



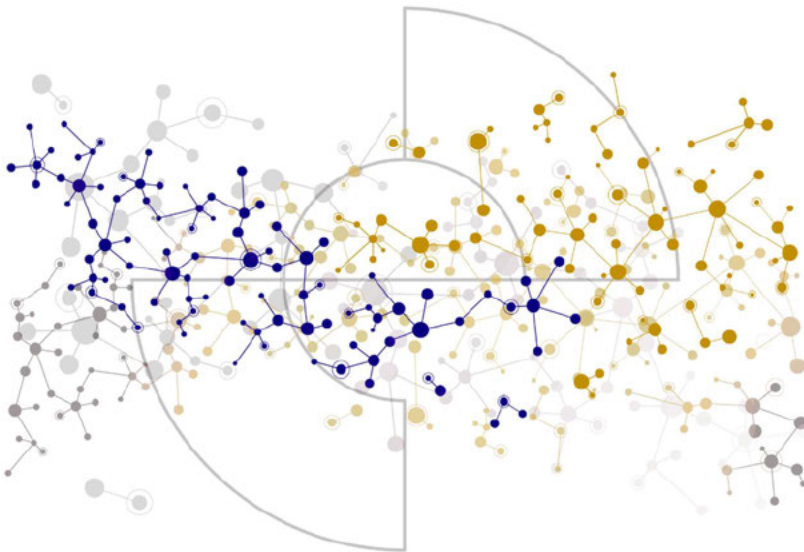
# Eastern Metropolitan Regional Council (EMRC)

## Project Team

### Application for Authorisation to Establish and Jointly Enter into a Regional Waste Collection Service

EMRC on behalf of itself and the local councils of Bassendean,  
Bayswater and Mundaring

~~1529 November~~ ~~October~~ 2021 – PUBLIC VERSION



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## 1 Parties to the Proposed Conduct

This application is lodged by the Eastern Metropolitan Regional Council (**EMRC**) on behalf of itself and the City of Bayswater, the Town of Bassendean and the Shire of Mundaring (**Participating Councils**) (together the **Applicants**). The City of Swan will not be a participant in this program but is not opposed to the application. Likewise, the City of Kalamunda is a member Council of the EMRC but will not be a participant in the program for the foreseeable future.

### 1.1 Eastern Metropolitan Regional Council

The contact details for EMRC are as follows:

Name: Eastern Metropolitan Regional Council  
Address: PO Box 234, Belmont WA 6984  
ABN: 89 631 866 056  
Contact Person: Marcus Geisler  
Contact details: (08) 9424 222, [mail@emrc.org.au](mailto:mail@emrc.org.au)

The EMRC is a Regional Local Government established under s.3.61 of the Local Government Act 1995 (WA) by the constituent Councils in November 1993. Its six constituent member Councils are the City of Bayswater, City of Belmont, City of Kalamunda, City of Swan, Town of Bassendean, and the Shire of Mundaring (the Member Councils). From 30 June 2021 the City of Belmont has withdrawn from the EMRC pursuant to a Notice of Withdrawal under the EMRC Establishment Agreement and will no longer be a member Council. The City of Belmont is not a party to the Application.

The EMRC currently provides services in waste management, resource recovery, environmental management and regional development in Perth's Eastern Region to both its Member Councils and other organisations and bodies.

The EMRC's vision is to be a responsive and innovative leader in assisting Perth's Eastern Region to be a great place to live, work, play, and do business. Its mission, by partnering with Member Councils and other stakeholders, is to facilitate strategies and actions for the benefit and sustainability of Perth's Eastern Region.

The EMRC is governed by a Council. The EMRC Establishment Agreement specifies that two councillors from each Member Council be appointed to EMRC's Council, whilst a third deputises in their absence.

### 1.2 The Participating Councils

The details of the Participating Councils are as follows;

Name: City of Bayswater  
Address: 61 Broun Avenue, Morley, WA 6062  
ABN: 61 054 006 131  
Contact Person: Doug Pearson  
Contact details: (08) 9272 0622; [mail@bayswater.wa.gov.au](mailto:mail@bayswater.wa.gov.au)

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Name: Town of Bassendean  
Address: 35 Old Perth Road, Bassendean, WA 6054  
ABN: 20 347 405 108  
Contact Person: Brice Campbell  
Contact details: (08) 9377 8000; mail@bassendean.wa.gov.au

Name: Shire of Mundaring  
Address: 7000 Great Eastern Highway, Mundaring, WA 6073  
ABN: 20 431 487 930  
Contact Person: Shane Purdy  
Contact details: (08) 9290 6666; shire@mundaring.wa.gov.au

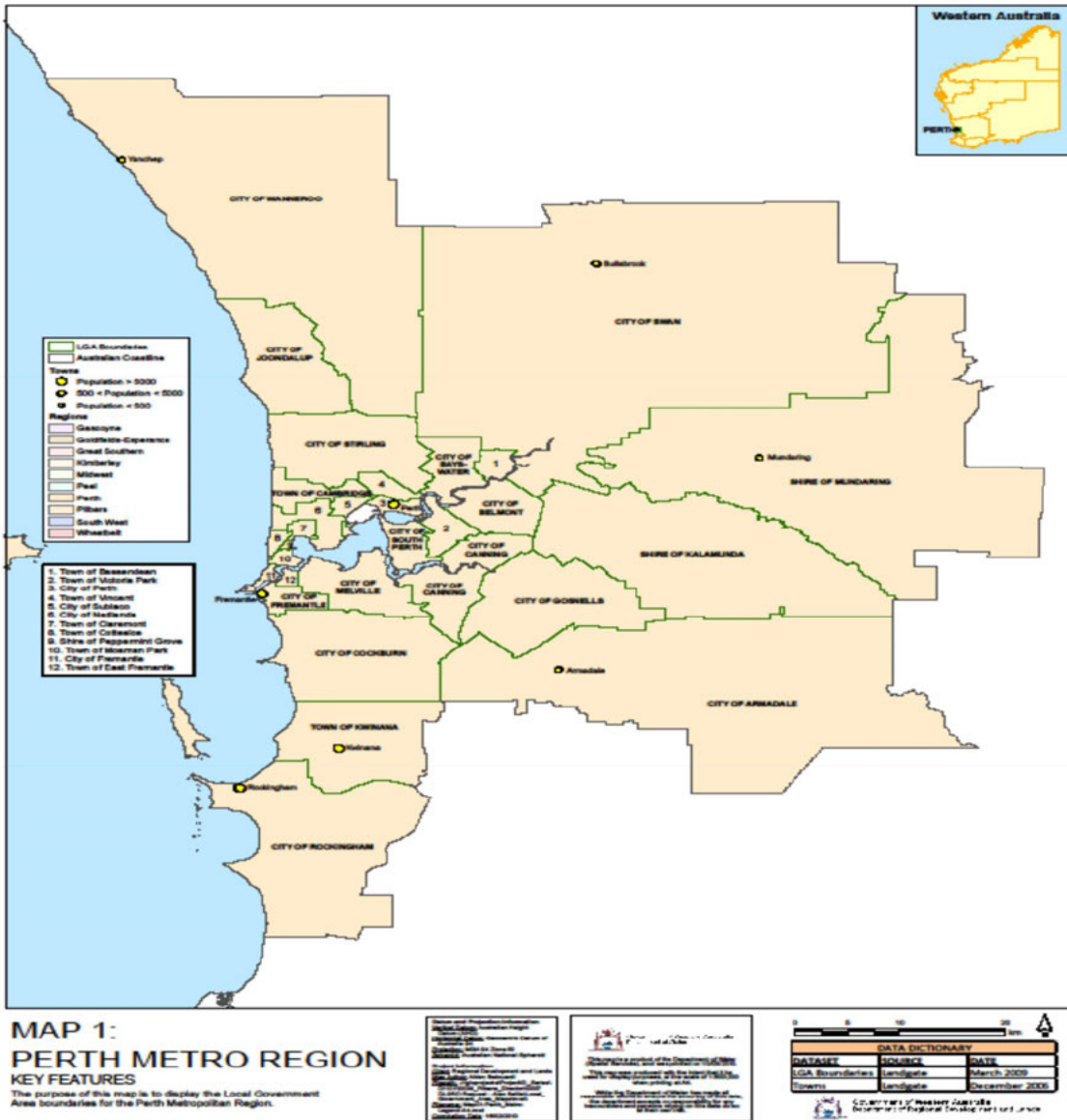
Each of the Participating Councils is a local government and body corporate established under s.2.5 of the Local Government Act 1995 (WA) and all are situated in Perth's Eastern Region and all share one or more geographical boundaries with another Member Council.  
The location of the Participating Councils is set out in Map 1. The location of the Perth Metropolitan Councils (comprising 29 local governments) is set out in Map 2.

Map 1: Perth Eastern Region showing location of the Participating Councils.



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Map 2 – The Perth Metropolitan Councils



## 2 The Proposed Conduct

### 2.1 Description of the Proposed Conduct

Authorisation is sought for EMRC to establish a Regional Waste Collection Service and enter into a service agreement with each of its **Participating Member** Councils.

The proposed Regional Waste Collection Service is set out in detail in the 'Briefing Paper' dated March 2020 and the 'Regional Waste Collection Model Review and Organics Collection Implications' dated February 2020 in Appendix A.

The Regional Waste Collection Service will include providing the following services to the **Participating Member** Councils:

- Domestic kerbside collection of:
  - Mixed general waste;
  - Co-mingled dry recyclables;
  - Food Organics Garden Organics (FOGO) collection as part a 3-bin system;
- Incidental commercial waste collection services to small businesses with services equivalent to domestic kerbside collection services;
- Bin maintenance, repair and replacement;
- Bulk waste collection service (mixed or specific) for the collection of larger household waste that cannot be disposed of within normal household bins;
- Event Waste Management;
- Street litter and illegal dumping management; and
- Customer service (i.e. contact point for enquiries, complaints etc.)

Provision of these services would see the EMRC developing an operations depot, owning and operating a waste vehicle fleet, hiring necessary staff and providing said services for the **Participating Member** Councils.

The intention is for the EMRC to provide a full service to Participating Councils for rateable properties and schools in their Councils on a standard contractual arrangement. The EMRC may allow Participating Councils to acquire some waste services from alternative suppliers but this would only be by exception and require the EMRC's approval. For example, the EMRC may allow Participating Councils to acquire bulk verge collections for green waste or bulk waste or specialist services like mattresses or household hazardous waste from alternative suppliers. Factors to be considered in determining whether to grant a Councils request to acquire some services from alternative suppliers would include the timing of the request, the effect of such a request on the EMRC's collection service in terms of disruption to the service, fleet utilisation and financial impact and whether that service is linked to a specialist processor of that waste stream.

Waste disposal and processing, commercial and industrial and construction and demolition waste collection services are not a part of the collection service.

It is intended that EMRC's waste collection services be offered to other local governments at a later date and the EMRC understands that this may require a fresh consent from the ACCC before implementation.

## 2.2 Relevant provisions of the Competition and Consumer Act 2010 (Cth)

The Applicants seek authorisation to the extent the Proposed Conduct may constitute a breach of the provisions of the *Competition and Consumer Act 2010* outline below:

- anti-competitive agreement (s.45)
- cartel conduct (s.45AD)
- exclusive dealing (s.47)

on the following grounds:

- there will be a net public benefit; and/or
- there will be no substantial lessening of competition.

## 2.3 Rationale for the Proposed Conduct

The EMRC has been working since 2000 to develop a suitable resource recovery solution that will serve Perth's Eastern Region into the future. This is known as the Resource Recovery Project, which aims to develop and implement resource recovery solutions to maximise the social, environmental and economic benefits to Perth's Eastern Region and minimise the amount of waste being directed to landfill.

The Resource Recovery Program is an integrated plan for sustainable waste management in the region and uses modern techniques and principles of sanitary landfill design and operation, including leachate collection and methane gas capture. The Hazelmere Resource Recovery Park and Red Hill Waste Management Facility are part of the EMRC's Resource Recovery Project.

Resource recovery includes activities such as the recycling of waste timber at our Hazelmere site by converting this into saleable animal bedding and converting wood chip into biochar and renewable power in a pyrolysis plant (under construction); collection of used mattresses for the recovery and reuse of the components (foam rubber and steel); acceptance of used power poles for shredding of the uncontaminated parts into wood chip and safe disposal of the contaminated parts at our Red Hill landfill. At the Red Hill Waste Management Facility, the EMRC dispose of member Council waste in engineered landfill cells and convert greenwaste into saleable mulch product and Food Organics and Garden Organics waste (FOGO) into saleable compost. At this facility the EMRC also recover scrap steel, cardboard, plastics, glass, e-waste, household hazardous waste at a Community Recycling Centre. The EMRC are currently tendering for a commercial scale facility to process all participating Council FOGO waste and make compost and/or biogas at Red Hill Waste Management Facility.

The EMRC's Resource Recovery Project is consistent with the WA Government's Waste Avoidance and Resource Recovery Strategy 2030 and Action Plan (see Appendix D) and its circular economy vision.

The EMRC (and Participating Councils) wish to establish and operate the Regional Waste Collection Service as part of its Resource Recovery Project.

The addition of the Regional Waste Collection Service will add to the regional services EMRC already provide to their Member Councils which includes waste education, resource recovery at its Hazelmere Resource Recovery Park, environmental management, regional development services and recovery/disposal of waste at its Red Hill Waste Management Facility.

For example, all member Councils dispose of their household waste at Red Hill Waste Management Facility and some member Councils dispose of their greenwaste at the same facility. All member Council residents can use the Community Recycling Centre at Red Hill and dispose of general waste, household hazardous waste or greenwaste. The EMRC also operates three member Council owned transfer stations as a service to these Councils.



At the EMRC's Hazelmere Resource Recovery Park, member Councils can dispose of bulk verge waste for sorting and recovery. The member Councils can opt to take up the Sustainability Services Business Unit offerings depending on their specific needs – for example, all Member Councils utilise the Waste Education services, some use the Urban Environment services and the Natural Environment services. The EMRC also periodically conducts waste audits of member Council waste streams to inform the future development of its services and sites.

The Proposed Conduct aims to:

- achieve regional efficiencies and potential costs savings through centralised waste collection services which will provide consistency and standardisation across the region;
- achieve greater economies of scale in regard to education and community engagement to drive higher quality source separation of wastes;
- provide environmental benefits from reduction in waste going to landfill, increase in waste recovery and reductions in transport distances of collection vehicles; and
- eliminate the need for member Councils to conduct their own time consuming and costly tender processes compared to having a Regional Collection Service.

A review of the Regional Waste Collection Model in 2020 by Talis Consultants found there was potential for the EMRC to provide a cost competitive service to its Participating Councils, however there was a large number of variables that could affect the service model and any cost benefits would likely be realised through efficiencies in services provided if most and preferably all Participating Councils committed to a service agreement. The EMRC intends to progressively implement a Regional Waste Collection with its Participating Councils with a focus on service delivery and efficiency to minimise costs to residents. Financial benefits will accrue with each additional Participant Council.

## 2.4 Term of Authorisation

The Applicants that authorisation be granted until October 2040<sup>52</sup>. This is due to:

- A 20-month pre planning period;
- A rolling start across Participating Councils as waste service contracts expire, with the last service contract due to expire in 2028<sup>39</sup>;
- A proposed agreement of a minimum of ten years. The proposed agreement term aligns with a typical long-term service agreement of seven years and the option for yearly extension for up to three years, which is the generally accepted term for a kerbside collection contract.
- Therefore, it is anticipated that each Participating Council would have the benefit of a minimum ten-year agreement, which means where a Participating Council commences its services agreement in 2028<sup>3</sup> the end of the maximum contract period would be 2038<sup>3</sup>.
- With the likely introduction of electric and hydrogen powered collection vehicles during the next ten years, the durability and depreciation of these new technologies (fleet, fuel, charging and servicing) are likely to be longer so a longer contract term will become the norm.
- The EMRC plans to use its Hazelmere Resource Recovery Park to locate the waste collection vehicles and associated service centre and customer service centre. With progressive uptake of the service by member Councils this may require another site to house all the plant and equipment and staff which will take time to acquire and relocate.

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### 3 Documents Submitted to the EMRC Council

The following documents provided to the EMRC Council are at **Appendix A**

1. Report – Regional Waste Collection (Ref: D2017/12623), 24 August 2017
2. Attachment to Report D2017/12623 – Member Council Regional Waste Collection Contract Details (Ref: D2017/12631)
3. Report – Regional Waste Collection Contract (Ref: Committees-8731), 4 December 2008
4. Attachment to Report Committees-8731 – Regional Waste Collection Feasibility Study (Committees-8739)
5. Report – Regional Waste Collection Contract (Ref: Committees-7011), 13 December 2007
6. Report – Regional Contract for Member Council Waste and Recycling Collections (Ref: Committees-6436), 26 July 2007

Other relevant documents have been provided to the ACCC at Appendix A of [the Confidential Version](#) of this submission. However, as they are not public documents or are commercial-in-confidence they are confidential and are not published on the public register.

### 4 Persons, or Classes of Persons, who May be Impacted

The names and contact details of existing and potential service providers and suppliers who may be directly impacted by the proposed Conduct are included in **Appendix B**.

#### Existing Member Councils' Service Providers

Cleanaway provides the following services to Member Councils:

- Kerbside general waste collection services - two Member Councils;
- Kerbside recycling collection services - three Member Councils;
- Kerbside garden organics collection services – one Member Council; and
- Bulk waste collection - two Member Councils.

Cleanaway provides domestic, commercial, industrial collection and resource recovery for bulk/junk waste, recyclables recovery at their owned and operated MRFs and can provide a range of additional supplementary services including street, park and commercial bins, education programs, bin maintenance and repairs, and customer service centres.

SUEZ provides the following services to Member Councils:

- Kerbside general waste collection services - one Member Council;
- Kerbside recycling collection services - one Member Council; and
- Bulk waste collection - one Member Council.

SUEZ provides domestic, commercial, industrial collections and resource recovery for bulk/junk waste, recyclables, garden organics and FOGO and can provide a range of additional supplementary services including education programs, bin repair and maintenance, and customer service centres.

Volich Contractors provide one Member Council with a kerbside general waste collection and could have potential in the future to provide other domestic kerbside collection services.

Steann provides verge bulk waste collection services to a number of Perth Metropolitan Councils and could potentially provide other domestic kerbside collection services in the future.

#### Potential Service Providers

Solo, Veolia, JJ Richards and Remondis have the capability to undertake domestic kerbside collection services and provide a range of supplementary services. However, to-date these contractors have not been

successful in securing the main domestic kerbside collection services over SUEZ and Cleanaway who have a strong market hold.

Avon Waste provides domestic kerbside collection services, principally to regional Local Government Areas (LGAs) in Western Australia and have a strong regional market hold. Avon Waste has the potential to expand their operations to Perth Metropolitan Councils and provide supplementary services.

West Tip provide a range of collection services including residential, commercial, industrial collections, vergeside bulk waste collect, resource recovery and sorting at their Malaga facility and product destruction. West Tip have the potential to expand into domestic kerbside collection services.

KRS Contracting provide vergeside bulk waste collection in the Perth metropolitan area.

D&M Waste Management provide vergeside bulk waste and garden organics collections in the Perth metropolitan area and operate a recycling facility for scrap metals, oils and batteries at their Kwinana site.

Instant Waste provide a range of waste collection services focusing mainly on commercial and industrial businesses and construction and demolition wastes, however does provide some domestic kerbside collections and has potential to expand their operations in this area.

Alvito Pty Ltd (t/a Incredible Bulk) has its own solid waste depot and has provided bulk waste collection and recovery services for Perth Metropolitan Councils for over 19 years.

#### **Potential Subcontractors/Suppliers**

Intelife, Good Sammy Enterprises and Workpower all provide social enterprise workforce for a range of peripheral waste management services including litter management, direct mail and mail out distribution services, bin sticker printing services and bin lid replacement programs for LGAs.

SULO MGB Australia Pty Ltd, Mastec, Trident Plastics (SA) Pty Ltd and GC Sales all supply bins, provide FOGO roll out services, and supply and deliver kitchen caddies and compostable liners. Woodlands and BioBag supply compostable liners and bags and dog litter bags.

It is expected that the proposed Conduct would have little if any impact on these suppliers.

#### **Industry Associations**

The EMRC is a member of the following industry associations:

- Waste Management and Resources Recovery Association of Australia (WMRR).
- International Solid Waste Association (ISWA).
- Western Australian Local Government Association (WALGA).
- Municipal Waste Advisory Council (MWAC)

## **5 Market & Relevant Industry**

The Applicants seek authorisation for the Proposed Conduct within the Participating Council area. The Applicants consist entirely of bodies incorporated under the *Local Government Act 1995* (WA), ~~three~~ five as local governments and one as a regional local government. Provision of waste services for ratepayers is a function of local government. Each Participating Council is responsible for its own ratepayers and elected members and do not overlap in the provision of services

The relevant industry for the Proposed Conduct is the provision of waste collection services. Each participating Council is responsible for providing a waste collection service to its own residents.

There is no competition between Councils in that residents cannot choose between Councils or private industry for the provision of waste collection services and so do not compete in the provision of services.

