

1. PROPOSED EXPANSION OF WASTE COLLECTION SERVICES TO INCLUDE FOOD AND GARDEN ORGANICS

Introduction

The purpose of this report is to seek Council's approval to expand the current waste collection services to include food and garden organics.

Background

Narromine Shire Council's Delivery Program 2012-16, adopted in 2012, included an action to *"Investigate and introduce a cost effective approach to organics management to minimise impact on landfill locally and regionally."* It was fortuitous that, also in 2012, Dubbo City Council were successful in securing a \$3.26m grant towards the construction of a regional composting plant at Whylandra Waste and Recycling Centre. The construction of this facility would support a regional approach to organics processing and provide an opportunity for Narromine Shire Council to participate on what may have otherwise been a much less affordable venture. Accordingly, Council has been working collaboratively with NetWaste, Dubbo Regional Council and Mid-Western Regional Council to develop a regional waste servicing proposal for over five (5) years.

Council resolved at its Ordinary Meeting on 11 February, 2015 *"that Council advise Dubbo City Council that they are interested in participating in a tendering process for a regional organics collection service and commit to a testing of the market in this regard."*

Furthermore, Narromine Shire Council's Community Strategic Plan 2027 states *"3.1.7 Reduce waste to landfill through effective and efficient domestic waste and recycling services to the community."* The Narromine Shire Council Delivery Program 2017/18-2020/21 has an action of *"3.1.7.3 Investigate and introduce a cost effective approach to organics management to minimise impact on landfill locally and regionally."*

Issues

- Changes to existing pricing structure;
- Collections of food and garden organics would commence 1 July, 2018;
- Weekly mixed solid waste (MSW) and fortnightly recycling to continue until current contract expires 30 June, 2020.

Assessment

a) Legal Implications Including Directives and Guidelines

Local Government Act 1993; Local Government (General) Regulation, 2005; Protection of the Environment Operations (Waste) Regulation 2014; Environment Protection Licence, number 6055.

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- Council has received a grant of \$192,174 (GST exclusive) for the purposes of covering costs of kitchen caddies, community education campaigns, half of the cost of the MGB (240L Green lidded bin) and other necessary costs associated with introducing an organics collection system.
- Dubbo Regional Council will not be charging a processing fee for the food and garden organics that are collected from the kerbside. Collections over and above those received from kerbside collection will receive a 10% discount on the tendered processing fee of between \$95 and \$106/Tonne (based on annual tonnage received).
- Additional annual cost for the collection of the food and garden organics, on a weekly basis is approximately \$82.00/year (\$64.00/year if one truck collects both MSW and Organics and Mid-Western agree to weekly food and garden organics collection).
- A draft Waste Management Facility Cost Analysis has been received for the Narromine Waste Facility which indicates the current annual cost per tonne to be approximately \$282.

c) Policy Provisions – Council Policy and Practice

Narromine Shire Council Landfill Environmental Management Plan (LEMP).

d) Strategic Implications – Implications for Long Term Plans/Targets

- **3.1.7 Community Strategic Plan** - Reduce waste to landfill through effective and efficient domestic waste and recycling services to the community;
- **3.1.7.3 Delivery Program** - Investigate and introduce a cost effective approach to organics management to minimise impact on landfill locally and regionally;
- Narromine Shire Council Waste Management Strategy 2014-2016.

e) Environmental Impacts / Considerations

Organic matter in landfill breaks down and releases methane, a potent greenhouse gas (which has a global warming potential (GWP) of around 21 times greater than carbon dioxide) and contributes to landfill leachate that can pollute waterways. Composting of organic materials at home and in large-scale facilities is part of a growing trend in NSW to better manage and re-use organic waste material.

1. PROPOSED EXPANSION OF WASTE COLLECTION SERVICES TO INCLUDE FOOD AND GARDEN ORGANICS Cont'd.**Discussion / Comments**

Council has been working with Dubbo Regional Council and Mid-Western Regional Council in the joint calling of tenders for waste services for the collection and processing of food and garden organics, dry recyclables and the collection of mixed solid waste. The purpose of the joint tendering has been to maximise economies of scale in the quantum of servicing tasks offered for contract in order to attract the lowest possible cost in the provision of these services to their respective communities.

In this regard, NetWaste, the facilitating organisation which assists 27 Councils west of the Blue Mountains to engage in collaborative waste servicing arrangements, has assisted both financially, and in an advisory capacity, in the tendering of these waste services. Integral to the servicing proposal is the inclusion of a three (3) stream waste collection service providing for the collection of household recyclables, food and garden organics and residual mixed solid waste. This is commonly referred to as the "three bin" service and is rapidly becoming commonplace across New South Wales at both large and small to medium sized Councils. Centres with the three bin service in place in regional NSW include Orange, Bathurst, Parkes, Forbes, Cowra, Wagga Wagga, Narrabri, Broken Hill and Moree.

