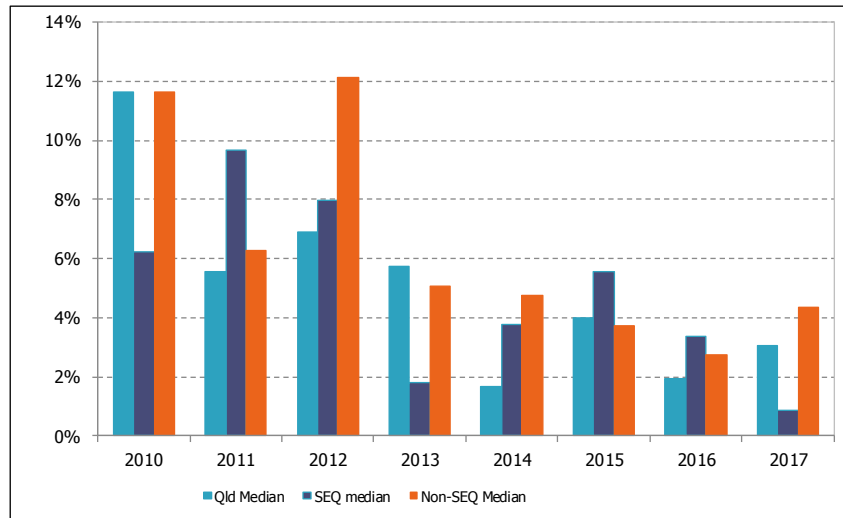
Median Residential Waste Collection Service Utility Charge over Time, 2008/09-2016/17



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 2016/17 was quite modest in SEQ as many Councils did not increase charges in the year.

Increase in Median Residential Waste Management Utility Charge over Time, 2008/09-2016/17

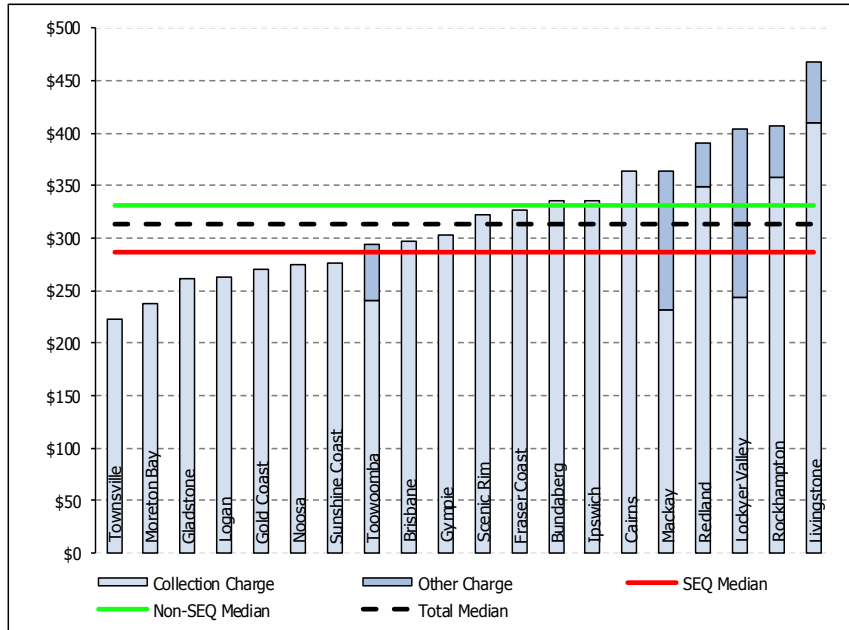


Source: AEC

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 \$312.71 is 1.8% lower than the prior year median of \$318.55, with one Council removing its separate charge in the 2017/18 budget.