A potential supplier-customer dynamic between LGAs in Western Australia does exist. If LGAs wish to outsource domestic waste services, they may engage another LGA directly in accordance with the *Local Government Act 1995*. This is currently a very common practise, specifically in regard to waste disposal

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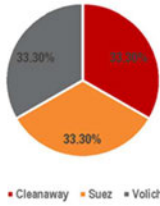
and LGA owned landfills. LGAs may also choose to outsource domestic waste services and invite both private industry and other local Councils to bid for these services.

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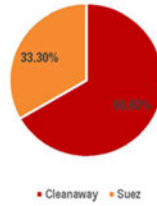
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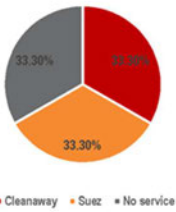
Participating Councils General Waste Collection



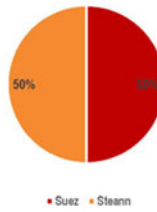
Participating Councils Recycling Collection Service



Participating Councils FOGO Waste Collection



Participating Councils Bulk Waste Service



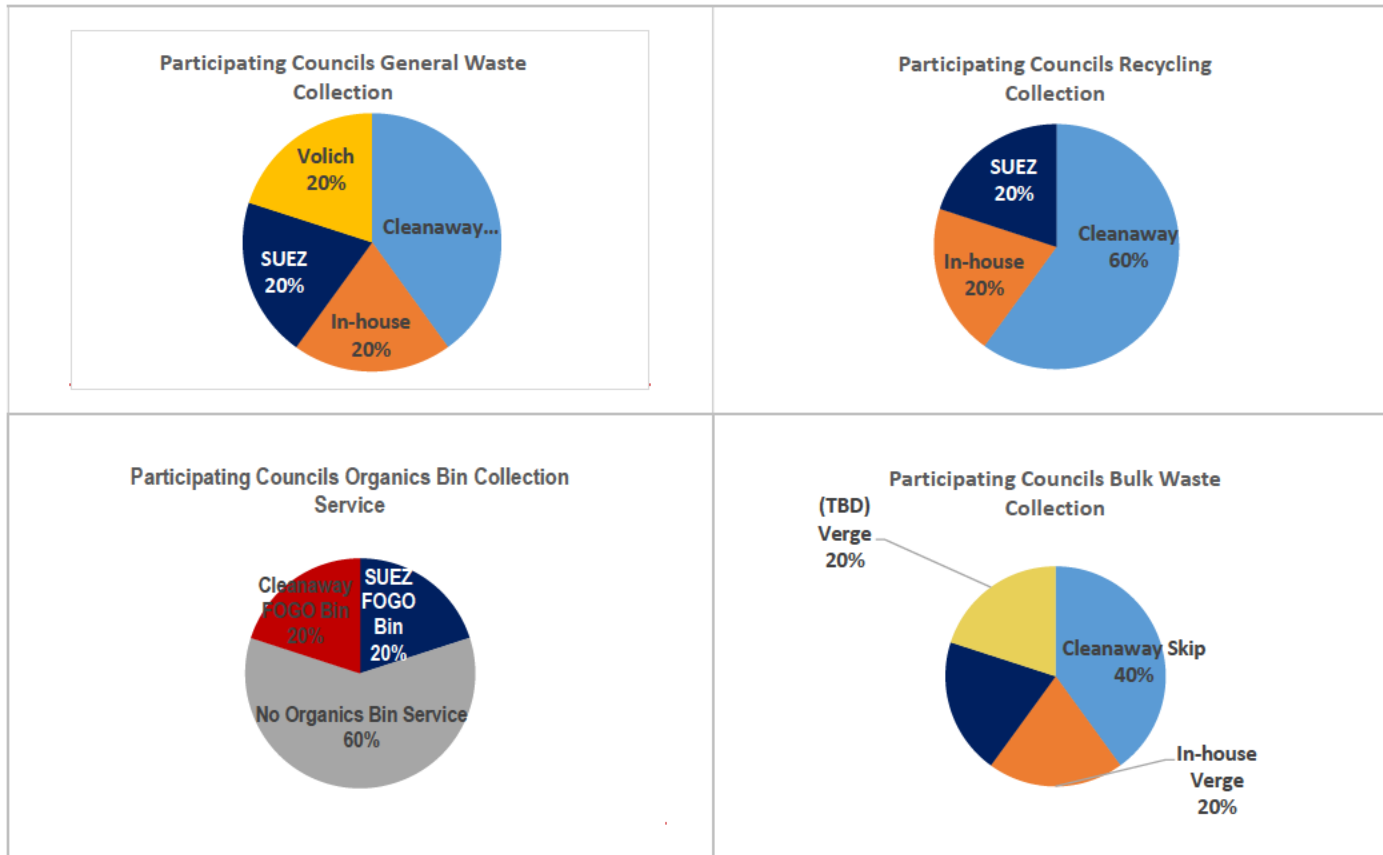
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[Figure 5-1](#)

[Figure 5-1](#) provides a summary of the ~~three~~five Participating Councils services and the parties involved. It demonstrates that waste collection services are provided by a mix of private industry waste collection contractors and in-house services.



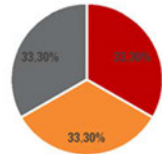
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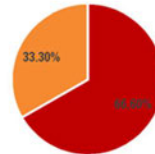
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Participating Councils General Waste Collection



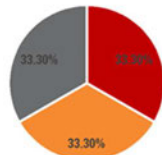
• Cleanaway • Suez • Volich

Participating Councils Recycling Collection Service



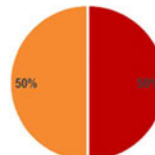
• Cleanaway • Suez

Participating Councils FOGO Waste Collection



• Cleanaway • Suez • No service

Participating Councils Bulk Waste Service



• Suez • Steann

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**Figure 5-1: Participating Councils' Existing Services**

## 6 The Supply Chain and Services

The supply chain and services for this industry includes:

- Manufacturers of the collection trucks and data capture equipment;
- Bin supply and manufacturers;
- Waste collection services;
- Residents of Participating Councils who receive the service; and
- Landfills/recycling processors that receive the waste following collection.

## 7 Market Share

There are 138 LGAs in Western Australia, with 29 Perth Metropolitan Councils representing 73% of the State's population, 5 Peel LGAs representing 5% of the State's population and 104 regional LGAs which represent 21% of the State's population.

The 29 Perth Metropolitan Councils comprise the City of Armadale, Town of Bassendean, City of Bayswater, City of Belmont, Town of Cambridge, City of Canning, Town of Claremont, City of Cockburn, Town of Cottesloe, Town of East Fremantle, City of Fremantle, City of Gosnells, City of Joondalup, City of Kalamunda, Town of Kwinana, City of Melville, Town of Mosman Park, Shire of Mundaring, City of Nedlands, Shire of Peppermint Grove, City of Perth, City of Rockingham, City of South Perth, City of Stirling, City of Swan, City of Subiaco, City of Victoria Park, Town of Vincent, and City of Wanneroo.

Of the 29 Perth Metropolitan Councils, the member Councils represent an estimated 649% of all households leaving approximately 8493% of the market remaining across the region (**Appendix C**).

Based on waste tonnages the Participating Councils generate, an estimated 6% of Kerbside General Waste, 6% of Kerbside Recycling, 8% of Kerbside Garden Organics and 13% of Vergeside Bulk Waste when compared with all Perth Metropolitan Councils (Appendix C).

It is unlikely that the anticipated market share would change substantially, other than future population increase/decrease across the Perth Metropolitan Councils.

### General Waste

Analysis of 29 Perth Metropolitan Councils existing kerbside waste collection services estimates that the proposed Conduct would hold approximately 47.10% of the general waste collection market share leaving 90.83% (56.62% of private industry and 24.34% of in-house services) open to competitive public tender, refer [Figure 7-1](#)/[Figure 7-4](#)/[Figure 7-4](#).

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Perth Metropolitan Councils Market Share  
General Waste Collection

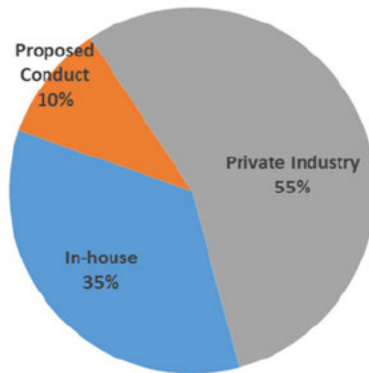
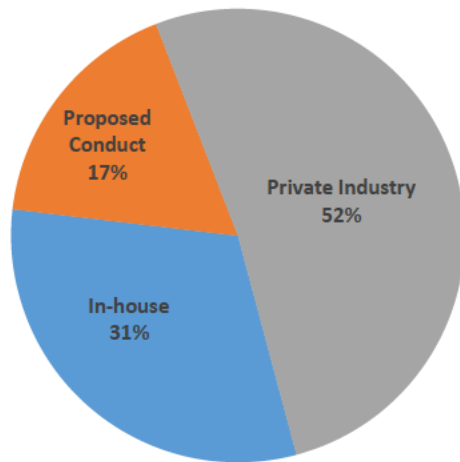


Figure 7-1: Perth Metropolitan Market Share - General Waste

### Recyclables

Similarly, there would be 89.03% (62.66% private industry and 24.4% of in-house services) recycling services available to competitive public tender, refer

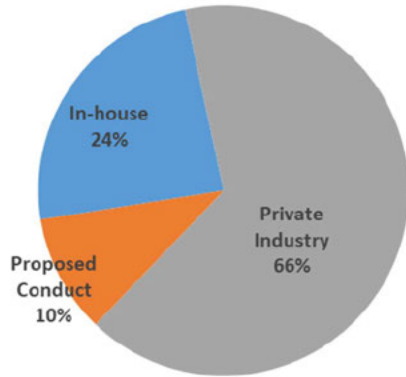


Figure 7-2

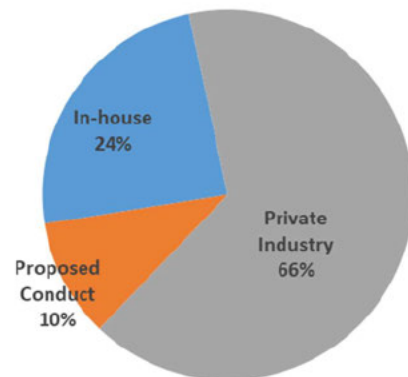
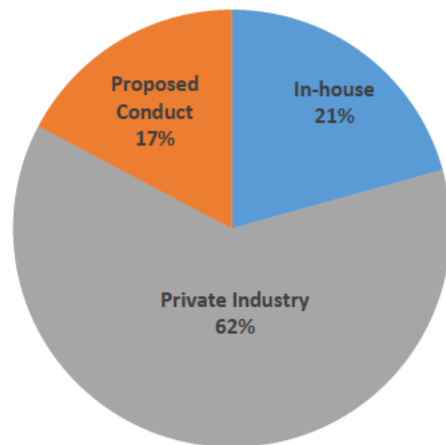
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Perth Metropolitan Councils Market Share  
Recycling Waste Collection



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Figure 7-2: Perth Metropolitan Market Share - Recycling

Food Organics Garden Organics



Utilisation of a 3 Bin System for FOGO waste collection is not yet widespread across the Perth Metropolitan Councils. The Western Australian Waste Strategy 2030 (Waste Strategy) requires that 'A consistent three bin kerbside collection system, which includes separation of food organics and garden organics from other waste categories, to be provided by all local governments in the Perth and Peel region by 2025'. Therefore, it is expected that the vast majority of Perth Metropolitan Councils will be required to uptake a 3-bin FOGO system by 2025.

The Town of Bassendean rolled out a 3-bin system with FOGO collection in August 2020 and the City of Bayswater transitioned from a garden organics collection service to residents to a FOGO collection service in March 2021. It is proposed that the ~~other Participating~~ ~~rest-of-the-member~~ Councils will uptake FOGO services under the proposed Conduct to meet Waste Strategy requirement. This would see the ~~member Participating~~ Councils holding approximately 47-10% of the Perth Metropolitan Council market share for Greenwaste and FOGO collections, as shown in

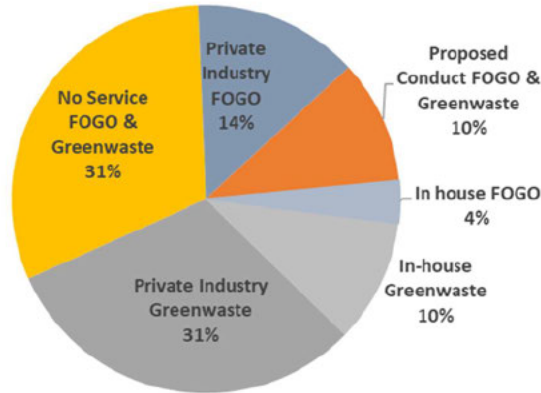


Figure 7-3 Figure 7-3 Figure 7-3.

Analysis of current garden organics and FOGO bin collection services across the rest of the councils shows that there is an estimated 31-24% of Perth Metropolitan Councils without any form of organics bin collection, 41% of councils have a greenwaste collection service provided in-house or by private industry, and approximately 18% of councils provide a food organics collection service either in house or by private

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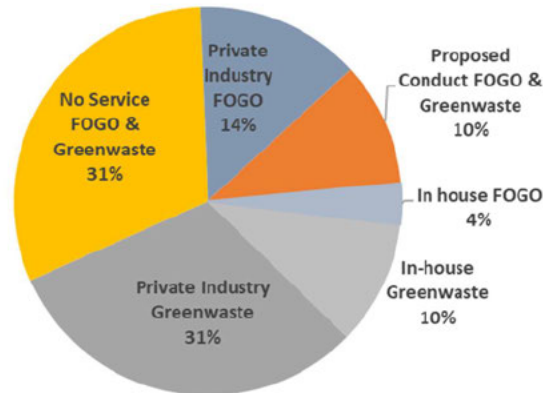
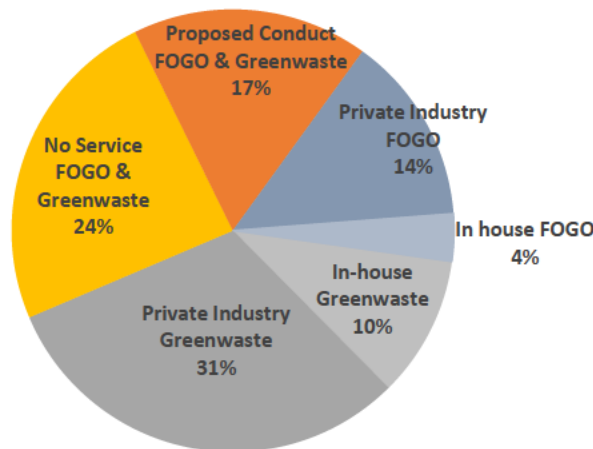


Figure 7-3 Figure 7-3 Figure 7-3.

This indicates there is an estimated 90.83% market share open to competitive public tender within the Perth Metropolitan Councils, with a substantial proportion (approximately 72.65%) of the market share still to transition to a FOGO 3 bin system by 2025.

Perth Metropolitan Councils Market Share - Garden Organics/FOGO Collections



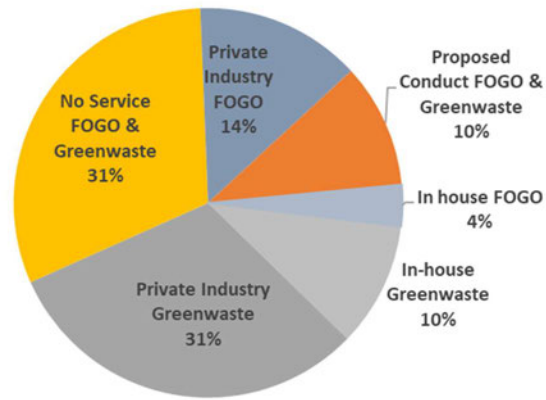
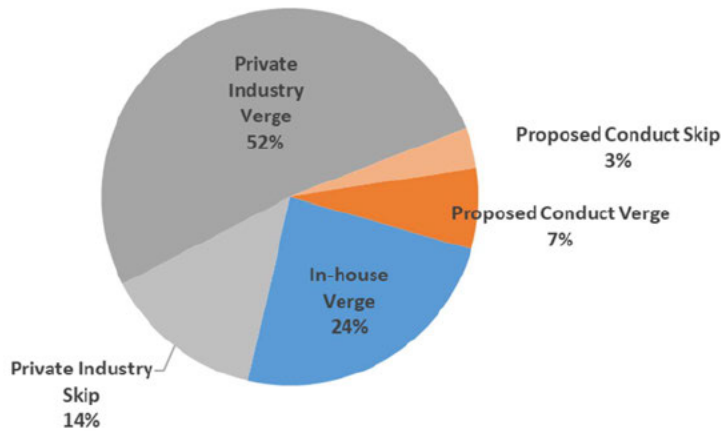


Figure 7-3: Perth Metropolitan Market Share - Garden Organics/FOGO

**Vergeside Bulk Waste**

All Perth Metropolitan Councils provide bulk waste collection, by way of uncontained on the verge pickup or skip or bin pickup.

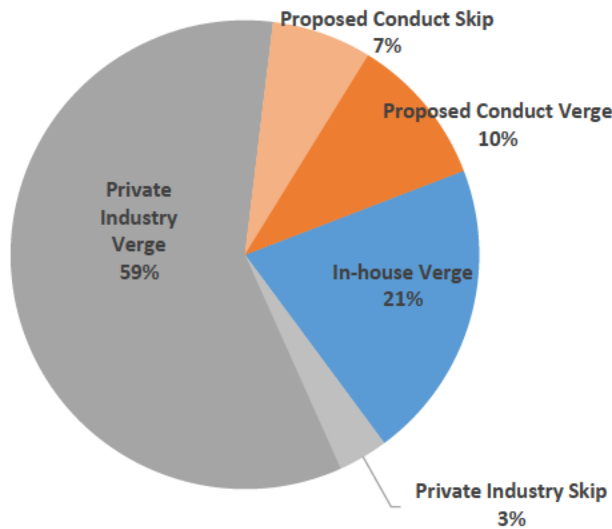


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Figure 7-4 shows proposed Conduct is approximately 47.10%, leaving an 89.03% market share open to competitive public tender across the Perth Metropolitan Councils.

**Perth Metropolitan Councils - Bulk Waste Collection**



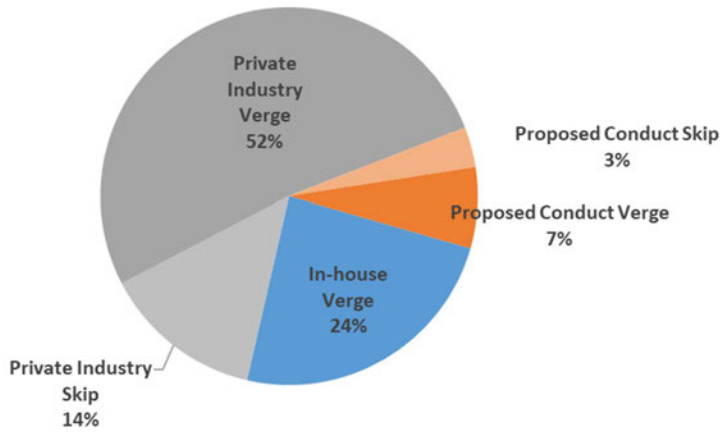


Figure 7-4: Perth Metropolitan Market Share – Bulk Waste

## 8 Competitive Constraints

### 8.1 Existing and Potential Competitors

The current interpretation of the *Waste Avoidance and Resource Recovery Act 2007 (WARR Act)* and subsidiary legislation is that responsibility for the safe management of a LGAs domestic waste, rests with each respective LGA. Residential ratepayers cannot engage the services of a private waste collection contractor with authorisation from their respective LGA.

As a result, LGAs (including the Participating Councils) do not have competitors for domestic waste collection services.

The existing and potential private industry waste collection service providers that may compete with EMRC's proposed Regional Waste Collection Service are listed in Appendix B.

### 8.2 Likelihood of Entry by New Competitor

As explained under heading 8.1 above, LGAs do not have competitors for domestic waste collection services. Competition is only created if LGAs choose to outsource domestic services and invite private industry and other LGAs to bid for these services.

It is unlikely that there will be an entry by a new competitor in the industry waste collection services market that is not already listed in Appendix B.

### 8.3 Countervailing Power of Customers and/or Suppliers

Responsibility for household waste collection is the responsibility of LGAs in Western Australia under the WARR Act and WARR Regulations and is an essential service to residents. The cost for this service is largely born by residents through the payment of their rates (customers). Ratepayers of all the member Councils hold their respective Councils accountable for any inefficient services, including essential waste services. As part of the proposed Conduct, the same dynamic would still exist and be further extended to include member Councils potentially holding the EMRC accountable for the service provided.

In the absence of the proposed Conduct, the EMRC and/or its member Councils would be required to revert to the costly and time-consuming process of tendering for waste services. This demanding process acts as a barrier to re-tendering in the event of performance issues with an appointed supplier. This barrier, coupled with potential disruptions to services, provides a degree of power to suppliers over Councils.