The three bin service is common in the regulated area of the state (Councils east of and including the Blue Mountains) where a waste levy of over \$135/tonne applies to each tonne landfilled. A levy of almost \$80/tonne applies in regional areas. A review of the waste levy was undertaken by KPMG in 2013 and included a recommendation to extend the waste levy into areas that are currently unregulated including the NetWaste region. That recommendation has not yet been endorsed by the NSW Government, however, will likely extend the regulated area, as it has progressively done to date.

Accordingly, a waste levy does not apply west of the Blue Mountains at present but there is potential for landfills, such as the one operated by Council, to be captured by this regulated pricing control which would significantly increase the cost of waste disposal. In the event that this levy becomes payable by Narromine Shire Council in the future, Council's cost to deliver waste to landfill could potentially increase from \$282/Tonne to around \$362/Tonne.

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Federal and State policy and legislation is driving greater resource recovery and reduction of waste to landfill. Hence the State Government's funding programs such as *Waste Less, Recycle More* is being offered to Local Government as a financial incentive to adopt increased resource recovery in their waste management practices. This is all part of a larger state plan to minimise waste being landfilled in order to achieve waste diversion targets.

Dubbo Regional Council undertook waste audits of general waste bins in 2014 and 2015 and found that approximately 27% was food organics, 27% was garden organics and 17% were recyclables. In essence, approximately 70% of waste in the general waste bin could have been recovered. The food and garden organics yield of about 9kg/household/week is well in line with the average yield from other food and garden organics audits conducted across Australia. Based on this average yield, a potential saving to Narromine Shire Council of around \$250,000/year is achievable based on Council's current costs to deliver to the landfill of \$282/Tonne from 1,937 households.

The affordability of the overall food and garden organics collection system costs is likely to have a significant influence and most likely be the determining factor in deciding whether to introduce the service. The kerbside collection of organics from households will be a new service with additional costs for the collection of the organics. Dubbo Regional Council have agreed to waive the processing fees for the kerbside collections, which will assist in keeping the costs to a minimum. Additional food and garden organics that are collected, other than kerbside collection, will incur the processing fee, however, Dubbo Regional Council have agreed to offer a 10% discount on this fee.

Ownership of the waste is transferred to the processing contractor once it has been delivered to the facility. They will be responsible for processing the food and garden organics and will become the custodians of the end product. As a result of this, they will also be the beneficiary of any income received from the sale of this end product. This is a high risk venture, with the contractors taking over the management of the risk. This means that there is little to no risk to Narromine Shire Council. There is an opportunity for Council to purchase the end product, which would involve a negotiation between Council and the contractor.

The recent waste collection tender included general waste, recycling and organics collection and processing, construction of the organics processing facility at Whylandra Waste Depot and management options for Narromine Waste Depot. There were no tenders received for the management of Narromine Waste Depot.

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Council's existing contract for general waste and recycling expires 30 June, 2020. The new contract for these services will commence 1 July, 2020, and will be for a period of eight (8) years. The new service of food and organics collection, if accepted, will commence 1 July, 2018 and will be for a period of ten (10) years. This will mean that all three (3) services will have a common expiry of 30 June, 2028.

The collection of food and garden organics will only apply to those residences that currently have their general waste collected, i.e. the red bin. The rationale behind this is due to the purpose of the green bin being to reduce what goes in the red bin, and then to landfill.

Council is already removing some organic waste from the landfill, i.e. green waste. There is currently no charge to receive green waste at Narromine Waste facilities. However, this is something that will need to be introduced from 1 July, 2018. The cost to Council in the 2016/17 financial year to process green waste was approximately \$75,000. The exact fee required will need to be investigated prior to the fees and charges being adopted in the 2018/19 financial year. For the purposes of comparison, Dubbo Regional Council currently charge \$7.50 for a small utility or trailer.

There has been some previous discussion regarding the construction of a "Bio Hub" in Narromine for the purposes of processing organics. This matter was also raised at the recent workshop held. While there is an opportunity for a potential investor to develop one of these facilities in Narromine, the primary determination sought from this exercise is to decide whether Narromine Shire Council will collect its food and garden organics separately to its general waste, therefore reducing what goes into the landfill. At this stage, the kerbside collections of food and garden organics would be delivered to the facility in Dubbo as there is no current alternative. In the event that a Bio Hub was to be constructed in Narromine, the household organics would still need to be collected separately to the mixed solid waste. The timing of the construction of a Bio Hub facility being built would be outside the current contract for collections, so there is potential for the next collection contract to be delivered to this alternate facility if this was the case.

As previously mentioned, the price of the introduction of this service will be an important factor in the decision making process. The cost differential between the existing Domestic Waste Management Charge for a two bin service and the proposed three bin service would be approximately \$82.00/year (\$64.00/year if one truck collects both MSW and Organics and Mid-Western agree to weekly food and garden organics collection) in 2018/19, the year that the service is proposed to commence.

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Due to this service not being implemented until 1 July, 2018, there is an opportunity for Council to offer incentives such as pensioner rebates, increasing the cost over three (3) years, or other initiatives. These can be considered prior to setting the budgets and Fees and Charges for the 2018/19 financial year.