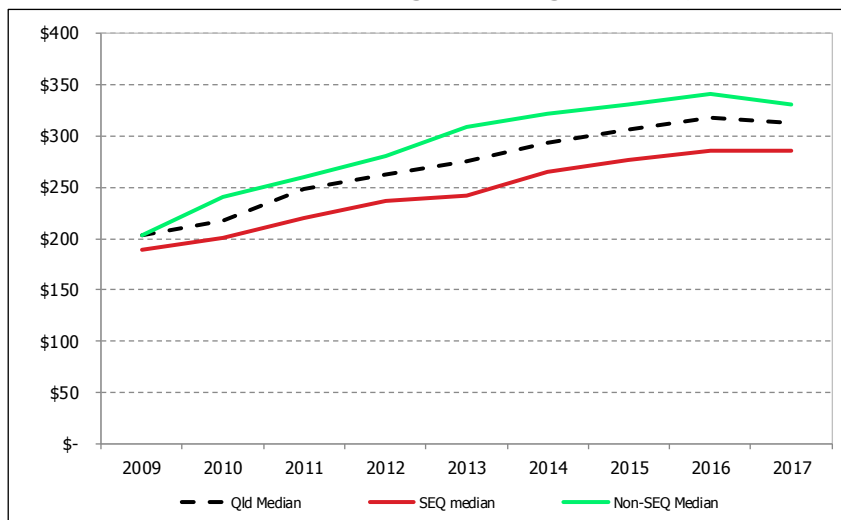
Median Residential Total Waste Management Charge (net of discount), 2016/17



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. The median charge in non-SEQ areas is presently \$45 higher than in SEQ areas.

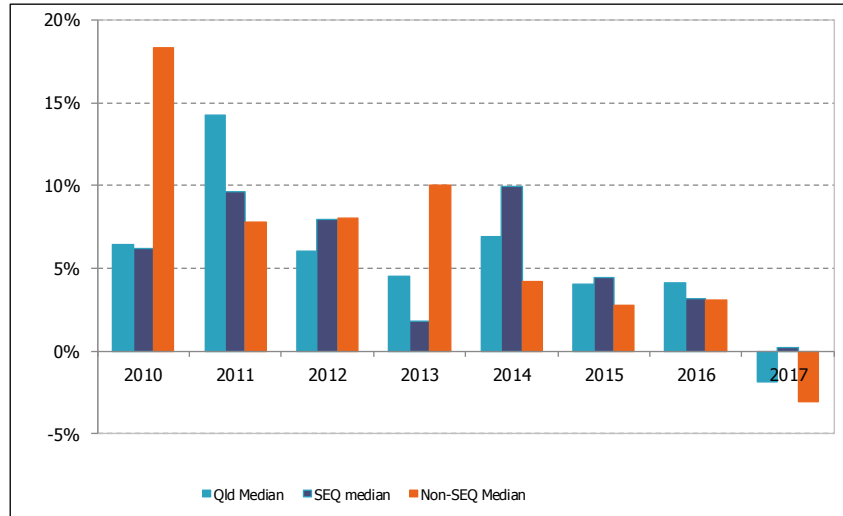
Median Residential Total Waste Management Charge over Time, 2008/09-2016/17



Source: AEC

The following graph provides a summary of annual percentage increases in SEQ and non-SEQ median residential waste management charges over time. Waste management charges have moderated over the past three years after quite significant increases were experienced in the years prior.

Increase in Median Total Waste Management Charge over Time, 2009/10-2016/17



Source: AEC

BRISBANE

Level 5, 131 Leichhardt Street
Spring Hill QLD 4000
Australia
T: +61 (0)7 3831 0577

MELBOURNE

Level 13, 200 Queen Street
Melbourne VIC 3000
Australia
T: +61 (0)3 8648 6586

SYDNEY

Level 14, 25 Bligh Street,
Sydney NSW 2000
Australia
T: +61 (0) 2 9283 8400

BANGKOK

2024/129-130 Sukhumvit 50
Prakanong Klongtoey,
Bangkok, Thailand 10260
T: +66 2 107 0189

DARWIN

Level 1, 48-50 Smith Street
Darwin NT 0800
Australia
T: 1300 799 343

PERTH

Level 2, 580 Hay Street
Perth WA 6000
Australia
T: +61 (0) 8 6555 4940

TOWNSVILLE

233 Flinders Street East
Townsville QLD 4810
Australia
T: +61 (0)7 4771 5550

SHANGHAI

46F Hongkong New World Tower
300 Huahai Road Central
200021 China
T: +8621 6135 2310

aecgrouppltd.com

OUTCOME DRIVEN