### 8.4 Other Relevant Factors

The Department of Water and Environment Regulation (**DWER**) has stated the following in respect to the WARR Act:

*"The WARR Act establishes an accountability framework, allowing the State Government to monitor and evaluate the waste services provided by local governments to ensure that waste collection services protect human health and the environment, and are consistent with modern practice. The waste collection permit mechanism allows the State Government to award waste collection permits to third parties to collect local government waste under certain circumstances. To date, there has been no need to introduce waste collection permits to manage the collection of waste."*

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<sup>1</sup> Department of Water and Environmental Regulation, Review of the Waste Avoidance and Resource Recovery Act 2007 - Discussion paper, September 2020

In the unlikely event that the EMRC and the Participating Councils were to grossly mismanage its collection service, the State Government can award collection services to third parties. This mechanism serves to ensure that the EMRC and its Participating Councils' provide an efficient, effective and innovative service.

The EMRC has over 25 years' experience in the management of household waste and dealing with collection contractors. This includes the establishment of a best practice landfill at Red Hill Waste Management Facility and the development of a Resource Recovery Park at the EMRC's Hazelmere site. The EMRC has qualified and experienced staff who have worked in the private sector in the waste collection business, including the CEO (formerly worked in a senior management role at Suez Environmental, Veolia Environmental and Thiess Services), Manager Engineering (formerly from Perth Waste), Chief Operating Officer (formerly senior manager at Western Power and Thiess Services) and supervisors and plant operators. Staff currently operate hook lift trucks and other plant and equipment as part of the Red Hill Waste Management Facility and Hazelmere Resource Recovery Park operations. Several staff members have worked in the private sector before joining the EMRC. The EMRC operational and corporate staff have many years' experience in providing services to contractors such as Cleanaway and Suez and also advocating with these businesses on behalf of the member Councils, for example providing assistance to them when they develop tender requests for their own collection services. The EMRC would have to recruit additional personnel including for customer service, maintenance and operations and have the HR team to do this and provide any training and OHS support.

In developing a cost model for the Regional Collection service, the EMRC has collaborated extensively with the City of Swan who own and operate their waste collection fleet. The City of Swan's expertise would be available as required as we progressively implement the service.

The proposed Conduct is not expected to directly affect any existing contracts as the intention is that Participating Councils will join the Service Collection Agreement as their contracts expire.

Any potential suppliers of waste collection services have access to a substantial channel of opportunities. Beside the Participating Councils, there are a further 263 Councils across the Perth Metropolitan Area that would potentially procure services via the West Australian Local Government Association Preferred Supplier Panel or open tender processes. In addition, the Waste Strategy has requested 'A consistent three bin kerbside collection system, which includes separation of food organics and garden organics from other waste categories, to be provided by all local governments in the Perth and Peel region by 2025'. This expansion of services by Councils is only likely to increase the size of residential waste collection market for suppliers.

For the majority of potential suppliers, waste collection services are typically only one component of the supplier's potential business with many providing other services such as:

- Domestic waste disposal;
- Recycling processing and recovery;
- FOGO Processing;
- Commercial and industrial collections, disposal and processing; and
- Construction and demolition collection, disposal and processing.

Currently there are two key private industry waste contractors that hold the dominant market share, refer [Figure 8-1](#)~~Figure 8-1~~[Figure 8-1](#) and [Figure 8-2](#)~~Figure 8-2~~[Figure 8-2](#). There are very

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[https://consult.dwer.wa.gov.au/waste-policy/review-of-the-waste-avoidance-and-resource-recover/user\\_uploads/discussion-paper-warr-act-review-final.pdf](https://consult.dwer.wa.gov.au/waste-policy/review-of-the-waste-avoidance-and-resource-recover/user_uploads/discussion-paper-warr-act-review-final.pdf)

few competitors with the financial standing to successfully impact the current waste collection market and so the same scenario of market dominance is likely to continue.

Perth Metropolitan Councils Market Share  
General Waste Collection

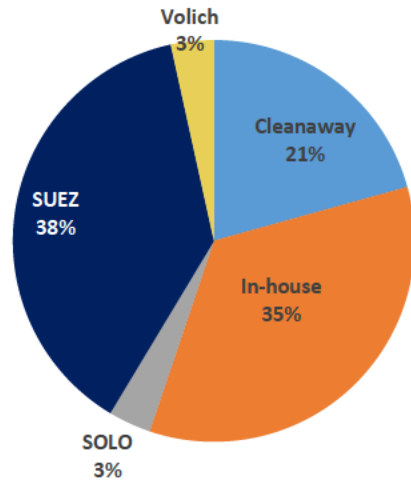
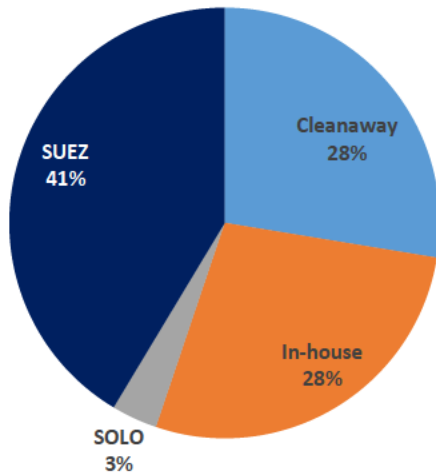


Figure 8-1: Perth Metropolitan Market Share – General Waste by Contractor

Perth Metropolitan Councils Market Share  
Recycling Collection





### Figure 8-2: Perth Metropolitan Market Share – Recycling by Contractor

## 9 Public Benefit

LGAs and the Regional Councils are essential to the Waste Strategy targets being met. Aligning the proposed Conduct to the Waste Strategy 2030 provides a mechanism to achieving State's targets and objectives of the Waste Strategy and provide increased consistency in waste service planning and management and increase the efficiency of services which will result in the following public benefits.

### Cost saving and regional efficiencies

The cost and management of waste services for LGAs is substantial. Overall cost efficiencies and higher service levels will be achieved through the delivery of centralised waste collection services that will align with supplementary regional services already provided by EMRC.

The Proposed Conduct provides opportunity for consolidation of existing Council staff and pooling resources into the Proposed Conduct, providing benefit in sharing overall costs and resources across the region and improved service outcomes for residents.

The Proposed Conduct will:

- Alleviate market pressures when tendering for new waste services and achieve reductions in negotiation and transaction costs for Participating Councils;
- Reduce procurement and contractor management workloads for participating Councils;
- Provide a standardised waste service across the region which will encourage consistent collection services, provide a single message for waste education and provide higher quality source separation across the Perth Eastern Region;
- Provide opportunity to implement a central waste information data base for data capture and reporting to assist in policy and strategy development and monitoring and evaluation of service delivery and investment decisions;
- Provide opportunity for a centralised call centre for customer service enquiries;
- Improve coordination of bulk waste collections; public litter, bin management and reactive services such as illegal dumping and spills;
- Reduce the replication of internal waste management resources for each Participating Council;
- Create a consistency and standardisation across the Participating Councils that does not occur when Councils undertake their own separate waste collection services; and
- Improved flexibility of service to address needs of the various Participating Councils and subsequently the residents.
- Allow residents to see non-financial benefits from the agreement including:
  - ⇒ increased level of service, flexibility and continuous improvement – particularly for litter management, event waste management, non-rateable properties, reactive services such as spills/breakages/ replacement bins and bulk waste services;
  - ⇒ ability of Participating Councils to affordably conduct trials, monitor performance and react to service changes if required; and
  - ⇒ ability for Participating Councils to introduce new services for residents as a region, such as FOGO, glass or plastic film collections by capitalising on existing resources.

The aspects and advantages of the Proposed Conduct stated above are the market failures the Proposed Conduct is seeking to address.

### Greater Economies of Scale

The proposed Conduct will have a greater number of households and land area to service, which will result in economies of scale in the delivery of services that will assist to reduce financial risk and increase operational certainty for Participating Councils.

Benefit from economies of scale will allow EMRC to:

- Provide further investment in resource recovery;
- Focus on continuous improvement of service and consolidation of resources; and
- Support the ability to trial new services at minimal additional cost.

### Environmental Benefits

It is expected that the proposed Conduct will contribute to achieving the State Government's objective to 'protect the environment by managing waste responsibly' by:

- Providing a consistent education strategy across the Eastern Region to maximise diversion of waste from landfill;
- Reducing transport distances of vehicles from a centralised depot and optimisation of collection routes throughout the region reducing fuel expenditure and carbon emissions.
- Upgrading of plant and equipment which will allow for use of newer, greener and more efficient technologies;
- There is some consistency across the Participating Councils for waste collection services, however there are differences in presentation and bin content allowed between councils, as well as considerable variation in bulk waste collection and street litter information. The lack of consistent messaging generates confusion and can result in contamination issues. Contamination can reduce the value of recoverable resources and can result in loads of recyclables or organics being sent to landfill.

The State's Waste Strategy highlights the need for more consistent waste messaging, and the important role that Local Governments have to play in educating their residents and ensuring consistency of messaging. A standardised service across all Participating Councils will play an important role in educating residents and minimising contamination.

As part of the Proposed Conduct the Participating Councils will share responsibility with the EMRC to contribute to meeting the objectives of the State's Waste Strategy and achievement of its targets for a 10% reduction per capita in municipal solid waste by 2030 and an increase in municipal solid waste material recovery to 70% by 2030 in the Perth and Peel region. The environmental benefits that will be gained from this are an ongoing benefit for Participating Councils' residents and the wider public.

## 10 Public Detriment

The Applicants submit there will be little or no detriment to the public from the Proposed Conduct.

To the extent that there may be any detriment:

- as it is proposed that the EMRC will provide collection services on behalf of the Participating Councils there will be no public tender process saving the Participating Councils the cost and time to conduct such tenders every five to seven years; and
- as the Proposed Conduct requires that each Council remain separate legal entities, any adjustments to services would require agreement from all Participating Councils. This would be done via the service agreement with Participating Councils after the EMRC Council had considered the matter and made a recommendation to the Participating Councils. For example, if the State moves towards a 4-bin system, the EMRC Council would consider how best to accommodate this, amend its Waste Strategy and then consult with the Participating Councils on how it would be implemented to best meet their residents needs and suit their budgeting

processes. This process would not be a detriment to the Participating Councils' residents and would have little bearing on the broader public or competition in the market. If there was a price war between commercial service providers, the EMRC may not have the same agility to react to this which could be considered a detriment to the Participating Council residents but these instances are often short lived and about market share. The EMRC's focus will be on service delivery at the lowest possible price. Again, this would have little bearing on the broader public or competition in the market.

## 11 Contact Details of Relevant Market Competitors & Industry Organisations

The contact details of relevant industry organisations and existing and potential service providers and suppliers are set out in **Appendix B**.

## **APPENDIX A**

### **Documents Provided**

- 
1. Report – Regional Waste Collection (Ref: D2017/12623), 24 August 2017
  2. Attachment to Report D2017/12623 – Member Council Regional Waste Collection Contract Details (Ref: D2017/12631)
  3. Report – Regional Waste Collection Contract (Ref: Committees-8731), 4 December 2008
  4. Attachment to Report Committees-8731 – Regional Waste Collection Feasibility Study (Committees-8739)
  5. Report – Regional Waste Collection Contract (Ref: Committees-7011), 13 December 2007
  6. Report – Regional Contract for Member Council Waste and Recycling Collections (Ref: Committees-6436), 26 July 2007

## APPENDIX B Existing and Potential Service Providers/Suppliers & Industry Associations

Table B 1: Existing and Potential Service Providers/Suppliers & Industry Organisations

| Service Provider                          | Kerbside General Waste | Kerbside Recyclables | Kerbside Garden Organics | kerbside FOGO | Bulk waste collection | Bulk waste Processing | Skip Bins | Recyclables Processing | Contact Details   | Telephone | Website/Email Address |
|---|------------------------|----------------------|--------------------------|---------------|-----------------------|-----------------------|-----------|------------------------|---|-----------|-----------------------|
| <b>Existing Service Providers</b>         |                        |                      |                          |               |                       |                       |           |                        |   |           |                       |
| Cleanaway Pty Ltd                         | ✓                      | ✓                    | ✓                        | ✓             | ✓                     | ✓                     | ✓         | ✓                      | 171 Camboon Road, Malaga, WA 6530                                 |           |                       |
| SUEZ                                      | ✓                      | ✓                    | ✓                        | ✓             | ✓                     | ✓                     | ✓         | ✓                      | 116 Kurnall Road, Welshpool WA 6106 PO BOX 249, WELSHPOOL WA 6986 |           |                       |
| Volich Contractors Pty Ltd                | ✓                      |                      |                          |               | ✓                     |                       |           |                        | 6 Morilla Rd, Mundaring WA 6073                                   |           |                       |
| Steann                                    |                        |                      |                          |               | ✓                     |                       |           |                        | 35 Hillway, Nedlands WA 6009                                      |           |                       |
| <b>Potential Service Providers</b>        |                        |                      |                          |               |                       |                       |           |                        |   |           |                       |
| JJ Richards & Sons                        | ✓                      | ✓                    | ✓                        |               |                       |                       |           |                        | 20 Wood Street Bassendean WA 6054                                 |           |                       |
| Veolia                                    | ✓                      | ✓                    | ✓                        |               |                       |                       |           |                        | 14 Monash Gate, Jandakot WA 6163                                  |           |                       |
| Remondis Australia Pty Ltd                | ✓                      | ✓                    | ✓                        |               |                       |                       |           |                        | 3 Madison St, Canning Vale WA 6155                                |           |                       |
| Solo Resource Recovery                    | ✓                      | ✓                    | ✓                        |               | ✓                     | ✓                     |           |                        | 59 Burlington Street Naval Base WA 6165                           |           |                       |
| Avon Waste                                | ✓                      | ✓                    |                          |               |                       |                       |           |                        | 16 Ashworth Rd, Daliak WA 6302                                    |           |                       |
| West Tip                                  | ✓                      | ✓                    |                          |               |                       |                       |           |                        | 394 Victoria Road, Malaga WA 6090                                 |           |                       |
| Alvito Pty Ltd (T/A Incredible Bulk)      |                        |                      |                          |               | ✓                     |                       |           |                        | Lease Area 17<br>190 Flynn Drive, Neerabup WA 6031                |           |                       |
| KRS contracting                           |                        |                      |                          |               | ✓                     |                       |           |                        | 322 Gossage Road, Oldbury WA 6121                                 |           |                       |
| D&M Waste Management                      |                        |                      |                          |               | ✓                     |                       |           |                        | 63 Boomerang Rd, Oldbury WA 6121                                  |           |                       |
| Instant Waste                             |                        |                      |                          |               | ✓                     | ✓                     | ✓         |                        | 45 Clune Street, Bayswater WA 6053                                |           |                       |
| <b>Potential Subcontractors/Suppliers</b> |                        |                      |                          |               |                       |                       |           |                        |   |           |                       |
| Intelife                                  |                        |                      |                          |               |                       |                       |           |                        | 11 Kirke Street, Balcatta WA 6021                                 |           |                       |
| Good Sammy Enterprises                    |                        |                      |                          |               |                       |                       |           |                        | 33-35 Bannister Road, Canning Vale WA 6155                        |           |                       |
| Workpower                                 |                        |                      |                          |               |                       |                       |           |                        | 16/24 Parkland Road, Osborne Park Perth WA 6017                   |           |                       |
| SULO MGB Australia Pty Ltd                |                        |                      |                          |               |                       |                       |           |                        | 99 Garling Street, O'Connor WA 6163                               |           |                       |
| Mastec                                    |                        |                      |                          |               |                       |                       |           |                        | U3 / 6 Chullora Bend, Jandakot WA 6164                            |           |                       |
| Trident Plastics (SA) Pty Ltd             |                        |                      |                          |               |                       |                       |           |                        | 589 Torrens Road, St Clair, SA 5011                               |           |                       |
| BioBag World Australia                    |                        |                      |                          |               |                       |                       |           |                        | 352-356 Richmond Rd, Netley SA 5037                               |           |                       |

EMRC and the City of Bayswater, Town of Bassendean and Shire of Mundaring  
 Application to ACCC for Authorisation for Regional Waste Collection Service – Public Version

|  |  |  |  |  |  |  |  |  |   |
|--|--|--|--|--|--|--|--|--|---|
| GC Sales   |  |  |  |  |  |  |  |  | 4/16 Oxleigh Dr, Malaga WA 6090   |
| Woodlands  |  |  |  |  |  |  |  |  | 34 Bainbridge Mews, Currambine WA 6028  |
| <b>Industry Associations</b>                                     |  |  |  |  |  |  |  |  |   |
| Waste Management and Resources Recovery Association of Australia |  |  |  |  |  |  |  |  | 57 St Johns Road, Glebe, NSW 2037   |
| International Solid Waste Association                            |  |  |  |  |  |  |  |  | International Solid Waste Association<br>General Secretariat<br>Stationsplein 45 A4.004<br>3013 AK Rotterdam<br>The Netherlands |
| Western Australian Local Government Association                  |  |  |  |  |  |  |  |  | Level 1, 170 Railway Parade, West Leederville, WA 6007  |
| Municipal Waste Advisory Council                                 |  |  |  |  |  |  |  |  | C/o WALGA, Level 1, 170 Railway Parade, West Leederville, WA 6007   |

## APPENDIX C Comparison of Member Councils, Perth Metropolitan Councils and Other WA Sectors

Table C 1: Comparison of households and waste tonnages of Member Participating Councils, to all of Perth Metropolitan Councils, Peel Region and Non-Metropolitan Region and WA sectors

| Local Government Area                    | Population       | Proportion of all Metropolitan Councils (%) | Approximate Rateable Properties | Proportion of all Metropolitan Councils (%) | Land Area (km <sup>2</sup> ) | Proportion of all Metropolitan Councils (%) | Estimated Kerbside General Waste (Tonnes) | Proportion of all Metropolitan Councils (%) | Estimated Kerbside Recycling (Tonnes) | Proportion of all Metropolitan Councils (%) | Estimated Kerbside Garden Organics (Tonnes) | Proportion of all Metropolitan Councils (%) | Estimated Kerbside FOGO (Tonnes) | Proportion of all Metropolitan Councils (%) | Estimated Bulk Waste (Tonnes)         | Proportion of all Metropolitan Councils (%) |
|--|------------------|---|---------------------------------|---|------------------------------|---|---|---|---------------------------------------|---|---|---|----------------------------------|---|---------------------------------------|---|
| Bassendean, Town of                      | 46,800           | 4%  | 6,182                           | 4%  | 40                           | 0%  | 6,578                                     | 4%  | 4,646                                 | 4%  | 0   | 0%  | 3,600                            | 0%  | 300                                   | 4%  |
| Bayswater, City of                       | 68,200           | 4%  | 27,000                          | 4%  | 33                           | 4%  | 16,775                                    | 3%  | 6,798                                 | 3%  | 6,353                                       | 17%   | 40,000                           | 0%  | 5,652                                 | 9%  |
| Kalamunda, City of                       | 58,932           | 3%  | 22,796                          | 3%  | 324                          | 6%  | 18,497                                    | 4%  | 5,062                                 | 3%  | 0   | 0%  | 0                                | 0%  | 2,340                                 | 4%  |
| Mundaring, Shire of                      | 38,131           | 2%  | 14,651                          | 2%  | 634                          | 13%   | 8,464                                     | 2%  | 3,646                                 | 2%  | 0   | 0%  | 0                                | 0%  | 1,344                                 | 2%  |
| Swan, City of                            | 143,333          | 7%  | 50,870                          | 7%  | 1,043                        | 21%   | 44,028                                    | 9%  | 11,981                                | 7%  | 0   | 0%  | 0                                | 0%  | 2,540                                 | 4%  |
| <b>MEMBER COUNCILS TOTAL</b>             | <b>326,396</b>   | <b>47%</b>                                  | <b>121,489</b>                  | <b>47%</b>                                  | <b>2,044</b>                 | <b>44%</b>                                  | <b>93,042</b>                             | <b>48%</b>                                  | <b>28,002</b>                         | <b>46%</b>                                  | <b>6,353</b>                                | <b>17%</b>                                  | <b>43,600</b>                    | <b>0%</b>                                   | <b>12,126</b>                         | <b>20%</b>                                  |
| <b>OTHER PERTH METROPOLITAN COUNCILS</b> | <b>4,604,268</b> | <b>83%</b>                                  | <b>644,008</b>                  | <b>83%</b>                                  | <b>2,963</b>                 | <b>60%</b>                                  | <b>423,632</b>                            | <b>82%</b>                                  | <b>456,786</b>                        | <b>86%</b>                                  | <b>26,738</b>                               | <b>83%</b>                                  | <b>3,945</b>                     | <b>100%</b>                                 | <b>48,466</b>                         | <b>80%</b>                                  |
| OTHER WESTERN AUSTRALIAN SECTORS*        |                  |   |                                 |   |                              |   | 2,417,600                                 |   | 2,806,600                             |   | 448,300                                     |   | 448,300                          |   |                                       |   |
|  |                  |   |                                 |   |                              |   | Estimate General Waste                    | Proportion of Member Councils to Other      | Estimated Recycling (Tonnes)          | Proportion of Member Councils to Other      | Estimated Organics Processed (Tonnes)       | Proportion of Member Councils to Other      | Estimated FOGO (Tonnes) unknown  | -   | Estimated Bulk Waste (Tonnes) unknown | -   |
|  |                  |   |                                 |   |                              |   | 1,600,926                                 | 4.60%                                       | 2,622,743                             | 1.01%                                       | 387,209                                     | 1.30%                                       | -                                | -   | -                                     | -   |