Further extensive reviews of the Narromine Shire Council waste facilities are also being undertaken to identify areas to increase efficiencies with a view to trying to reduce the current cost of waste going to landfill. It is hoped that any potential cost reductions and efficiencies will allow for a reduction to waste access charges in the future also.

There has been information about the food and garden organics collection on Council's website and a survey has also been available to complete online. Paper copies with stamped, self-addressed envelopes, have also been made available at venues in Narromine, Trangie and Tomingley. There were 99 online and 2 hardcopy surveys submitted with the results of the surveys as follows:

Which Narromine Shire town do you live in?

- 96% Narromine
- 4% Trangie
- 0% Tomingley

Do you currently receive a regular general waste service?

- 98% Yes
- 2% No

Do you currently receive a regular recycling service?

- 98% Yes
- 2% No

How do you dispose of your garden waste (e.g. Prunings, lawn clippings, etc)?

- 21% Compost/mulch
- 39% Put in general waste bin
- 6% feed to animals (chooks)
- 32% Take to landfill
- 2% Do not have garden waste

The survey indicates that 71% of responders take their garden waste to the landfill (including that put in general waste bin).

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- 12.12% compost/mulch
- 62.63% put in general waste bin
- 23.23% fed to animals (chooks)
- 1.01% take to landfill
- 1.01% do not have food waste

The survey indicates that 63.64% of responders take their food scraps to the landfill (including that put in general waste bin).

If Council was to introduce a 3rd bin for collection of food and garden waste, collected weekly, would you use this service?

- 49% would use it regularly
- 20% would use it sometimes
- 31% would not use it at all

Do you think it is important to reduce the amount of waste going to landfill by collecting your food and garden waste on a weekly basis?

- 63.64% yes
- 18.18% Unsure
- 18.18% No

If all rotting waste (other than nappies and pet waste) was to be collected in a green bin on a weekly basis, how would you feel about the red bin services being changed from weekly to fortnightly?

- 20.79% it would have little impact
- 22.77% there would be a minor impact but we would manage
- 9.91% there would be a major impact but we would manage
- 37.62% there would be a major impact and we would not manage
- 8.91% Unsure

Do you support, in principle that Council introduce a new system that will reduce landfill and increase recycling and composting?

- 77.45% Yes
- 22.55% No

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- 28.44% strongly support
- 20.59% support
- 6.86% neither support no oppose
- 10.78% oppose
- 33.33% strongly oppose.

The survey indicates that 44.11% of responders oppose, 49.03% support and 6.86% neither oppose nor support the introduction of a new system at a cost of \$1.20/week.

An additional submission was made via email which opposed the introduction of the proposed organic waste bin as they would not have any use for the bin as they reuse all their food waste, and larger green waste is taken to the landfill by their gardener. They also stated that any other normal waste is either put into their usual household waste bin or recycled. They also object on the basis that it will be an additional charge to ratepayers.

Summary / Conclusion

Council has been working with Dubbo Regional Council and Mid-Western Regional Council in the joint calling of tenders for waste services for the collection and processing of food and garden organics, dry recyclables and the collection of mixed solid waste.

Indicative costs for the collection of food and garden organics are in the vicinity of \$82.00/year (\$64.00/year if one truck collects both MSW and Organics and Mid-Western agree to weekly food and garden organics collection). Council has been successful in obtaining a grant of \$192,174 (GST exclusive) under the *Waste Less, Recycle More* program for the purposes of covering costs of kitchen caddies, community education campaigns, half of the cost of the MGB (240L Green lidded bin) and other necessary costs associated with introducing an organics collection system.

Council's draft Financial Statements indicate that there is approximately \$900,000 in Domestic Waste Management reserves as at 30 June, 2017. Given this, an opportunity arises to provide some rebates to assist in reducing the cost of the additional service while the reviews of Narromine Shire Council waste facilities and potential areas of improvement are being finalised.

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The funding under the *Waste Less Recycle More* program is a rarely seen opportunity and to introduce a regional organics processing/collection service in the Central West without this funding would otherwise be unaffordable. The concept would include the collection of waste from households in the "third bin" with the waste being transported to the processing facility which would be located at Dubbo Regional Council's Whylandra waste depot. This is a unique opportunity to take advantage of substantial government funding to introduce food and garden organic waste collection services to the mid-western subregion of NetWaste and to be included in the positive waste management outcomes that it will bring to our region.

This collaborative approach will enable Narromine Shire Council to reduce the amount of waste going into Council landfill areas. The reduction of this waste is paramount to the continuing operations of Council's Narromine waste depot as its life expectancy is limited. A reduction in any waste would further increase the life of our existing landfills, while reducing any pollution of the air, soil and water in the vicinity of the landfills.

Environmental sustainability and reducing waste to landfill through effective and efficient domestic waste has been identified by the community with the reduction of waste going to landfill being featured in the 2012-16 Community Strategic Plan, Community Strategic Plan 2017 and the online survey.

RECOMMENDATION

That Council expand the current waste collection services to include food and garden organics from 1 July, 2018

Kerrie Murphy

Director Infrastructure and Engineering Services