\*Total reported general waste, recycling and organics in WA including Commercial & Industrial, Construction & Demolition in the State

| Local Government Area                          | Population       | Proportion of Perth Metropolitan Councils (%) | Rateable Properties (Households) | Proportion of Perth Metropolitan Councils (%) | Land Area (km <sup>2</sup> ) | Proportion of Perth Metropolitan Councils (%) | 2019/20 Kerbside General Waste (tonnes) | Proportion of Perth Metropolitan Councils (%)                 | 2019/20 Kerbside Recycling (tonnes) | Proportion of Perth Metropolitan Councils (%)                 | 2019/20 Kerbside Garden Organics (tonnes) | Proportion of Perth Metropolitan Councils (%)                 | 2019/20 Kerbside FOGO (tonnes) | Proportion of Perth Metropolitan Councils (%)                 | 2019/20 Verge Bulk Waste (tonnes) | Proportion of Perth Metropolitan Councils (%)                 |
|--|------------------|---|----------------------------------|---|------------------------------|---|---|---|-------------------------------------|---|---|---|--------------------------------|---|-----------------------------------|---|
| Bassendean, Town of                            | 15,800           | 1%  | 6,182                            | 1%  | 10                           | 0%  | 5,570                                   | 1.2%  | 1,447                               | 1%  | 0   | 0%  | 0                              | 0%  | 331                               | 1%  |
| Bayswater, City of                             | 68,200           | 4%  | 27,000                           | 4%  | 33                           | 1%  | 16,504                                  | 3.5%  | 5,347                               | 3%  | 5,514                                     | 8%  | 0                              | 0%  | 6,461                             | 11%   |
| Mundaring, Shire of                            | 38,131           | 2%  | 14,651                           | 2%  | 634                          | 13%   | 8,235                                   | 1.7%  | 3,631                               | 2%  | 0   | 0%  | 0                              | 0%  | 1,207                             | 2%  |
| <b>PARTICIPATING COUNCILS TOTAL</b>            | <b>123,131</b>   | <b>6%</b>                                     | <b>47,833</b>                    | <b>7%</b>                                     | <b>677</b>                   | <b>14%</b>                                    | <b>30,309</b>                           | <b>6%</b>   | <b>10,425</b>                       | <b>6%</b>   | <b>5,514</b>                              | <b>8%</b>   | <b>0</b>                       | <b>0%</b>   | <b>7,999</b>                      | <b>13%</b>  |
| <b>OTHER PERTH METROPOLITAN COUNCILS TOTAL</b> | <b>1,803,533</b> | <b>94%</b>                                    | <b>684,665</b>                   | <b>93%</b>                                    | <b>4,330</b>                 | <b>86%</b>                                    | <b>441,957</b>                          | <b>94%</b>  | <b>172,321</b>                      | <b>94%</b>  | <b>64,903</b>                             | <b>92%</b>  | <b>18,775</b>                  | <b>100%</b>   | <b>51,897</b>                     | <b>87%</b>  |
|  |                  |   |                                  |   |                              |   | 2019/20 Kerbside General Waste (tonnes) | Proportion of Perth Metropolitan Councils and Peel Region (%) | 2019/20 Kerbside Recycling (tonnes) | Proportion of Perth Metropolitan Councils and Peel Region (%) | 2019/20 Kerbside Garden Organics (tonnes) | Proportion of Perth Metropolitan Councils and Peel Region (%) | 2019/20 Kerbside FOGO (tonnes) | Proportion of Perth Metropolitan Councils and Peel Region (%) | 2019/20 Verge Bulk Waste (tonnes) | Proportion of Perth Metropolitan Councils and Peel Region (%) |
|  |                  |   |                                  |   |                              |   | -                                       | -   | -                                   | -   | -   | -   | -                              | -   | -                                 | -   |

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EMRC and the City of Bayswater, Town of Bassendean and Shire of Mundaring  
 Application to ACCC for Authorisation for Regional Waste Collection Service – Public Version

| PARTICIPATING COUNCILS      |  | 30,309  | 6%   | 10,425                                       | 5%   | 5,514   | 8%   | 0                                       | 0%   | 7,999                                      | 13%   |
|-----------------------------|--|---|--|--|--|---|--|---|--|--|---|
| PEEL REGION                 |  | 42,387  |  | 12,806                                       |  | 0   |  | 0                                       |  | 0%   |   |
| PERTH METROPOLITAN COUNCILS |  | 472,266   | 94%  | 182,746                                      | 95%  | 70,417  | 92%  | 18,775                                  | 100%   | 59,896                                     | 87%   |
|                             |  | 2019/20<br>Kerbside<br>General<br>Waste<br>(tonnes) | Proportion of<br>Perth<br>Metropolitan<br>Councils,<br>Peel and<br>Non-<br>Metropolitan<br>Regions (%) | 2019/20<br>Kerbside<br>Recycling<br>(tonnes) | Proportion of<br>Perth<br>Metropolitan<br>Councils,<br>Peel and<br>Non-<br>Metropolitan<br>Regions (%) | 2019/20<br>Kerbside<br>Garden<br>Organics<br>(tonnes) | Proportion of<br>Perth<br>Metropolitan<br>Councils,<br>Peel and<br>Non-<br>Metropolitan<br>Regions (%) | 2019/20<br>Kerbside<br>FOGO<br>(tonnes) | Proportion of<br>Perth<br>Metropolitan<br>Councils,<br>Peel and<br>Non-<br>Metropolitan<br>Regions (%) | 2019/20<br>Verge Bulk<br>Waste<br>(tonnes) | Proportion of<br>Perth<br>Metropolitan<br>Councils, Peel<br>and Non-<br>Metropolitan<br>Regions (%) |
| PARTICIPATING COUNCILS      |  | 30,309  | 4%   | 10,425                                       | 5%   | 5,514   | 8%   | 0                                       | 0%   | 7,999                                      | 12%   |
| NON-METROPOLITAN REGION     |  | 331,095   |  | 35,302                                       |  | 2,098   |  | 18,773                                  |  | 3,671                                      |   |
| PEEL REGION                 |  | 42,387  | 96%  | 12,806                                       | 95%  | 0   | 92%  | 0                                       | 100%   | 3,862                                      | 88%   |
| PERTH METROPOLITAN COUNCILS |  | 472,266   |  | 182,746                                      |  | 70,417  |  | 18,775                                  |  | 59,896                                     |   |

Sources:

|   |  |   |
|---|--|---|
| Land area / estimated tonnages - 2019/20 data | MyCouncil                                      | <a href="https://www.mycouncil.wa.gov.au/">https://www.mycouncil.wa.gov.au/</a>   |
| Population / household                        | Profile.id                                     | <a href="https://profile.id.com.au/">https://profile.id.com.au/</a>   |
| Households                                    | Australian Bureau of Statistics                | <a href="https://www.abs.gov.au/websitedbs/D3310114.nsf/Home/2016%20Census%20Community%20Profiles">https://www.abs.gov.au/websitedbs/D3310114.nsf/Home/2016%20Census%20Community%20Profiles</a>                                   |
| Total MSW 19/20                               | Waste and recycling in Western Australia 19/20 | <a href="https://www.wasteauthority.wa.gov.au/images/resources/files/2021/09/Waste_and_recycling_in_WA_2019-20.pdf">https://www.wasteauthority.wa.gov.au/images/resources/files/2021/09/Waste_and_recycling_in_WA_2019-20.pdf</a> |
| General Waste & Recycling data                | Waste Authority of WA                          | <a href="https://www.wasteauthority.wa.gov.au/publications/view/domestic-waste-and-recycling-dashboard">https://www.wasteauthority.wa.gov.au/publications/view/domestic-waste-and-recycling-dashboard</a>                         |

Sources:

|   |   |   |                                  |
|---|---|---|----------------------------------|
| Land area /Estimated tonnages -2019/20                          | MyCouncil                                       | <a href="https://www.mycouncil.wa.gov.au/">https://www.mycouncil.wa.gov.au/</a>   |                                  |
| Population /Estimated households                                | Profile.id                                      | <a href="https://profile.id.com.au/">https://profile.id.com.au/</a>   |                                  |
| Estimated hHouseholds   | Australian Bureau of Statistics                 | <a href="https://www.abs.gov.au/websitedbs/D3310114.nsf/Home/2016%20Census%20Community%20Profiles">https://www.abs.gov.au/websitedbs/D3310114.nsf/Home/2016%20Census%20Community%20Profiles</a>   |                                  |
| Total general waste disposal and recycling 2018/2019+ MSW 19/20 | Recycling Activity in Western Australia 2018-19 | <a href="https://www.wasteauthority.wa.gov.au/images/resources/files/2020/09/Recycling_Activity_in_Western_Australia_2018-19.pdf">https://www.wasteauthority.wa.gov.au/images/resources/files/2020/09/Recycling_Activity_in_Western_Australia_2018-19.pdf</a> | Waste Authority July 2020        |
| General Waste & Recycling data                                  | Waste Authority of WA                           | <a href="https://www.wasteauthority.wa.gov.au/publications/view/domestic-waste-and-recycling-dashboard">https://www.wasteauthority.wa.gov.au/publications/view/domestic-waste-and-recycling-dashboard</a>   | Waste & Recycling data workbooks |

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## APPENDIX D

### Western Australian Government Waste Avoidance and Resource Recovery Strategy 2030

<https://www.wasteauthority.wa.gov.au/publications/view/strategy/waste-avoidance-and-resource-recovery-strategy-2030>



## 11 REPORTS OF EMPLOYEES

### 11.1 REGIONAL WASTE COLLECTION

REFERENCE: D2017/10769 (TAC) – D2017/12623

#### PURPOSE OF REPORT

The purpose of this report is to seek Council approval for a review of the need for a regional waste collection service.

#### KEY ISSUES AND RECOMMENDATION(S)

- There has been a previous study conducted to consider a regional waste collection service.
- The previous study recommended reconsideration of the proposal in 2013, however due to delays caused by the Local Government Reform process and its effect on the Resource Recovery Facility tender process, a regional waste collection service has not been reconsidered until now.
- Member Council collection contract details have been updated.
- Collection contract details may need to be reconsidered in the context of the Resource Recovery Facility tender outcomes.
- It is recommended that a steering group be established to re-evaluate the cost benefit of a regional waste collection service.

#### Recommendation(s)

That:

1. Council approves a review of the feasibility of a regional waste collection service.
2. Member Councils be requested to nominate officers to form a regional waste collection service steering group.
3. A report and recommendations be tabled for Council's consideration.

#### SOURCE OF REPORT

Director Waste Services

#### BACKGROUND

At its 26 July 2007 meeting, Council resolved (Ref: DMDOC/72032):

*"THAT:*

1. *COUNCILS INTERESTED IN A REGIONAL COLLECTION CONTRACT NOMINATE OFFICERS TO FORM A REGIONAL COLLECTION CONTRACT STEERING GROUP.*
2. *THE REGIONAL COLLECTION CONTRACT STEERING GROUP FORMULATE A DISCUSSION PAPER REGARDING A POTENTIAL REGIONAL COLLECTION CONTRACT.*
3. *THE DISCUSSION PAPER BE TABLED AT COUNCIL'S DECEMBER MEETING WITH RECOMMENDATIONS."*

At its 13 December 2007 meeting Council resolved (Ref: DMDOC/110336):

*"THAT THE REGIONAL WASTE COLLECTION CONTRACT STEERING GROUP CONSIDER REGIONAL WASTE COLLECTION ARRANGEMENTS THAT INTEGRATE FUTURE MEMBER COUNCIL TENDERS AND INCLUDE TRANSITIONAL CLAUSES TO ALLOW FOR CHANGES IN RESOURCE RECOVERY TECHNOLOGY AND COLLECTION SYSTEMS."*



### *Item 11.1 continued*

At its 4 December 2008 meeting, it was resolved (Ref: DMDOC/115042):

*“THAT COUNCIL:*

- 1. RECEIVE THE REGIONAL WASTE COLLECTION FEASIBILITY STUDY.*
- 2. NOTE THAT A REGIONAL WASTE COLLECTION CONTRACT FOR MEMBER COUNCILS DOES NOT REPRESENT SIGNIFICANT COST BENEFIT AT THIS POINT IN TIME.*
- 3. DEFER FURTHER CONSIDERATION OF A REGIONAL WASTE COLLECTION CONTRACT UNTIL 2013.”*

### **REPORT**

A regional waste collection service owned and operated by the EMRC has been under consideration since 2007 due to the potential for reduced costs associated with collection of kerbside waste, recycling and green waste bins. Where available, these reduced costs would come from the economies of scale involved in a regional collection service.

In 2008, consultants Bowman & Associates conducted a detailed feasibility assessment of the proposal for an in-house waste collection service from a mainly financial perspective and concluded that such an arrangement would not represent a significant cost saving but that further consideration should be deferred until 2013.

Due to delays with the Local Government Reform process and the subsequent delay to the tender process for the Resource Recovery Facility, further consideration of a regional waste collection service was deferred. With the Resource Recovery Facility (RRF) tender now in the final stages, it is timely to reconsider a regional waste collection service.

Member Council waste collection contract details have been updated (refer attachment).

To facilitate this review, it is recommended that member Councils nominate officers to form a regional waste collection service steering group.

One of the main considerations identified in the 2008 study was the requirement for a large parcel of land, centrally located, for the establishment of a depot. The area requirement was not identified in the study.

The feasibility study would also need to consider competition policy as there has been a recent case in South Australia where the Australian Competition and Consumer Commission (ACCC) intervened to block a waste collection contract covering five metropolitan councils because they concluded that the public benefit from the scheme would be outweighed by the negatives caused by decreasing competition by only having one tender under the Request for Proposal. The difference with this proposal being that the service would be owned and operated by the EMRC on behalf of the member Councils and would be addressed as part of the feasibility study.

### **STRATEGIC/POLICY IMPLICATIONS**

Key Result Area 1 – Environmental Sustainability

- 1.3 To provide resource recovery and recycling solutions in partnership with member Councils
- 1.4 To investigate leading edge waste management practices

### **FINANCIAL IMPLICATIONS**

There may be collective savings if Councils participated in a regional service for waste and recycling collections. Further investigation is required to identify the cost savings against the required capital outlay. In addition, it may be possible to fund any capital investment from the Secondary Waste Reserve in the event the feasibility study proves positive.

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*Item 11.1 continued*

## **SUSTAINABILITY IMPLICATIONS**

The primary objective of a regional waste collection service is its potential to improve member Council and EMRC financial viability.

## **MEMBER COUNCIL IMPLICATIONS**

| <b>Member Council</b> | <b>Implication Details</b>   |
|-----------------------|--|
| Town of Bassendean    | } Member Councils will be requested to nominate an officer to participate in the regional waste collection service steering group<br>} Subject to a positive financial feasibility, it would improve member Council financial positions. |
| City of Bayswater     |  |
| City of Belmont       |  |
| City of Kalamunda     |  |
| Shire of Mundaring    |  |
| City of Swan          |  |

## **ATTACHMENT(S)**

Member Council Regional Waste Collection Contract Details (D2017/12631)

## **VOTING REQUIREMENT**

Simple Majority

## **RECOMMENDATION(S)**

That:

1. Council approves a review of the feasibility of a regional waste collection service.
2. Member Councils be requested to nominate officers to form a regional waste collection service steering group.
3. A report and recommendations be tabled for Council's consideration.

The Director Waste Services summarised the report and discussion ensued on the setting up of a regional waste collection service steering group.

## **TAC RECOMMENDATION(S)**

MOVED MR BLAIR

SECONDED MR PURDY

That:

1. Council approves a review of the feasibility of a regional waste collection service.
2. Member Councils be requested to nominate officers to form a regional waste collection service steering group.
3. A report and recommendations be tabled for Council's consideration.

**CARRIED UNANIMOUSLY**



*Item 11.1 continued*

**COUNCIL RESOLUTION(S)**

MOVED CR BRIDGES

SECONDED CR LEWIS

THAT:

1. COUNCIL APPROVES A REVIEW OF THE FEASIBILITY OF A REGIONAL WASTE COLLECTION SERVICE.
2. MEMBER COUNCILS BE REQUESTED TO NOMINATE OFFICERS TO FORM A REGIONAL WASTE COLLECTION SERVICE STEERING GROUP.
3. A REPORT AND RECOMMENDATIONS BE TABLED FOR COUNCIL'S CONSIDERATION.

**CARRIED UNANIMOUSLY**

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|                  | WEEKLY 240 LT FOGO  | WEEKLY 140 LT MGB REFUSE        | FORTNIGHTLY 140 LT REFUSE        | WEEKLY 240 LT MGB REFUSE  | FORTNIGHTLY 240 LT MGB REFUSE  | FORTNIGHTLY 240 LT MGB RECYCLABLES  | BULK VERGE COLLECTIONS   | STREET/PARK LITTER BINS   | SKIP BINS   | TIP PASSES  | CUSTOMER SERVICE CENTRE   | TRANSFER STATION   |
|------------------|---|---------------------------------|----------------------------------|---|--|---|--|---|---|---|---|--|
| <b>BASSEDEAN</b> | Contractor (Suez)<br>Contract expiry date 2022 + 5yrs   | N/A                             | Contractor (Suez)<br>2022 + 5yrs | Contractor (Suez)<br>2022 + 5yrs<br>Comm/Industrial ratepayers on request                   | Contractor (Suez)<br>2022+5  | Contractor (Suez)<br>2022 + 5yrs<br>Comm/Industrial ratepayers on request   | Contractor (Suez)<br>2022 + 5yrs<br>1 G/waste<br>1 bulk waste<br>(Disposal at Town's expense)  | Contractor (Suez)<br>2022 + 5yrs  | N/A   | 4 per year<br>NO CHARGE   | Provided by contractor  | Red Hill   |
| <b>BAYSWATER</b> | Contractor (Cleanaway)<br>Contract expiry date 30-06-2023 (Plus 5 year option at Council's discretion)<br>Comm/Industrial ratepayers on request | N/A                             |                                  | N/A   | Contractor (Cleanaway)<br>30-06-2023 (Plus 5 year option at Council's discretion)<br>Comm/Industrial ratepayers on request | Contractor (Cleanaway)<br>30-06-2023 (Plus 5 year option at Council's discretion)<br>Comm/Industrial ratepayers on request  | N/A  | Contractor (Cleanaway)<br>30-06-2023 (Plus 5 year option at Council's discretion) | Contractor (Cleanaway)<br>30-06-2023 (Plus 5 year option at Council's discretion)<br>3 x 3 cu. m/yr   | 3 per year in lieu of Skip Bins<br>30-06-2023 (Plus 5 year option at Council's discretion)  | In-house & Cleanaway for bulk bin orders<br>30-06-2023 (Plus 5 year option at Council's discretion) | Bayswaste Collier Road Bayswater (Managed by EMRC)   |
| <b>BELMONT</b>   | Contract expiry date  | N/A                             |                                  | Contractor (Cleanaway)<br>30-09-18<br>Comm/Industrial ratepayers on request                 |  | Contractor (Cleanaway)<br>30-09-18<br>Comm/Industrial ratepayers on request   | N/A  | Contractor (Cleanaway)<br>30-09-18  | Contractor (Cleanaway)<br>30-09-18<br>4 X 3 cu. m/yr normal residential/commercial and on demand, 15m <sup>3</sup> bulk bin/twice per year for high density residential | 4 per year in lieu of Skip Bins<br><br>Only one bulk bin is exchangeable for one tip pass each year   | Provided by contractor for a fee  | Red Hill (Asbestos collection days and white good collection days) at works depot                  |
| <b>KALAMUNDA</b> | N/A<br>Contract expiry date   | N/A                             |                                  | Contractor (Cleanaway)<br><br>2016-2019 (3+1+1)<br>Residential services only no commercial. |  | Contractor (Cleanaway)<br><br>2016-2019 (3+1+1)<br>Domestic only  | Contractor (Cleanaway)<br><br>2016-2019 (3+1+1)<br>2/yr. combined G/Waste<br><br>2 green waste/yr.<br>1 bulk waste/yr. additional bins available upon request, fees applicable | In-house  | Various RoRo Bins at Walliston T/Fer Stn (15,20,25,30m3)  | Free and unlimited disposal of domestic waste at Walliston T/Fer Stn for City of Kalamunda residents  | Provided under Tender arrangements with contractor (Cleanaway)                                      | Walliston Transfer Station, Lawnbrook Rd managed by the City of Kalamunda                          |
| <b>MUNDARING</b> | N/A<br>Contract expiry date   | Contractor (Volich)<br>30-06-23 |                                  | N/A   |  | Contractor (Cleanaway)<br>30-06-28  | Contractor (Steann Pty Ltd)<br>30-06-23  | Contractor (Volich)<br>30-06-23   | No  | 1 tip pass to transfer stations allowing 3 general waste disposal and unlimited access for recyclables  |   | Coppin/Mathieson Rds Managed by EMRC<br>Shire responsible for disposal costs<br>Mayo Rd closed     |
| <b>SWAN</b>      | N/A   | Some street and park bins       |                                  | In-house<br><br>Comm/Industrial on request  |  | In-house collection<br><br>Disposal/Sorting: Cleanaway South Guildford - Contract expiry end 2018 plus possible 1 year extension to end 2019 - Also 660L recycling bins on request. | In-house<br><br>2 greenwaste/year.<br>1 bulk general waste/year: including mattress, white goods, metal and e-waste separation.  | In-house<br><br>Plus community facilities   | No  | Tip passes provided to residents not receiving verge collections. Household tip passes to some Gidgegannup residents who cannot access kerbside collection. | In-house<br><br>Also in-house waste education   | Recyclable goods, drop off days - 9 per year.<br><br>Bullsbrook recyclable goods transfer station. |



## 9.8 REGIONAL WASTE COLLECTION CONTRACT

REFERENCE: COMMITTEES-8731

### PURPOSE OF REPORT

The purpose of this report is to present the Regional Waste Collection Feasibility Study undertaken by Bowman and Associates Pty Ltd to Council.

### KEY ISSUES AND RECOMMENDATION(S)

- It was previously identified that a regional contract for the collection of waste and recycling could potentially realise significant financial savings for participating member Councils.
- A feasibility study into a regional contract was subsequently commissioned and has been completed, which indicates that the financial savings are small across the Region in the context of substantial capital investments.
- As collection contracts are due to be retendered by mid 2013, providing fresh data to test assumptions in relation to waste collection costs for member Councils, development of a regional waste collection contract should be considered then.

#### Recommendation(s)

That Council:

1. Receive the Regional Waste Collection Feasibility Study.
2. Note that a regional waste collection contract for member Councils does not represent significant cost benefit at this point in time.
3. Defer further consideration of a regional waste collection contract until 2013.

### SOURCE OF REPORT

Executive Manager, Waste Management Services

### BACKGROUND

A Regional Waste Collection Contract has been under consideration due to the potential for reduced costs association with collection of kerbside waste, recycling and green waste bins. Where available, these reduced costs would come from the economies of scale involved in a large collection service.

At its meeting held on 26 July 2007, Council was informed that the kerbside collection contracts for the City of Belmont, the Shire of Kalamunda and the Shire of Mundaring would expire on 30 June 2008, the contracts for the Town of Bassendean would expire on 30 June 2010, and those for the City of Bayswater on 31 December 2012. The City of Swan conducts its services in-house. The report proposed that possibilities for a regional contract for waste and recycling collections should be investigated. Council resolved that:

1. *COUNCILS INTERESTED IN PARTICIPATING IN A REGIONAL COLLECTION CONTRACT NOMINATE OFFICERS TO FORM A REGIONAL WASTE COLLECTION CONTRACT STEERING GROUP.*
2. *THE REGIONAL WASTE COLLECTION CONTRACT STEERING GROUP FORMULATE A DISCUSSION PAPER REGARDING A POTENTIAL REGIONAL COLLECTION CONTRACT.*
3. *THE DISCUSSION PAPER BE TABLED AT COUNCIL'S DECEMBER 2007 MEETING WITH RECOMMENDATIONS."*



*Item 9.8 continued*

Each of the member Councils nominated an officer to the Regional Waste Collection Contract Steering Group. The Steering Group met on 14 September 2007 and concluded that at least one to two years would be required to establish a Regional Waste Collection Contract.

It was the Steering Group's view that consideration of a Regional Waste Collection Contract should be deferred until July 2008, at which time further information would be available to enable decisions regarding regional waste collection. In the interim, the Steering Group could consider the options for in-house regional waste collection to be provided by either the EMRC or the City of Swan.

On 13 December 2007 a report was presented to Council proposing that detailed investigation would be required to ascertain the merit in either the EMRC or the City of Swan providing an in house waste collection service.

Council considered the Steering Group's report and resolved:

*"THAT THE REGIONAL WASTE COLLECTION CONTRACT STEERING GROUP CONSIDER REGIONAL WASTE COLLECTION ARRANGMENTS THAT INTEGRATE FUTURE MEMBER COUNCIL TENDERS AND INCLUDE TRANSITIONAL CLAUSES TO ALLOW FOR CHANGES IN RESOURCE RECOVERY TECHNOLOGY AND COLLECTION SYSTEMS."*

## **REPORT**

A consultancy was awarded to Bowman and Associates to conduct a more detailed feasibility assessment of the proposal for an in-house waste collection service from a mainly financial perspective in the first instance. The final report is attached and concludes that a Regional Waste Collection Contract would:

1. Be about 1.5% less expensive than if the member Councils continued with independent contracts, representing a total saving across the Region of \$0.5m per year;
2. Result in lower than current costs for the Shire of Kalamunda and Shire of Mundaring;
3. Result in higher than current costs for the Town of Bassendean, City of Belmont and City of Swan;
4. Require a total of 67 vehicles;
5. Require a total capital investment in excess of \$26m, excluding land but including \$4.5m for the purchase of bins for the City of Bayswater (currently owned by the contractor);
6. Require almost 60 additional staff; and
7. Require a large parcel of land, centrally located, for the establishment of a depot.

Some of the requirements could be reduced if the service was integrated with the current City of Swan service, however a larger depot would be required. The larger depot may not be able to be established at the current City of Swan depot in Middle Swan due to space constraints.

The savings on annual expenditure represent the return on the capital investment. Thus, the capital investment of \$26m nets an annual return of \$0.5m, or a return of less than 2%. This return is not considered sufficient to warrant progressing a Regional Collection Contract, and it is proposed that the matter not be progressed further at this stage.

Cost assumptions could be tested again in mid 2013 when collection contracts are awarded for several member Councils, and it is proposed that a Regional Collection Contract be reconsidered in late 2013.

The concluding paragraph in the executive summary of the attached feasibility study states that "it appears that little benefit would be derived from introducing a regional collection contract and materials recovery facility when compared to the general level of service and service costs currently experienced by the member Councils from their current service providers".

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*Item 9.8 continued*

There are obviously other considerations such as operational details and risks that would have been required if the financial viability had been more positive. The considerations have not been progressed given the low return.

### **STRATEGIC/POLICY IMPLICATIONS**

The primary objective of a regional waste collection contract is its potential to improve member Council and EMRC financial viability. The investigation suggests that there would not be sufficient savings resulting from a regional approach to achieve this objective at this point in time.

### **FINANCIAL IMPLICATIONS**

The investigation suggests that there may be collective savings in the order of \$0.5m annually if Councils participated in a regional contract for waste and recycling collections. These savings are not distributed evenly across all Councils and in some individual cases result in increased costs, and do not represent a sufficient return on a substantial capital investment of \$26m.

### **SUSTAINABILITY IMPLICATIONS**

Nil

### **MEMBER COUNCIL IMPLICATIONS**

| <b>Member Council</b> | <b>Implication Details</b>   |
|-----------------------|--|
| Town of Bassendean    | A regional collection contract would lead to a net increase in waste collection costs for the Town of Bassendean |
| City of Bayswater     | A regional collection contract would lead to little change in waste collection costs for the City of Bayswater.  |
| City of Belmont       | A regional collection contract would lead to a net increase in waste collection costs for the City of Belmont    |
| Shire of Kalamunda    | A regional collection contract would lead to net savings in waste collection costs for the Shire of Kalamunda    |
| Shire of Mundaring    | A regional collection contract would lead to net savings in waste collection costs for the Shire of Mundaring    |
| City of Swan          | A regional collection contract would lead to a net increase in waste collection costs for the City of Swan       |

### **ATTACHMENT(S)**

Regional Waste Collection Feasibility Study (Ref: Committees-8739)

### **VOTING REQUIREMENT**

Simple Majority

---



*Item 9.8 continued*

### **RECOMMENDATION(S)**

That Council:

1. Receive the Regional Waste Collection Feasibility Study.
2. Note that a regional waste collection contract for member Councils does not represent significant cost benefit at this point in time.
3. Defer further consideration of a regional waste collection contract until 2013.

Mr Lutey stated that it was a good report, which illustrated the amount of work undertaken to establish that a Regional Waste Collection Contract would not represent significant cost benefits for the Region.

### **TAC RECOMMENDATION(S)**

MOVED MR LUTEY

SECONDED MR COTEN

That Council:

1. Receive the Regional Waste Collection Feasibility Study.
2. Note that a regional waste collection contract for member Councils does not represent significant cost benefit at this point in time.
3. Defer further consideration of a regional waste collection contract until 2013.

**CARRIED UNANIMOUSLY**

### **COUNCIL RESOLUTION(S)**

MOVED CR MCKECHNIE

SECONDED CR KLEIN

THAT COUNCIL:

1. RECEIVE THE REGIONAL WASTE COLLECTION FEASIBILITY STUDY.
2. NOTE THAT A REGIONAL WASTE COLLECTION CONTRACT FOR MEMBER COUNCILS DOES NOT REPRESENT SIGNIFICANT COST BENEFIT AT THIS POINT IN TIME.
3. DEFER FURTHER CONSIDERATION OF A REGIONAL WASTE COLLECTION CONTRACT UNTIL 2013.

**CARRIED UNANIMOUSLY**

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## REGIONAL WASTE COLLECTION FEASIBILITY STUDY

**DRAFT 1**

24<sup>th</sup> June 2008



Prepared by Bowman & Associates Pty Ltd

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## **1. DISCLAIMER**

The content contained herewith has been compiled in good faith using normal industry practices employed by environmental engineers in the preparation of reports. Bowman & Associates Pty Ltd accepts no liability for loss or damages incurred by the Eastern Metropolitan Regional Council (EMRC) or any other individual or organisation due to reliance on the included content.

## **2. EXECUTIVE SUMMARY**

The EMRC appointed Bowman & Associates to carry out a feasibility study to investigate the potential for the EMRC to provide a regional waste and recycling collection service to its member Councils.

The scope of the study included the identification of both current and future waste collection services required by the member Councils, infrastructure required to provide a regional collection contract and the administrative requirements of the EMRC to provide a service. A regional waste collection service would include residential garbage, recycling and green waste mobile bin collection, bulk verge pickups, litter bins and commercial services where required.

In carrying out the study Bowman & Associates conducted one on one meetings with each member Council compiling a summary of both current statistical data and future needs. The information gathered was used to set up waste service cost models for each Council. In each case the cost models conclude with a comparison (reality check) between the calculated property rate charge and the actual garbage rates levied for the 08-09 year.

The cost models created are not to be considered reconcilable against actual Council financial records and are meant only as a tool to compare “like characteristics” between member Councils.

Based on the information provided by the Councils it was concluded that Swan and Bassendean have the lowest cost for the provision of waste services whereas Mundaring and Kalamunda have the highest cost for waste services.

Mundaring and Bayswater generate the most waste per resident. Both Councils provide waste services in excess of those offered by the other member Councils. Bayswater provides a fortnightly mobile garbage bin green waste collection and Mundaring provides unlimited disposal for its residents at its three transfer stations.

The City of Swan was the only Council that did not support the concept of a regional waste collection service. Swan with its in house collection service felt that it would not be able to provide the same level of service to its residents if the waste services were outsourced. Swan did however, along with the other member Councils, express interest in the EMRC providing a materials recovery facility to its members. Swan has four years remaining with its association with the refurbished Wangara recycling facility and needs to make other arrangements for the processing of its recyclables when the current agreement expires.

The other five member Councils stated that participation in a regional collection service would be conditional on the EMRC being able to offer a cost effective and comparable if not improved level of services to that currently experienced. For the EMRC to meet these requirements consideration would have to be given to providing

a standard waste service across all member Councils. Throughout the other five Councils the waste services and the contractors providing the waste services are quite varied making any future agreement between the Councils for a regional generic service most difficult.

It was evident that bulk verge collections are a problem to most member Councils as they result in scavenging, mess on verges and encourage illegal dumping. Several Councils expressed a desire for bulk bin verge collections to be included in any regional collection contract. Verge collections are currently provided to the member Councils by a range of contractors with differing strategies resulting in greatly varying unit costs per tonne collected. Within this study we were unable to make a conclusive cost comparison between bulk bin and bulk verge collection systems. Our expectation is that the cost of the two types of services would be similar if adopted over a regional collection contract involving around 123,000 services.

The study concluded that there would be little difference in the cost per service of a regional waste service when compared to the sum of the individual member Council services if a regional collection service was introduced for the current 08-09 year. The study did however reveal that by 2013, the earliest date that a regional collection contract could be introduced, a regional contract may be slightly cheaper (1.5%) than the member Councils remaining independent.

A major consideration for the EMRC in the provision of a regional waste service would be the establishment of a depot and workshop to accommodate the estimated 67 vehicles required. The capital cost in today's dollars would be in excess of \$26M which includes a \$5M allowance for a workshop and associated equipment. The cost of land is not included in this estimate.

In conclusion it appears that little benefit would be derived from introducing a regional collection contract and materials recovery facility when compared to the general level of service and service costs currently experienced by the member Councils from their current service providers.

### 3. INTRODUCTION

#### 3.1. PURPOSE OF THE DOCUMENT

The Eastern Metropolitan Regional Council (EMRC) is seeking advice on the feasibility of implementing a regional waste collection service, owned and operated by the regional council. This report outlines projected costs in current dollars for all six Councils to continue as normal or collaborate in a collective regional waste collection service. The EMRC is already responsible for the Red Hill Landfill site, household hazardous waste services and waste education within the region. The operation of a waste collection service within the region, if deemed feasible, will link in with other waste services already provided by the regional council.

#### 3.2. BACKGROUND

The Eastern Metropolitan Regional Council represents six member Councils being the Town of Bassendean, City of Bayswater, City of Belmont, Shire of Kalamunda, Shire of Mundaring and City of Swan. All member Councils currently operate separate contracts for kerbside waste collection, or in the case of the City of Swan, operate their waste collection services in-house. All member Councils offer a weekly garbage and fortnightly recycling MGB service. The City of Bayswater also offers a monthly greenwaste MGB service, which will revert back to fortnightly collections from 1 July 2008.

The contracts for all member Councils are anticipated to expire as follows:

- City of Belmont, the Shire of Kalamunda and the Shire of Mundaring: 30 June 2008, with new contracts proposed to extend until 30 June 2013.
- Town of Bassendean: 30 June 2010
- City of Bayswater: 31 December 2012
- City of Swan: Not applicable, as this service is conducted in-house.

In order to plan for future waste management, the EMRC has been carrying out a "Resource Recovery Project". This project considers the potential development of a Resource Recovery Facility, a Resource Recovery Park, as well as the preferred waste collection system to service the resource recovery infrastructure. The Resource Recovery Project is not considering how the waste collection service might be provided, however it is clear that the project may lead to substantial system change in one or more member Council collection services. This has led to some considerations in relation to a regional contract collection service being provided.

Each of the six member Councils have differing demographics, characteristics and community programs that may result in differing needs outside of a residential collection contract with some commercial property considerations. The following provides a brief description of each local government.

#### **City of Belmont**

The City of Belmont has a population of 30,331 and is located 5km from the Perth CBD. It is made up of Ascot, Belmont, Cloverdale, Kewdale, Redcliffe and Rivervale. The City has 14,494 dwellings encompassing an area of 40km<sup>2</sup>. Approximately 7,807 families reside in the area. The significant events taking place each year include the Avon Descent Community Day in Garvey Park and the Belmont City Fair. Belmont enjoys advantages over other commercial and industrial areas with access to key

transport routes such as the Graham Farmer Freeway, the Kewdale Freight Train Terminal and both the international and domestic airports. The local industries operating in the area include retail, property and business services; airport; railway freight terminal; warehousing; machinery; light manufacturing; horse racing; transport and storage; wholesale; accommodation; cafes and restaurants.

The City of Belmont has a wide range of tourist attractions such as the Swan River foreshore; Skate Park; Reading Cinemas; Belmont Forum Shopping Centre; Ascot Water parks & marinas; Belmont Historical Society Museum; Oasis Aquatic and Recreation Centre; Ascot Race course; Tomato Lake; Centenary Park; Garvey Park and Faulkner Park.

### **Shire of Kalamunda**

The Shire of Kalamunda is located 24km from the Perth CBD and has approximately 19,215 dwellings. From a population of approximately 49,534 there are 14,028 families living in the Shire. The Shire has an area of 349km<sup>2</sup> and is made up of the suburbs Bickley; Carmel; Canning Mills; Forrestfield; Gooseberry Hill; Hacketts Gully; High Wycombe; Kalamunda; Lesmurdie; Maida Vale; Paul's Valley; Piesse Brook; Pickering Brook; Walliston and Wattle Grove. Local events include the Kalamunda Show, Harvest Festival, Pickering Brook Show and the Spring Flower Show.

The Shire supports the industries including orchards and intensive horticultural activities; grazing; minor sawmilling; a range of service industries; farming; arts and crafts and Government depots; culturally boutique industries; agribusiness and an Industrial Park.

The tourists attractions in the area include History Village; Lesmurdie Falls; The Zig Zag; Strik Cottage; Perth Observatory; walk trails; orchards and vineyards; arts and crafts and views from the escarpment.

### **Shire of Mundaring**

The Shire of Mundaring has a population of approximately 35,097. The number of families living in the Shire of Mundaring region is 9,629 with a total of 13,116 dwellings. It covers an area of 644km<sup>2</sup>, half of which is State Forests and Reserves. The Shire is located 35km from the Perth CBD. It is made up of Bailup, Beechina, Bellevue, Boya, Chidlow, Darlington, Glen Forrest, Gorrie, Greenmount, Helena Valley, Hovea, Mahogany Creek, Malmalling, Midvale, Mt Helena, Mundaring, Parkerville, Sawyers Valley, Stoneville, Swan View, The Lakes and Wooroloo. The significant local events in the shire region each year are the Chidlow Show and the Sacred Heart Fair.

The Local industries include light industry; trade centres; fruit and nut growing; prison farms; conservation and land management; poultry and stud farms; grazing; cottage industries; tourism; wine growing; arts/crafts. The tourist attractions include John Forrest National Park, Lake Lechenaultia, Mundaring Weir, Railway Heritage Reserve Walk Trails; Wineries; Mundaring Sculpture Park, Golden Pipeline; heritage trail.

### **City of Bayswater**

The City of Bayswater is situated 8km out of Perth with a population of 55,801 and an area of 32.8Kms<sup>2</sup>. Dwellings in the area total 26,280 housing 14,668 families.

The yearly events in the area include the Avon Descent and the Festival of Music. The most common tourist attraction in the area is the Bayswater Waves Aquatic



Centre along with historic homes – Halliday House, Ellis House and Tranby House; heritage trails and Galleria Shopping Centre.

The City's local industries include the Bayswater light Industrial centre and Morley City Centre – entertainment, commercial and retail.

### **City of Swan**

The City of Swan is one of the fastest growing regions in Western Australia, with a strong economic sector including viticulture, retail, rural, general industry and agricultural. The City is home to the Swan Valley, Ballajura, Baskerville, Beechboro, Belhus, Bellevue, Caversham, Cullacabardee, Ellenbrook, Gidgegannup, Guildford, Henley Brook, Malaga, Midland and Woodbridge which are just some of the many suburbs under the Council.

The City has an area of 1,043 square kilometres and a population of 93,279. The total number of families living in the region is 24,832 with 34,908 dwellings.

The events held in the City of Swan include Spring in the Valley and golf tournaments which attract not only locals but people from neighbouring regions. Tourist attractions include Vineyards and Wineries; Whiteman Park and the Guildford Historical Town.

### **Town of Bassendean**

The Town of Bassendean has an area of 11km<sup>2</sup>, which includes the suburbs of Ashfield, Bassendean and Eden Hills. The Town of Bassendean is located 10km from the Perth CBD and has a population of 13,463, with a total of 6,089 dwellings and 3,658 families.

The Towns local industries include the Bassendean industrial area, warehousing and Westfarmers. Tourist attractions include the Railway Historical Museum; Broadway Arboretum; Pensioner Guard Cottage. Yearly events at the Town involve the Valentine's Day concert and the multicultural food fair and fireworks.

## **3.3. SCOPE OF WORKS**

The project scope is to identify the needs and expectations of member Councils in relation to a service for the collection of waste from, as a minimum:

- Ratepayer garbage, recycling and greenwaste Mobile Garbage Bins (MGB);
- Bulk verge side pickups
- Street litter bins
- Commercial premises as and where required
- Where appropriate, identify additional waste collection services sought by member Councils and incorporate these additional services in the analysis of a waste collection system.
- Investigate the broad plant requirements for the above waste collection service.
- Investigate the broad infrastructure requirements to optimise the efficiency of the above service over a five year period, taking into account likely growth patterns in Perth's Eastern Region

- Provide an indicative timeline for the introduction of the above waste collection service to commence on 1 July 2013.
- Identify the structural and cultural changes required within the EMRC for the service to be delivered upon to the satisfaction of the member Councils.
- Identify and explore in detail key advantages and disadvantages for such a collection service for the EMRC and its member Councils.
- Indicate the timing and amount of capital and operational expenditure in present day terms.
- Estimate a range of costs for the service to member Councils. Where appropriate, different service costs may be identified for different areas within Perth's Eastern Region overall. These areas need not necessarily be contiguous with member Council boundaries.

### **3.4. APPROACH TO BE TAKEN**

The project is to be largely undertaken by detailed interviews with members of the EMRC Technical Advisory Committee and, where appropriate, member Council Chief Executive Officers.

All analysis is to be undertaken in present day terms, but to highlight likely trends in service delivery expectations, costs, demographics, labour, waste facilities and any other factor likely to have a significant impact on a waste collection service.

### **3.5. METHODOLOGY**

Officers from each local government met with Bowman and Associates consultants to provide the necessary data and discuss future wishes for waste management within the region. Refer Appendix 7.3. Data was input into Microsoft Excel spreadsheets to build the cost models. These are included in Appendix 7.1.

#### **Baseline Model**

To provide cost modelling for a regional collection contract, the City of Swan operating costs were used as a baseline as Swan provides an in-house waste and recycling collection service that is a non-profit venture in accordance with Local Government Act, 1995. In addition the City's population base of 93,279 residents provides the required economics of scale allowing the City to operate a cost efficient waste collection service. The 06-07 operating budget was used to calculate the unit rate per pick-up for all waste services based on the total number of waste services in the City of Swan. The City of Swan costs were derived from the City's own records for operating costs of trucks and labour averaged over the operating time in hours for the year. Waste disposal and processing were calculated using disposal costs and volumes for that financial year. Refer Appendix 7.1.1.

Predictions were built up for future years by including landfill levy, services and inflation increases.

#### **Consolidated Cost Model**

Waste tonnages for the six Councils from the 06-07 reporting year were used as the basis of the consolidated model. The consolidated cost model is the combined total of current costs for provision of waste services to 2013-2014 based on present day dollar terms, with service growth, inflation and landfill levies factored into future disposal costs. Refer Appendix 7.1.7.

### **Predicted Cost Model for a Regional Waste Service**

The predicted costs for a regional collection service are based on the Swan unit rate costs per collection applied to the total number of services throughout the region. The model also factors in the benefits of operating a Materials Recovery Facility (MRF) at Lakes Road, Hazelmere, however financial savings through time and travel costs compared to using the Wangara MRF are considered cost neutral for a regional waste service as the growth in the region will be greatest in the City of Swan region. Refer Appendix 7.2.

### **Capital Requirements**

Capital expenditure requirements were modelled on City of Swan operations and expanded to meet the number of services throughout the EMRC region by pro rata estimation on total number of trucks required. This gives an indication of the number of operational vehicles required. In addition, the City of Bayswater will require the purchase of new bins for garbage, recycling and greenwaste, which has been built into the model. A heavy vehicle workshop is also included in the capital expenditure model.

## **4. CURRENT WASTE SERVICES**

### **4.1. CITY OF SWAN**

The City of Swan provides an in-house waste service to its residents. This includes a weekly 240 Litre MGB waste collection, fortnightly 240 Litre MGB recycling collection, two bulk greenwaste collections per annum, one bulk household junk collection per year incorporating bulk metals, as well as servicing litter bins throughout the City. Waste is disposed of to Red Hill and recyclables taken to a materials recovery facility (MRF) in Wangara for sorting. The Wangara MRF is operating under a 5 year agreement that has 4 years to run. The agreement is based on shared capital cost and the growth within the participating Councils over the remaining term of the agreement is greater than the facility's operating capacity. The City provides in-house customer service and wish to continue with the provision of waste services.

### **4.2. CITY OF BAYSWATER**

The City of Bayswater contracts Cleanaway to provide waste and recycling collection services. The City provides a weekly 240 Litre MGB waste collection, fortnightly 240 Litre MGB recycling collection, monthly 240 Litre bio-insert MGB greenwaste collection, which will revert back to a fortnightly service as of 1 July 2008, up to three 3 cubic metre skip bin services or tip passes to the Cleanaway Transfer Station in Bayswater per year for hard waste and/or greenwaste, and provision of public litter bins. There are also a number of residential apartment buildings that utilise a skip bin service rather than 240L MGBs. Waste is taken to Red Hill for disposal, greenwaste is taken to Red Hill for processing and recyclables are sorted at Cleanaway's Bayswater MRF. Customer service is provided by Cleanaway. The City has experienced great customer dissatisfaction with the monthly greenwaste collections due to odour and leachate problems. The return to fortnightly greenwaste MGB collection is hoped to rectify this issue.

### **4.3. CITY OF BELMONT**

Waste services are contracted to Cleanaway to provide a weekly 240 Litre MGB waste collection, fortnightly 240 Litre recycling collection, up to four 3 cubic metre tidy bins per year for greenwaste or general waste, as well as around 200 litter bins in the City of Belmont and customer service. Waste is taken to Red Hill for disposal and recyclables are processed at Cleanaway's Bayswater MRF.

### **4.4. SHIRE OF KALAMUNDA**

The Shire of Kalamunda currently contracts Cleanaway to provide a weekly 240 Litre MGB service, fortnightly 240 Litre recycling collection. WA Recycling Services are contracted for bulk verge collections comprising two combined greenwaste and hard waste collections per year. Steel is separated from the hard waste for recycling. All waste and greenwaste is taken to Red Hill, whereas recyclables are processed at Cleanaway's Bayswater MRF. The Shire provides public litter bin collection services, as well as dead animal and dog waste bag collection. Residents also have access to transfer station facilities.

The Shire of Kalamunda provides waste disposal and recycling options at the Walliston Transfer Station that is open on weekends and public holidays with the

option for residents to purchase a discount voucher from the Shire. The transfer station accepts general household items, white goods, greenwaste, motor oil, motor vehicle tyres and batteries.

The Shire of Kalamunda also provides extra waste services at events.

#### **4.5. TOWN OF BASSENDEAN**

The Town of Bassendean contract Roads and Robinson Rubbish and Recycling for the provision of weekly 240 Litre waste collections, fortnightly 240 Litre recycling collections and collection of waste from litter bins. Bulk verge collections are contracted to Alvito Pty Ltd for the provision of one general junk collection and one greenwaste collection per year. Residents also receive four tip passes per property per year. All waste, including greenwaste is taken to Red Hill and recyclables are processed at Roads and Robinson Rubbish and Recycling in Maddington.

#### **4.6. SHIRE OF MUNDARING**

The Shire of Mundaring contract Volich to provide a weekly 140 Litre MGB rubbish collection and Cleanaway provide a fortnightly 240 Litre recycling collection. Waste is taken to Red Hill and recyclables to Cleanaway's Bayswater MRF. KRS are contracted to provide one general junk verge collection, which does not separate metals, and one greenwaste verge collection per year, however this is not extended to the eastern part of the Shire of Mundaring. Greenwaste from transfer station collection drop-off are taken away by Soiland and bulk greenwaste collections are delivered to Red Hill for processing and the bulk hard waste is taken to Red Hill. The Shire also operates three transfer stations to assist with waste disposal due to the limited vergeside collections offered and provide an unlimited entry pass to each household.

The Shire of Mundaring outsources management of its transfer stations, located at Coppin Road, Mathieson Road and Mayo Road. General household items and greenwaste are accepted at the transfer stations and they are only available to households, free of charge to Shire of Mundaring residents.

#### 4.7. SUMMARY OF CURRENT SERVICES

Table 1: Summary of Waste Services Provided by EMRC Member Councils

| Council               | Unit    | Swan                            | Bayswater             | Belmont               | Kalamunda | Bassendean | Mundaring |
|-----------------------|---------|---------------------------------|-----------------------|-----------------------|-----------|------------|-----------|
| <b>Demographics</b>   |         | <b>2006-07 Reporting Period</b> |                       |                       |           |            |           |
| Population            | No.     | 93,279                          | 55,801                | 30,331                | 49,534    | 13,463     | 35,097    |
| Families              | No.     | 24,832                          | 14,668                | 7,807                 | 14,028    | 3,658      | 9,629     |
| Dwellings             | No.     | 34,908                          | 26,280                | 14,494                | 19,215    | 6,089      | 13,116    |
| Expected Growth       | %       | 4.00%                           | 1.13%                 | 0.80%                 | 5.00%     | 1.20%      | 1.00%     |
| <b>Waste Services</b> |         |                                 |                       |                       |           |            |           |
| <b>Domestic</b>       |         |                                 |                       |                       |           |            |           |
| No. Services          | No.     | 38,949                          | 27,694                | 16,500                | 19,929    | 6,194      | 13,326    |
| Bin Type              | Litre   | 240                             | 240                   | 240                   | 240       | 240        | 140       |
| Frequency             | No/Year | 52                              | 52                    | 52                    | 52        | 52         | 52        |
| <b>Recycling</b>      |         |                                 |                       |                       |           |            |           |
| No. Services          | No.     | 34,767                          | 27,694                | 16,500                | 19,759    | 6,253      | 12,742    |
| Bin Type              | Litre   | 240                             | 240                   | 240                   | 240       | 240        | 240       |
| Frequency             | No/Year | 26                              | 26                    | 26                    | 26        | 26         | 26        |
| <b>Green MGB</b>      |         |                                 |                       |                       |           |            |           |
| No. Services          | No.     |                                 | 25,000                |                       |           |            |           |
| Bin Type              | Item    |                                 | 240                   |                       |           |            |           |
| Frequency             | No/Year |                                 | 26                    |                       |           |            |           |
| <b>Green Bulk</b>     |         |                                 |                       |                       |           |            |           |
| Type                  | Item    | Verge                           |                       | 3.0m <sup>3</sup> Bin | Verge     | Verge      | Verge     |
| Frequency             | No/Year | 2                               |                       | max 4 all up          | 2         | 1          | 1         |
| <b>Hard Bulk</b>      |         |                                 |                       |                       |           |            |           |
| Type                  | Item    | Verge                           | 3.0m <sup>3</sup> bin | 3.0m <sup>3</sup> bin | Verge     | Verge      | Verge     |
| Frequency             | No/Year | 1                               | max 3 all up          | max 4 all up          | 2         | 1          | 1         |
| <b>Metals Bulk</b>    |         |                                 |                       |                       |           |            |           |
| Type                  | Item    | Verge                           |                       | Drop off              | Verge     |            |           |
| Frequency             | No/Year | 1                               |                       | 3 per year            | 2         |            |           |

Each of the six member councils provides limited waste collection services from commercial premises on request. In general commercial properties are responsible for organising their own waste service suited to their needs.

## **5. FUTURE COUNCIL REQUIREMENTS**

### **5.1. SUMMARY OF FUTURE COUNCIL REQUIREMENTS**

Each member Council of the EMRC indicated what they would like in terms of waste management in the future.

A common theme arose from bulk collections. Council's that provided skip bins for bulk rubbish and greenwaste collection were happy with the service and those that currently provided a kerbside bulk collection were interested in introducing skip bins to reduce the ongoing management problems of bulk collections, including the untidiness, scavenging and propensity for illegal dumping outside of collection times. A skip bin service would tidy up the streets.

The Shire of Kalamunda would like to maintain its Transfer Stations into the future to allow its residents to have access to a full waste disposal service either at their kerbside or through drop-off locations.

The City of Bayswater would like a local drop-off location for household hazardous waste. In addition to the skip bin service in place of vergeside collections, the City would also like to implement a dedicated greenwaste bulk bin if residents indicate that they are just disposing of greenwaste when they order the skip bin to increase recycling rates.

The Town of Bassendean would like to improve recycling services, perhaps through introducing a weekly recycling collection. The average weight of a recycling bin is calculated at around 9.5kgs. As this is about half the weight experienced by other Councils it is recommended that an audit be carried out on the recycling bins prior to any changes being considered.

The Shire of Mundaring indicated that the EMRC running its transfer stations would be preferable with the provision of a consistent service. The Shire is in favour of a regional collection contract.

A number of residential properties utilise skip bins for general waste collections in the City of Bayswater and will need to be catered for.



**Table 2:** Opportunities identified by each Council for future waste services in the region

| <b>Swan</b>  | <b>Bayswater</b>                         | <b>Belmont</b>   | <b>Kalamunda</b>                                  | <b>Bassendean</b>                            | <b>Mundaring</b>                             |
|--|--|--|---|--|--|
| Keep in-house service  | Keep skip bulk waste collection service  | Supportive of regional service                           | Lower waste service costs                         | Introduce 3 bin system for source separation | Supportive of regional contract              |
| Provide waste services to properties currently without (approx. 800) | Introduce dedicated greenwaste bulk bins | Bulk rubbish bins at residential units                   | Bulk bins for verge collection to tidy up streets | Weekly recycling collection                  | Separate metals collection for bulk pick-ups |
| Better access to MRF, build a MRF at Hazelmere                       | Local HHW drop off location              | Continue with bulk bin service at vergeside              | Keep Transfer Stations                            | Regional collection                          | Transfer Stations managed by EMRC            |
| Regional vergeside collections                                       | Asbestos drop off days                   |  |   |  | Increase recycling income                    |
| Resource Recovery Centre at Red Hill                                 | Keep bulk bin rubbish services for units | Drop off days for white goods, asbestos, HHW and E-Waste |   |  | Increase greenwaste processing               |
| Improve recycling rates  |  |  |   |  | Decrease hard waste to landfill              |

## **6. REGIONAL WASTE SERVICES MODEL**

### **6.1. ASSUMPTIONS**

Built into the Regional Waste Services Model are a number of assumptions listed below:

- Construct MRF that is owned and operated by the EMRC at Hazelmere. Gate price for MRF assumed at \$27.27/Tonne (Swan 08-09 rate at Wangara)
- Overall service growth for the EMRC region is 2.61% per annum (based on the sum total of service growth for each local government multiplied by the number of properties and divided by the overall total of properties)
- Inflation rate for collection costs is 3% per annum
- Inflation rate for disposal costs is 3% per annum
- Rubbish bin service frequency is weekly
- Recycling bin service frequency is fortnightly
- Greenwaste bin collection for Bayswater only is fortnightly
- All operational costs (trucks, staff, etc) are built into the unit cost per pick-up and cost of disposal
- The combined EMRC collection service is based on the average generation of 615kg/person of waste per year (average for the region)
- Bins are purchased for the City of Bayswater (excluding Maylands which are already owned by Bayswater)
- The collection cost model has the amortisation of truck depreciation and running costs built in.
- The transfer stations in Mundaring are replaced by verge collections
- Bulk collections, including hard waste and green waste, are vergeside collections although bulk bins provided within a regional contract may be similar in cost. The unit cost for bulk verge collections varies considerably from Council to Council. Refer Table 3.

**Table 3: Summary of Bulk Waste Services Provided by EMRC Member Councils**

| Council                     | Unit     | Swan       | Bayswater             | Belmont               | Kalamunda   | Bassendean | Mundaring |
|-----------------------------|----------|------------|-----------------------|-----------------------|-------------|------------|-----------|
| <b>Waste Services</b>       |          |            |                       |                       |             |            |           |
| <b>Green Bulk</b>           |          |            |                       |                       |             |            |           |
| Type                        | Item     | Verge      |                       | 3.0m <sup>3</sup> Bin | Verge       | Verge      | Verge     |
| Frequency                   | No/Year  | 2          |                       | max 4 all up          | 2           | 1          | 1         |
| <b>Hard Bulk</b>            |          |            |                       |                       |             |            |           |
| Type                        | Item     | Verge      | 3.0m <sup>3</sup> bin | 3.0m <sup>3</sup> bin | Verge       | Verge      | Verge     |
| Frequency                   | No/Year  | 1          | max 3 all up          | max 4 all up          | 2           | 1          | 1         |
| <b>Metals Bulk</b>          |          |            |                       |                       |             |            |           |
| Type                        | Item     | Verge      |                       | Drop off              | Verge       |            |           |
| Frequency                   | No/Year  | 1          |                       | 2 per year            | 2           |            |           |
| <b>Collection</b>           |          |            |                       |                       |             |            |           |
| <b>Bulk</b>                 |          |            |                       |                       |             |            |           |
| Contractor                  | Name     | Swan       | Cleanaway             | Cleanaway             | WR Services | Alvito     | KRS       |
| Contract Term               | Years    | N/A        | 5 years               | 5+5 years             | 3+1+1       | 5          | 2         |
| Contract Expiry Date        | Date     | N/A        | Dec 2012              | 30.06.08              | 30.6.11     | 2011       | 30.06.08  |
| <b>Unit Collection Rate</b> |          |            |                       |                       |             |            |           |
| Green Bulk                  | \$/Annum | \$ 442,320 |                       | \$ 17,000             | \$ 405,000  | \$ 62,500  | \$ 22,250 |
| Hard Bulk                   | \$/Annum | \$ 221,154 | \$ 529,171            | \$ 391,235            | \$ 403,987  | \$ 62,500  | \$ 58,380 |
| Metals Bulk                 | \$/Annum |            |                       |                       | \$ 10,000   |            | \$ 12,000 |
| Green Bulk (Unit Rate)      | \$/Tonne | \$ 217.78  |                       | \$ 250.00             | \$ 135.00   | \$ 96.01   | \$ 125.00 |
| Hard Bulk (Unit Rate)       | \$/Tonne | \$ 79.81   | \$ 63.69              | \$ 174.50             | \$ 142.50   | \$ 177.56  | \$ 140.00 |

**Note:**

History has shown that Councils offering bulk bins for verge collection experience on average one bin per residence per annum.

## **6.2. INFRASTRUCTURE REQUIREMENTS**

The EMRC would be required to operate from a works depot which may include, however is not limited to, the following:

- Area to park waste collection trucks and service vehicles
- Bin storage area
- Truck cleaning area
- Fuelling station
- Car park for employees
- Workshop

The Workshop will provide an area for servicing trucks and light run-about vehicles, whilst storing supplies for bin repairs.

In addition to the Works Depot, the EMRC should consider the construction and operation of a Materials Recovery Facility in Hazelmere to provide a more central service for recycling processing. The cost modelling for a projected regional service is based on the savings that the operation of a MRF in this location would provide to the region overall.

## **6.3. EMRC RESOURCES**

For the EMRC to provide a regional waste collection service there would need to be provision for staffing, including a manager for waste services, workshop coordinator, waste coordinator, 4 or 5 fitters, 3 mechanics, up to 44 truck drivers, administration officer and approximately 4 customer service officers. Provision of training to expand skill sets of employees may benefit the EMRC when Officers can fill a number of roles when or if required.

The use of the Red Hill Landfill site for waste disposal and future resource recovery is beneficial in the regional contract and prolonging the useful life of the site crucial for provision of a cost effective waste service to the region into the future.

The EMRC already has an exceptional waste education program in place. The expertise and knowledge existing can be used to carry education for the region on waste services. The EMRC could develop a central database for waste service enquiries for the region in conjunction with the provision of customer service.

## 6.4. CAPITAL REQUIREMENTS

**Table 4:** Vehicle Requirements for a Regional Waste Collection Service

| Description           | Quantity | Price Per Unit | Total        |
|-----------------------|----------|----------------|--------------|
| Side Load (Garbage)   | 21       | \$ 310,000     | \$ 6,510,000 |
| Side Load (Recycling) | 18       | \$ 310,000     | \$ 5,580,000 |
| Rear Load (6x4)       | 7        | \$ 291,292     | \$ 2,039,044 |
| Rear Load (4x2)       | 7        | \$ 210,199     | \$ 1,471,393 |
| Flat Top Truck        | 4        | \$ 104,323     | \$ 417,292   |
| Skid Steer Loader     | 4        | \$ 65,000      | \$ 260,000   |
| Utility               | 2        | \$ 24,417      | \$ 48,830    |
| Bin Delivery Truck    | 4        | \$49,990       | \$ 100,000   |

**Table 5:** Initial Bin Requirements for a Regional Waste Collection Service

| Description       | Quantity | Price Per Unit | Total        |
|-------------------|----------|----------------|--------------|
| Bins (Garbage)    | 27,122   | \$50           | \$ 1,356,100 |
| Bins (Recycling)  | 27,122   | \$55           | \$ 1,491,710 |
| Bins (Greenwaste) | 24,428   | \$66           | \$ 1,612,248 |

The construction of a workshop is estimated to be in the order of \$5M to provide the infrastructure necessary to support the regional waste collection service.

Overall capital requirements and infrastructure for the provision of a regional waste service by the EMRC is estimated at \$26M to meet the current needs of the region.

**Table 6:** Annual depreciation of capital items required for a regional collection contract.

| Item                   | Life<br>Years | Cost    | Annual Amortization (Cost of Capital \$'000) |         |         |         |         |         |         |         |         |
|------------------------|---------------|---------|--|---------|---------|---------|---------|---------|---------|---------|---------|
|                        |               |         | Year 1                                       | Year 2  | Year 3  | Year 4  | Year 5  | Year 6  | Year 7  | Year 8  |         |
| Side Load (Garbage)    | 5             | 6,510.0 | 1,302.0                                      | 1,302.0 | 1,302.0 | 1,302.0 | 1,302.0 | 1,302.0 | 1,302.0 | 1,302.0 | 1,302.0 |
| Side Load (Recycling)  | 5             | 5,580.0 | 1,116.0                                      | 1,116.0 | 1,116.0 | 1,116.0 | 1,116.0 | 1,116.0 | 1,116.0 | 1,116.0 | 1,116.0 |
| Rear Load (6x4)        | 5             | 2,039.0 | 407.8  | 407.8   | 407.8   | 407.8   | 407.8   | 407.8   | 407.8   | 407.8   | 407.8   |
| Rear Load (4x2)        | 5             | 1,471.4 | 294.3  | 294.3   | 294.3   | 294.3   | 294.3   | 294.3   | 294.3   | 294.3   | 294.3   |
| Flat Top Truck         | 5             | 417.3   | 83.5   | 83.5    | 83.5    | 83.5    | 83.5    | 83.5    | 83.5    | 83.5    | 83.5    |
| Skid Steer             | 4             | 260.0   | 65.0   | 65.0    | 65.0    | 65.0    | 65.0    | 65.0    | 65.0    | 65.0    | 65.0    |
| Utility                | 2             | 48.8    | 24.4   | 24.4    | 24.4    | 24.4    | 24.4    | 24.4    | 24.4    | 24.4    | 24.4    |
| Bin Delivery Truck     | 5             | 50.0    | 10.0   | 10.0    | 10.0    | 10.0    | 10.0    | 10.0    | 10.0    | 10.0    | 10.0    |
| Bins (Garbage)         | 12            | 1,356.1 | 113.0  | 113.0   | 113.0   | 113.0   | 113.0   | 113.0   | 113.0   | 113.0   | 113.0   |
| Bins (Recycling)       | 12            | 1,491.7 | 124.3  | 124.3   | 124.3   | 124.3   | 124.3   | 124.3   | 124.3   | 124.3   | 124.3   |
| Bins (Greenwaste)      | 12            | 1,612.2 | 134.4  | 134.4   | 134.4   | 134.4   | 134.4   | 134.4   | 134.4   | 134.4   | 134.4   |
| Workshop               | 20            | 5,000.0 | 250.0  | 250.0   | 250.0   | 250.0   | 250.0   | 250.0   | 250.0   | 250.0   | 250.0   |
| <b>Total (\$000's)</b> |               |         | 3,924.6                                      | 3,924.6 | 3,924.6 | 3,924.6 | 3,924.6 | 3,924.6 | 3,924.6 | 3,924.6 | 3,924.6 |

## **6.5. INDICATIVE SERVICE COSTS**

To commence a regional waste service, the initial start up cost is estimated to be around \$26 million in today's dollars.

A table outlining the costs over a seven year period based on current prices is included as Appendix 7.2. By 2013-14, the year of implementation, there is very little difference between running a regional collection contract on the predicted price per property, calculated at \$237.13 using a MRF located in Hazelmere compared to the consolidated model cost per property, calculated at \$240.50 (see Appendix 7.1.7).

However, this may not be the case in real dollar terms when the regional contract is due to start due to some inconsistency in current service charges, particularly in reference to the Town of Bassendean's service costs and the Shire of Mundaring's rates charges. The Town of Bassendean's costs appear to be below the current rate for waste services when compared across the region.

The indicative costs of the service are based on the combined data from all six councils and the unit costs per service ascertained from City of Swan data. Tonnages were from the 2006-07 year with projected increases over time as new services are implemented concurrent with property growth. Commencing in mid-2013, the cost model is based on current dollar values and assumes 3% inflation on both collection and disposal costs, is inclusive of the landfill levy on disposal as well as a standardised increase in service numbers for the region at 2.61%.

It is difficult to account for differences in transportation routes for a MRF in Wangara compared to Hazelmere as there is no indication at present as to where the transport depot will be located. At this stage the starting and finishing point for collections are an unknown factor, which influences total travel distances, however does not directly influence the distance that recyclables are carted from a given collection route. Given the geographical location of each of the member Council's, a MRF located at Hazelmere may reduce travel times and costs slightly overall for a regional waste collection service.

## **6.6. INDICATIVE TIMELINE**

Based on information provided, all member Councils will be out of contract by the 2013-2014 financial year. By this time, if the EMRC chooses to proceed, all infrastructure and resources could potentially be in place to provide a regional waste collection service to all six member Councils or at a minimum, five of the regional Councils willing to participate. The City of Swan has indicated that it is its preference to continue to provide a waste collection service in-house.

## **6.7. ADVANTAGES**

### **Pricing**

At present it appears that there would be no comparative cost advantage per property in implementing a regional waste collection service to EMRC member Councils. Advantages would be apparent in the operation of the service, whereby local governments would not potentially be aggrieved by market pressures when tendering for new waste services. Officer's time could also be focused on continuous improvement of the provision of waste services and consolidation of resources.

A number of Councils will be advantaged by a regional contract in the sharing of overall costs across the region. There may also be opportunities to consolidate current Council staff into the Regional Council model who currently work in waste service provision, thus pooling human resources.

### **Standardised Regional Service**

The regional waste collection model would commence to provide a standardised waste service, apart from the City of Bayswater continuing a greenwaste bin collection. This could therefore encourage a standardised approach to waste education with a single message across the region, requiring only a central waste information database.

### **Best Practice and Support**

The EMRC is well positioned to make provision for waste services through having control over a landfill site at Red Hill, the installation and operation of an alternative waste treatment plant, a resource recovery park, potential to build a MRF and utilise recycling revenue to further resource recovery and recycling in the region. Vergeside collections could be reviewed and standardised through a bulk skip collection service across the region and transfer station use scaled back.

Overall, member Councils are supportive of a move to the provision of regional waste collection service by the EMRC.

### **Individual Council Benefits**

Member Councils that are considered more rural and have greater transport distances between properties will benefit from a cost sharing approach as will smaller Councils through an economy-of-scale approach. The Shires of Kalamunda and Mundaring are likely to benefit in cost savings when comparing the current consolidated model with the predicted model for a regional waste service.

## **6.8. DISADVANTAGES**

### **All or Nothing**

The City of Swan would like to continue with the provision of waste collection services in-house. An in-house service allows the City to provide a more efficient service and achieve customer satisfaction service levels ensuring that issues are dealt with satisfactorily and promptly. The EMRC approach would have to meet or exceed Council expectations in terms of waste service provisions and customer service.

If the City of Swan was not willing to participate in a regional waste collection service, the five other member Councils would need to decide whether to proceed without a full contingent of members. The efficiencies assumed in the regional model are reliant on the participation of the City of Swan. The City of Swan is the largest Council in the region accounting for approximately 34% of the population and will experience above average growth over the coming years.

### **Pricing**

The Cities of Belmont, Swan and the Town of Bassendean current costs per premises are lower than that generated in the predicted cost model and therefore may perceive a regional contract to provide little benefit.



Without a clear understanding of regional benefits through the gains of implementing a regional waste service disadvantages may be perceived through apparent gains of some Councils and losses incurred by others. For example, two Councils appear to benefit the most through cost savings in comparison with current contracts, whilst others may have little change to the status quo in terms of costs.

### **Capital and Infrastructure Requirements**

Given the current climate for building and employment, the addition of an EMRC waste service in the market may prove disadvantageous if work cannot be completed on time and/or staff cannot be employed or retained. It is possible that in five years there may be more buoyancy in the employment market and building industry.

### **Accommodating Current Services**

The operation of the three Mundaring transfer stations has not been included in the regional model. The regional model assumes that all residences in the region will receive bulk verge collection services. Economics of scale from the regional collection contract should lead to a more cost effective bulk bin verge collection service.

The regional model does however include the 240L MGB green waste collection service currently operating in the City of Bayswater.

## 7. APPENDICES

### 7.1. CURRENT SERVICE COST MODELS

#### 7.1.1. City of Swan

| Year                       | 2006-07          | 2007-08          | 2008-09          | 2009-10          | 2010-11          | 2011-12          | 2012-13           | 2013-14           |
|----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|
| Year Finishes June         | 2007             | 2008             | 2009             | 2010             | 2011             | 2012             | 2013              | 2014              |
| <b>Collection</b>          |                  |                  |                  |                  |                  |                  |                   |                   |
| Garbage                    | 2,048,437        | 2,194,286        | 2,350,519        | 2,517,876        | 2,697,149        | 2,889,185        | 3,094,895         | 3,315,252         |
| Recycling                  | 1,472,070        | 1,576,881        | 1,689,155        | 1,809,423        | 1,938,254        | 2,076,257        | 2,224,087         | 2,382,442         |
| Bio Insert Green Waste     | 0                | 0                | 0                | 0                | 0                | 0                | 0                 | 0                 |
| Bulk Green Waste           | 442,320          | 473,813          | 507,548          | 543,686          | 582,396          | 623,863          | 668,282           | 715,864           |
| Hard Waste                 | 221,154          | 236,900          | 253,767          | 271,835          | 291,190          | 311,922          | 334,131           | 357,921           |
| <b>Sub Total</b>           | <b>4,183,980</b> | <b>4,481,879</b> | <b>4,800,989</b> | <b>5,142,819</b> | <b>5,508,988</b> | <b>5,901,228</b> | <b>6,321,396</b>  | <b>6,771,479</b>  |
| <b>Disposal</b>            |                  |                  |                  |                  |                  |                  |                   |                   |
| Garbage                    | 1,859,480        | 2,136,454        | 2,326,878        | 2,532,393        | 2,754,134        | 3,036,413        | 3,342,238         | 3,673,422         |
| Recycling                  | 173,879          | 217,001          | 232,451          | 249,002          | 266,731          | 285,722          | 306,065           | 327,857           |
| Bio Insert Green Waste     | 0                | 0                | 0                | 0                | 0                | 0                | 0                 | 0                 |
| Bulk Green Waste           | 52,198           | 55,965           | 59,950           | 64,218           | 68,791           | 73,689           | 78,935            | 84,555            |
| Hard Waste                 | 145,478          | 167,147          | 182,045          | 198,123          | 215,471          | 237,556          | 261,482           | 287,392           |
| <b>Sub Total</b>           | <b>2,231,035</b> | <b>2,576,567</b> | <b>2,801,324</b> | <b>3,043,737</b> | <b>3,305,127</b> | <b>3,633,379</b> | <b>3,988,720</b>  | <b>4,373,227</b>  |
| <b>Education/Promotion</b> |                  |                  |                  |                  |                  |                  |                   |                   |
| Waste Officers             | 0                | 0                | 150,000          | 154,500          | 159,135          | 163,909          | 168,826           | 173,891           |
| <b>Sub Total</b>           | <b>0</b>         | <b>0</b>         | <b>150,000</b>   | <b>154,500</b>   | <b>159,135</b>   | <b>163,909</b>   | <b>168,826</b>    | <b>173,891</b>    |
| <b>Total</b>               | <b>6,415,014</b> | <b>7,058,446</b> | <b>7,752,313</b> | <b>8,341,056</b> | <b>8,973,250</b> | <b>9,698,516</b> | <b>10,478,942</b> | <b>11,318,597</b> |
| <b>No. of Premises</b>     | <b>38,949</b>    | <b>40,507</b>    | <b>42,127</b>    | <b>43,812</b>    | <b>45,565</b>    | <b>47,387</b>    | <b>49,283</b>     | <b>51,254</b>     |
| <b>Cost per Premise</b>    | <b>\$164.70</b>  | <b>\$174.25</b>  | <b>\$184.02</b>  | <b>\$190.38</b>  | <b>\$196.93</b>  | <b>\$204.66</b>  | <b>\$212.63</b>   | <b>\$220.83</b>   |
| <b>Tonnes per person</b>   | <b>0.513</b>     |                  |                  |                  |                  |                  |                   |                   |
| <b>Rates Charges</b>       |                  |                  | <b>\$185.00</b>  |                  |                  |                  |                   |                   |

**Note:**

The City of Swan pays a recycling processing fee for use of the MRF in Wangara

## 7.1.2. City of Bayswater

| Year                     | 2006-07          | 2007-08          | 2008-09          | 2009-10          | 2010-11          | 2011-12          | 2012-13          | 2013-14          |
|--------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Year Finishes June       | 2007             | 2008             | 2009             | 2010             | 2011             | 2012             | 2013             | 2014             |
| <b>Collection</b>        |                  |                  |                  |                  |                  |                  |                  |                  |
| Garbage                  | 1,083,983        | 1,130,136        | 1,178,254        | 1,227,316        | 1,278,420        | 1,331,652        | 1,387,101        | 1,444,858        |
| Recycling                | 1,124,632        | 1,172,516        | 1,222,439        | 1,273,340        | 1,326,361        | 1,381,589        | 1,439,117        | 1,499,040        |
| Bio Insert Green Waste   | 1,033,579        | 1,077,586        | 1,123,466        | 1,170,246        | 1,218,974        | 1,269,731        | 1,322,601        | 1,377,673        |
| Bulk Green Waste         | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                |
| Hard Waste               | 529,171          | 551,702          | 575,192          | 599,142          | 624,090          | 650,077          | 677,145          | 705,341          |
| <b>Sub Total</b>         | <b>3,771,365</b> | <b>3,931,940</b> | <b>4,099,352</b> | <b>4,270,044</b> | <b>4,447,845</b> | <b>4,633,049</b> | <b>4,825,964</b> | <b>5,026,912</b> |
| <b>Disposal</b>          |                  |                  |                  |                  |                  |                  |                  |                  |
| Garbage                  | 908,870          | 1,015,431        | 1,075,417        | 1,138,102        | 1,203,599        | 1,290,340        | 1,381,107        | 1,476,072        |
| Recycling                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                |
| Bio Insert Green Waste   | 418,500          | 423,229          | 440,852          | 459,209          | 478,329          | 498,247          | 518,993          | 540,604          |
| Bulk Green Waste         | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                |
| Hard Waste               | 436,181          | 487,321          | 516,109          | 546,193          | 577,626          | 619,254          | 662,815          | 708,390          |
| <b>Sub Total</b>         | <b>1,763,550</b> | <b>1,925,980</b> | <b>2,032,379</b> | <b>2,143,503</b> | <b>2,259,554</b> | <b>2,407,841</b> | <b>2,562,915</b> | <b>2,725,065</b> |
| <b>Amortisation</b>      |                  |                  |                  |                  |                  |                  |                  |                  |
| Amortisation (Bins)      | -363,817         | -363,817         | -363,817         | -363,817         | -363,817         | -363,817         | -363,817         | 0                |
| <b>Sub Total</b>         | <b>-363,817</b>  | <b>-363,817</b>  | <b>-363,817</b>  | <b>-363,817</b>  | <b>-363,817</b>  | <b>-363,817</b>  | <b>-363,817</b>  | <b>0</b>         |
| <b>Total</b>             | <b>5,171,099</b> | <b>5,494,104</b> | <b>5,767,913</b> | <b>6,049,731</b> | <b>6,343,582</b> | <b>6,677,073</b> | <b>7,025,062</b> | <b>7,751,978</b> |
| <b>No. of Premises</b>   | <b>27,694</b>    | <b>28,007</b>    | <b>28,323</b>    | <b>28,643</b>    | <b>28,967</b>    | <b>29,294</b>    | <b>29,626</b>    | <b>29,960</b>    |
| <b>Cost per Premise</b>  | <b>\$186.72</b>  | <b>\$196.17</b>  | <b>\$203.64</b>  | <b>\$211.21</b>  | <b>\$218.99</b>  | <b>\$227.93</b>  | <b>\$237.13</b>  | <b>\$258.74</b>  |
| <b>Tonnes per person</b> | <b>0.728</b>     |                  |                  |                  |                  |                  |                  |                  |
| <b>Rates Charges</b>     |                  |                  | <b>\$207.50</b>  |                  |                  |                  |                  |                  |

**Note:**

1. The City of Bayswater's recycling disposal/processing costs are included in the collection costs
2. The amortisation is due to Cleanaway owning the majority of MGBs in Bayswater (All except Maylands)

**7.1.3. City of Belmont**

| Year                     | 2006-07          | 2007-08          | 2008-09          | 2009-10          | 2010-11          | 2011-12          | 2012-13          | 2013-14          |
|--------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Year Finishes June       | 2007             | 2008             | 2009             | 2010             | 2011             | 2012             | 2013             | 2014             |
| <b>Collection</b>        |                  |                  |                  |                  |                  |                  |                  |                  |
| Garbage                  | 858,302          | 965,942          | 1,002,780        | 1,041,023        | 1,080,724        | 1,121,940        | 1,164,727        | 1,209,146        |
| Recycling                | 667,181          | 753,961          | 782,715          | 812,565          | 843,554          | 875,724          | 909,122          | 943,793          |
| Bio Insert Green Waste   | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                |
| Bulk Green Waste         | 17,000           | 17,000           | 17,648           | 18,321           | 19,020           | 19,745           | 20,499           | 21,280           |
| Hard Waste               | 391,235          | 430,496          | 446,914          | 463,958          | 481,652          | 500,021          | 519,090          | 538,886          |
| <b>Sub Total</b>         | <b>1,933,717</b> | <b>2,167,398</b> | <b>2,250,056</b> | <b>2,335,867</b> | <b>2,424,950</b> | <b>2,517,430</b> | <b>2,613,437</b> | <b>2,713,106</b> |
| <b>Disposal</b>          |                  |                  |                  |                  |                  |                  |                  |                  |
| Garbage                  | 614,775          | 684,546          | 722,548          | 762,093          | 803,242          | 858,235          | 915,518          | 975,179          |
| Recycling                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                |
| Bio Insert Green Waste   | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                |
| Bulk Green Waste         | 2,500            | 363              | 377              | 392              | 406              | 422              | 438              | 455              |
| Hard Waste               | 235,358          | 263,765          | 278,651          | 294,144          | 310,265          | 331,982          | 354,606          | 378,171          |
| <b>Sub Total</b>         | <b>852,633</b>   | <b>948,674</b>   | <b>1,001,576</b> | <b>1,056,628</b> | <b>1,113,913</b> | <b>1,190,639</b> | <b>1,270,561</b> | <b>1,353,804</b> |
| <b>Total</b>             | <b>2,786,350</b> | <b>3,116,072</b> | <b>3,251,633</b> | <b>3,392,495</b> | <b>3,538,863</b> | <b>3,708,069</b> | <b>3,883,999</b> | <b>4,066,910</b> |
| <b>No. of Premises</b>   | <b>16,500</b>    | <b>16,630</b>    | <b>16,762</b>    | <b>16,894</b>    | <b>17,028</b>    | <b>17,162</b>    | <b>17,298</b>    | <b>17,434</b>    |
| <b>Cost per Premise</b>  | <b>\$168.87</b>  | <b>\$187.37</b>  | <b>\$193.99</b>  | <b>\$200.81</b>  | <b>\$207.83</b>  | <b>\$216.06</b>  | <b>\$224.54</b>  | <b>\$233.27</b>  |
| <b>Tonnes per person</b> | <b>0.617</b>     |                  |                  |                  |                  |                  |                  |                  |
| <b>Rates Charges</b>     | <b>\$190.00</b>  | <b>\$200.00</b>  | <b>\$210.00</b>  |                  |                  |                  |                  |                  |

**Note:**

The City of Belmont’s recycling disposal/processing charge is included in the collection rate

## 7.1.4. Shire of Kalamunda

| Year                     | 2006-07          | 2007-08          | 2008-09          | 2009-10          | 2010-11          | 2011-12          | 2012-13          | 2013-14          |
|--------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Year Finishes June       | 2007             | 2008             | 2009             | 2010             | 2011             | 2012             | 2013             | 2014             |
| <b>Collection</b>        |                  |                  |                  |                  |                  |                  |                  |                  |
| Garbage                  | 901,062          | 974,574          | 1,192,916        | 1,290,138        | 1,395,284        | 1,509,000        | 1,631,984        | 1,764,990        |
| Recycling                | 832,249          | 900,077          | 804,276          | 869,825          | 940,715          | 1,017,384        | 1,100,301        | 1,189,975        |
| Bio Insert Green Waste   | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                |
| Bulk Green Waste         | 405,000          | 438,008          | 473,705          | 512,312          | 554,066          | 599,222          | 648,058          | 700,875          |
| Hard Waste               | 403,988          | 436,912          | 472,521          | 511,031          | 552,680          | 597,724          | 646,438          | 699,123          |
| Steel                    | 10,000           | 10,300           | 10,609           | 10,927           | 11,255           | 11,593           | 11,941           | 12,299           |
| <b>Sub Total</b>         | <b>2,552,299</b> | <b>2,759,871</b> | <b>2,954,027</b> | <b>3,194,234</b> | <b>3,454,001</b> | <b>3,734,922</b> | <b>4,038,721</b> | <b>4,367,262</b> |
| <b>Disposal</b>          |                  |                  |                  |                  |                  |                  |                  |                  |
| Garbage                  | 892,500          | 1,035,300        | 1,138,419        | 1,250,880        | 1,373,491        | 1,528,824        | 1,698,986        | 1,885,295        |
| Recycling                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                |
| Bio Insert Green Waste   | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                |
| Bulk Green Waste         | 79,500           | 83,475           | 90,278           | 97,636           | 105,593          | 114,199          | 123,506          | 133,572          |
| Hard Waste               | 148,838          | 172,652          | 189,848          | 208,603          | 229,050          | 254,954          | 283,331          | 314,401          |
| <b>Sub Total</b>         | <b>1,120,838</b> | <b>1,291,427</b> | <b>1,418,546</b> | <b>1,557,119</b> | <b>1,708,134</b> | <b>1,897,977</b> | <b>2,105,823</b> | <b>2,333,268</b> |
| <b>Total</b>             | <b>3,673,136</b> | <b>4,051,298</b> | <b>4,372,573</b> | <b>4,751,352</b> | <b>5,162,134</b> | <b>5,632,899</b> | <b>6,144,545</b> | <b>6,700,530</b> |
| <b>No. of Premises</b>   | <b>19,929</b>    | <b>20,925</b>    | <b>21,972</b>    | <b>23,070</b>    | <b>24,224</b>    | <b>25,435</b>    | <b>26,707</b>    | <b>28,042</b>    |
| <b>Cost per Premise</b>  | <b>\$184.31</b>  | <b>\$193.61</b>  | <b>\$199.01</b>  | <b>\$205.95</b>  | <b>\$213.10</b>  | <b>\$221.46</b>  | <b>\$230.07</b>  | <b>\$238.95</b>  |
| <b>Tonnes per person</b> | <b>0.578</b>     |                  |                  |                  |                  |                  |                  |                  |
| <b>Rates Charges</b>     |                  |                  | <b>\$209.00</b>  |                  |                  |                  |                  |                  |

**Note:**

The Shire of Kalamunda's disposal/processing costs for recycling are included in the collection rate.

**7.1.5. Town of Bassendean**

| Year                     | 2006-07         | 2007-08         | 2008-09         | 2009-10          | 2010-11          | 2011-12          | 2012-13          | 2013-14          |
|--------------------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|
| Year Finishes June       | 2007            | 2008            | 2009            | 2010             | 2011             | 2012             | 2013             | 2014             |
| <b>Collection</b>        |                 |                 |                 |                  |                  |                  |                  |                  |
| Garbage                  | 262,630         | 291,143         | 303,476         | 316,331          | 329,731          | 343,699          | 358,258          | 373,433          |
| Recycling                | 118,942         | 131,853         | 137,439         | 143,261          | 149,329          | 155,655          | 162,248          | 169,121          |
| Bio Insert Green Waste   | 0               | 0               | 0               | 0                | 0                | 0                | 0                | 0                |
| Bulk Green Waste         | 62,500          | 65,750          | 69,039          | 72,367           | 75,736           | 79,145           | 82,594           | 86,086           |
| Hard Waste               | 62,500          | 65,750          | 69,039          | 72,367           | 75,736           | 79,145           | 82,594           | 86,086           |
| <b>Sub Total</b>         | <b>506,572</b>  | <b>554,497</b>  | <b>578,993</b>  | <b>604,327</b>   | <b>630,532</b>   | <b>657,643</b>   | <b>685,695</b>   | <b>714,726</b>   |
| <b>Disposal</b>          |                 |                 |                 |                  |                  |                  |                  |                  |
| Garbage                  | 315,000         | 352,176         | 373,239         | 395,268          | 418,305          | 448,762          | 480,662          | 514,067          |
| Recycling                | 0               | 0               | 0               | 0                | 0                | 0                | 0                | 0                |
| Bio Insert Green Waste   | 0               | 0               | 0               | 0                | 0                | 0                | 0                | 0                |
| Bulk Green Waste         | 17,252          | 17,459          | 18,198          | 18,969           | 19,772           | 20,610           | 21,483           | 22,393           |
| Hard Waste               | 18,480          | 20,661          | 21,897          | 23,189           | 24,541           | 26,327           | 28,199           | 30,159           |
| <b>Sub Total</b>         | <b>350,732</b>  | <b>390,296</b>  | <b>413,334</b>  | <b>437,426</b>   | <b>462,618</b>   | <b>495,699</b>   | <b>530,343</b>   | <b>566,619</b>   |
| <b>Total</b>             | <b>857,304</b>  | <b>944,792</b>  | <b>992,327</b>  | <b>1,041,753</b> | <b>1,093,150</b> | <b>1,153,342</b> | <b>1,216,038</b> | <b>1,281,345</b> |
| <b>No. of Premises</b>   | <b>6,721</b>    | <b>6,802</b>    | <b>6,883</b>    | <b>6,966</b>     | <b>7,049</b>     | <b>7,134</b>     | <b>7,220</b>     | <b>7,306</b>     |
| <b>Cost per Premise</b>  | <b>\$127.56</b> | <b>\$138.91</b> | <b>\$144.16</b> | <b>\$149.55</b>  | <b>\$155.07</b>  | <b>\$161.67</b>  | <b>\$168.43</b>  | <b>\$175.38</b>  |
| <b>Tonnes per person</b> | <b>0.635</b>    |                 |                 |                  |                  |                  |                  |                  |
| <b>Rates Charges</b>     |                 |                 | <b>\$160.00</b> |                  |                  |                  |                  |                  |

**Note:**

The Town of Bassendean recycling disposal/processing charge is included in the collection fee, however contamination disposal is included in garbage disposal costs

## 7.1.6. Shire of Mundaring

| Year                       | 2006-07          | 2007-08          | 2008-09          | 2009-10          | 2010-11          | 2011-12          | 2012-13          | 2013-14          |
|----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Year Finishes June         | 2007             | 2008             | 2009             | 2010             | 2011             | 2012             | 2013             | 2014             |
| <b>Collection</b>          |                  |                  |                  |                  |                  |                  |                  |                  |
| Garbage                    | 661,371          | 667,985          | 694,904          | 722,909          | 752,042          | 782,349          | 813,878          | 846,677          |
| Recycling                  | 551,999          | 557,519          | 579,987          | 603,360          | 627,676          | 652,971          | 679,286          | 706,661          |
| Bio Insert Green Waste     | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                |
| Bulk Green Waste           | 22,250           | 23,147           | 24,079           | 25,050           | 26,059           | 27,110           | 28,202           | 29,339           |
| Hard Waste                 | 781,070          | 812,547          | 845,293          | 879,358          | 914,796          | 951,662          | 990,014          | 1,029,912        |
| Commercials                | 167,539          | 172,565          | 177,742          | 183,075          | 188,567          | 194,224          | 200,051          | 206,052          |
| <b>Sub Total</b>           | <b>2,184,229</b> | <b>2,233,762</b> | <b>2,322,006</b> | <b>2,413,752</b> | <b>2,509,140</b> | <b>2,608,316</b> | <b>2,711,431</b> | <b>2,818,641</b> |
| <b>Disposal</b>            |                  |                  |                  |                  |                  |                  |                  |                  |
| Garbage                    | 440,633          | 491,662          | 520,038          | 549,642          | 580,527          | 621,564          | 664,432          | 709,206          |
| Recycling                  | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                |
| Bio Insert Green Waste     | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                |
| Bulk Green Waste           | 203,019          | 205,049          | 213,313          | 221,909          | 230,852          | 240,155          | 249,834          | 259,902          |
| Hard Waste                 | 330,488          | 368,761          | 390,044          | 412,248          | 435,412          | 466,192          | 498,344          | 531,925          |
| <b>Sub Total</b>           | <b>974,139</b>   | <b>1,065,472</b> | <b>1,123,394</b> | <b>1,183,800</b> | <b>1,246,791</b> | <b>1,327,912</b> | <b>1,412,610</b> | <b>1,501,033</b> |
| <b>Education/Promotion</b> |                  |                  |                  |                  |                  |                  |                  |                  |
| Call Centre                | 12,000           | 12,360           | 12,731           | 13,113           | 13,506           | 13,911           | 14,329           | 14,758           |
| Pamphlets                  | 4,375            | 4,506            | 4,641            | 4,781            | 4,924            | 5,072            | 5,224            | 5,381            |
| <b>Sub Total</b>           | <b>16,375</b>    | <b>16,866</b>    | <b>17,372</b>    | <b>17,893</b>    | <b>18,430</b>    | <b>18,983</b>    | <b>19,553</b>    | <b>20,139</b>    |
| <b>Total</b>               | <b>3,174,743</b> | <b>3,316,101</b> | <b>3,462,772</b> | <b>3,615,445</b> | <b>3,774,362</b> | <b>3,955,211</b> | <b>4,143,593</b> | <b>4,339,813</b> |
| <b>No. of Premises</b>     | <b>13,326</b>    | <b>13,459</b>    | <b>13,594</b>    | <b>13,730</b>    | <b>13,867</b>    | <b>14,006</b>    | <b>14,146</b>    | <b>14,287</b>    |
| <b>Cost per Premise</b>    | <b>\$238.24</b>  | <b>\$246.38</b>  | <b>\$254.73</b>  | <b>\$263.33</b>  | <b>\$272.18</b>  | <b>\$282.40</b>  | <b>\$292.92</b>  | <b>\$303.75</b>  |
| <b>Tonnes per person</b>   | <b>0.746</b>     |                  |                  |                  |                  |                  |                  |                  |
| <b>Rates Charges</b>       |                  |                  | <b>\$232.00</b>  |                  |                  |                  |                  |                  |

**Note:**

1. The Shire of Mundaring's disposal/processing costs for recycling are included in the collection rate.
2. Includes the cost of operating the transfer stations.

## 7.1.7. Current Consolidated Cost Model

| Year                       | 2006-07           | 2007-08           | 2008-09           | 2009-10           | 2010-11           | 2011-12           | 2012-13           | 2013-14           |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Year Finishes June         | 2007              | 2008              | 2009              | 2010              | 2011              | 2012              | 2013              | 2014              |
| <b>Collection</b>          |                   |                   |                   |                   |                   |                   |                   |                   |
| Garbage                    | 5,815,785         | 6,224,065         | 6,722,849         | 7,115,592         | 7,533,350         | 7,977,825         | 8,450,843         | 8,954,357         |
| Recycling                  | 4,767,073         | 5,092,808         | 5,216,010         | 5,511,773         | 5,825,888         | 6,159,580         | 6,514,160         | 6,891,032         |
| Bio Insert Green Waste     | 1,033,579         | 1,077,586         | 1,123,466         | 1,170,246         | 1,218,974         | 1,269,731         | 1,322,601         | 1,377,673         |
| Bulk Green Waste           | 949,070           | 1,017,717         | 1,092,020         | 1,171,737         | 1,257,277         | 1,349,085         | 1,447,636         | 1,553,443         |
| Hard Waste                 | 2,389,117         | 2,534,307         | 2,662,725         | 2,797,692         | 2,940,144         | 3,090,551         | 3,249,414         | 3,417,269         |
| <b>Sub Total</b>           | <b>15,132,162</b> | <b>16,129,348</b> | <b>17,005,422</b> | <b>17,961,043</b> | <b>18,975,456</b> | <b>20,052,588</b> | <b>21,196,644</b> | <b>22,412,126</b> |
| <b>Disposal</b>            |                   |                   |                   |                   |                   |                   |                   |                   |
| Garbage                    | 5,031,257         | 5,715,568         | 6,156,540         | 6,628,379         | 7,133,297         | 7,784,138         | 8,482,942         | 9,233,241         |
| Recycling                  | 173,879           | 217,001           | 232,451           | 249,002           | 266,731           | 285,722           | 306,065           | 327,857           |
| Bio Insert Green Waste     | 418,500           | 423,229           | 440,852           | 459,209           | 478,329           | 498,247           | 518,993           | 540,604           |
| Bulk Green Waste           | 354,469           | 362,311           | 382,116           | 403,124           | 425,415           | 449,075           | 474,196           | 500,877           |
| Hard Waste                 | 1,314,821         | 1,480,306         | 1,578,594         | 1,682,499         | 1,792,365         | 1,936,265         | 2,088,776         | 2,250,437         |
| <b>Sub Total</b>           | <b>7,292,925</b>  | <b>8,198,415</b>  | <b>8,790,553</b>  | <b>9,422,213</b>  | <b>10,096,137</b> | <b>10,953,446</b> | <b>11,870,973</b> | <b>12,853,016</b> |
| <b>Education/Promotion</b> |                   |                   |                   |                   |                   |                   |                   |                   |
| Waste Officers             | 12,000            | 12,360            | 162,731           | 167,613           | 172,641           | 177,820           | 183,155           | 188,650           |
| Pamphlets                  | 4,375             | 4,506             | 4,641             | 4,781             | 4,924             | 5,072             | 5,224             | 5,381             |
| <b>Sub Total</b>           | <b>16,375</b>     | <b>16,866</b>     | <b>167,372</b>    | <b>172,393</b>    | <b>177,565</b>    | <b>182,892</b>    | <b>188,379</b>    | <b>194,030</b>    |
| <b>Amortisation</b>        |                   |                   |                   |                   |                   |                   |                   |                   |
| Amortisation (Bins)        | -363,817          | -363,817          | -363,817          | -363,817          | -363,817          | -363,817          | -363,817          | 0                 |
| <b>Sub Total</b>           | <b>-363,817</b>   | <b>-363,817</b>   | <b>-363,817</b>   | <b>-363,817</b>   | <b>-363,817</b>   | <b>-363,817</b>   | <b>-363,817</b>   | <b>0</b>          |
| <b>Total</b>               | <b>22,077,646</b> | <b>23,980,813</b> | <b>25,599,530</b> | <b>27,191,832</b> | <b>28,885,342</b> | <b>30,825,110</b> | <b>32,892,179</b> | <b>35,459,173</b> |
| <b>No. of Premises</b>     | <b>123,119</b>    | <b>126,331</b>    | <b>129,626</b>    | <b>133,007</b>    | <b>136,477</b>    | <b>140,037</b>    | <b>143,690</b>    | <b>147,438</b>    |
| <b>Cost per Premise</b>    | <b>\$179.32</b>   | <b>\$189.83</b>   | <b>\$197.49</b>   | <b>\$204.44</b>   | <b>\$211.65</b>   | <b>\$220.12</b>   | <b>\$228.91</b>   | <b>\$240.50</b>   |
| <b>Tonnes per person</b>   | <b>0.619</b>      |                   |                   |                   |                   |                   |                   |                   |
| <b>Rates Charges</b>       |                   |                   |                   |                   |                   |                   |                   |                   |



**7.2. REGIONAL SERVICE COST MODEL**

| <b>Year</b>                | <b>2006-07</b>    | <b>2007-08</b>    | <b>2008-09</b>    | <b>2009-10</b>    | <b>2010-11</b>    | <b>2011-12</b>    | <b>2012-13</b>    | <b>2013-14</b>    |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Year Finishes June</b>  | <b>2007</b>       | <b>2008</b>       | <b>2009</b>       | <b>2010</b>       | <b>2011</b>       | <b>2012</b>       | <b>2013</b>       | <b>2014</b>       |
| <b>Collection</b>          |                   |                   |                   |                   |                   |                   |                   |                   |
| Garbage                    | 6,564,949         | 6,938,284         | 7,332,851         | 7,749,856         | 8,190,574         | 8,656,356         | 9,148,626         | 9,668,890         |
| Recycling                  | 3,980,951         | 4,207,340         | 4,446,603         | 4,699,473         | 4,966,722         | 5,249,170         | 5,547,680         | 5,863,165         |
| Bio Insert Green Waste     | 1,033,579         | 1,093,340         | 1,156,557         | 1,222,328         | 1,291,840         | 1,365,304         | 1,442,946         | 1,525,004         |
| Bulk Green Waste           | 1,291,164         | 1,364,590         | 1,442,192         | 1,524,206         | 1,610,885         | 1,702,493         | 1,799,310         | 1,901,633         |
| Hard Waste                 | 1,529,638         | 1,616,626         | 1,708,560         | 1,805,723         | 1,908,411         | 2,016,938         | 2,131,637         | 2,252,859         |
| <b>Sub Total</b>           | <b>14,400,282</b> | <b>15,220,181</b> | <b>16,086,763</b> | <b>17,001,586</b> | <b>17,968,432</b> | <b>18,990,261</b> | <b>20,070,199</b> | <b>21,211,552</b> |
| <b>Disposal</b>            |                   |                   |                   |                   |                   |                   |                   |                   |
| Garbage                    | 5,031,268         | 5,703,345         | 6,128,581         | 6,580,632         | 7,061,091         | 7,680,646         | 8,341,120         | 9,044,989         |
| Recycling                  | 632,333           | 778,594           | 822,871           | 869,666           | 919,122           | 971,391           | 1,026,632         | 1,085,014         |
| Bio Insert Green Waste     | 418,500           | 429,417           | 453,837           | 479,646           | 506,922           | 535,750           | 566,217           | 598,416           |
| Bulk Green Waste           | 328,141           | 347,115           | 366,854           | 387,717           | 409,765           | 433,068           | 457,696           | 483,724           |
| Hard Waste                 | 1,314,810         | 1,490,442         | 1,601,569         | 1,719,702         | 1,845,259         | 2,007,166         | 2,179,766         | 2,363,707         |
| <b>Sub Total</b>           | <b>7,725,052</b>  | <b>8,748,912</b>  | <b>9,373,712</b>  | <b>10,037,362</b> | <b>10,742,159</b> | <b>11,628,020</b> | <b>12,571,430</b> | <b>13,575,851</b> |
| <b>Education/Promotion</b> |                   |                   |                   |                   |                   |                   |                   |                   |
| Waste Officers             | 0                 | 0                 | 150,000           | 154,500           | 159,135           | 163,909           | 168,826           | 173,891           |
| <b>Sub Total</b>           | <b>0</b>          | <b>0</b>          | <b>150,000</b>    | <b>154,500</b>    | <b>159,135</b>    | <b>163,909</b>    | <b>168,826</b>    | <b>173,891</b>    |
| <b>Total</b>               | <b>22,125,334</b> | <b>23,969,093</b> | <b>25,610,475</b> | <b>27,193,448</b> | <b>28,869,726</b> | <b>30,782,190</b> | <b>32,810,456</b> | <b>34,961,294</b> |
| <b>No. of Premises</b>     | <b>123,119</b>    | <b>126,331</b>    | <b>129,626</b>    | <b>133,007</b>    | <b>136,477</b>    | <b>140,037</b>    | <b>143,690</b>    | <b>147,438</b>    |
| <b>Cost per service</b>    | <b>\$179.71</b>   | <b>\$189.73</b>   | <b>\$197.57</b>   | <b>\$204.45</b>   | <b>\$211.54</b>   | <b>\$219.81</b>   | <b>\$228.34</b>   | <b>\$237.13</b>   |
| <b>Tonnes per person</b>   | <b>0.615</b>      |                   |                   |                   |                   |                   |                   |                   |
| <b>Rates Charges</b>       |                   |                   |                   |                   |                   |                   |                   |                   |

## 7.3. DATA COLLECTION SUMMARY

| DATA COLLECTION SHEET                   |           | Participating Council    |                       |                         |                          |                              |                            |
|---|-----------|--------------------------|-----------------------|-------------------------|--------------------------|------------------------------|----------------------------|
| Council                                 | Unit      | Swan                     | Bayswater             | Belmont                 | Kalamunda                | Bassendean                   | Mundaring                  |
| <b>Demographics</b>                     |           | 2006-07 Reporting Period |                       |                         |                          |                              |                            |
| Population                              | No.       | 93,279                   | 55,801                | 30,331                  | 49,534                   | 13,463                       | 35,097                     |
| Families                                | No.       | 24,832                   | 14,668                | 7,807                   | 14,028                   | 3,658                        | 9,629                      |
| Dwellings                               | No.       | 34,908                   | 26,280                | 14,494                  | 19,215                   | 6,089                        | 13,116                     |
| Expected Growth                         | %         | 4.00%                    | 1.13%                 | 0.80%                   | 5.00%                    | 1.20%                        | 1.00%                      |
| <b>Waste Services</b>                   |           |                          |                       |                         |                          |                              |                            |
| <b>Domestic</b>                         |           |                          |                       |                         |                          |                              |                            |
| No. Services                            | No.       | 38,949                   | 27,694                | 16,500                  | 19,929                   | 6,194                        | 13,326                     |
| Bin Type                                | Litre     | 240                      | 240                   | 240                     | 240                      | 240                          | 140                        |
| Frequency                               | No/Year   | 52                       | 52                    | 52                      | 52                       | 52                           | 52                         |
| <b>Recycling</b>                        |           |                          |                       |                         |                          |                              |                            |
| No. Services                            | No.       | 34,767                   | 27,694                | 16,200                  | 19,759                   | 6,253                        | 12,742                     |
| Bin Type                                | Litre     | 240                      | 240                   | 240                     | 240                      | 240                          | 240                        |
| Frequency                               | No/Year   | 26                       | 26                    | 26                      | 26                       | 26                           | 26                         |
| <b>Green MGB</b>                        |           |                          |                       |                         |                          |                              |                            |
| No. Services                            | No.       |                          | 25,000                |                         |                          |                              |                            |
| Bin Type                                | Item      |                          | 240                   |                         |                          |                              |                            |
| Frequency                               | No/Year   |                          | 26                    |                         |                          |                              |                            |
| <b>Green Bu k</b>                       |           |                          |                       |                         |                          |                              |                            |
| Type                                    | Item      | Verge                    |                       | 3.0m <sup>3</sup> Bin   | Verge                    | Verge                        | Verge                      |
| Frequency                               | No/Year   | 2                        |                       | max 4 all up            | 2                        | 1                            | 1                          |
| <b>Hard Bu k</b>                        |           |                          |                       |                         |                          |                              |                            |
| Type                                    | Item      | Verge                    | 3.0m <sup>3</sup> bin | 3.0m <sup>3</sup> bin   | Verge                    | Verge                        | Verge                      |
| Frequency                               | No/Year   | 1                        | max 3 all up          | max 4 all up            | 2                        | 1                            | 1                          |
| <b>Metals Bulk</b>                      |           |                          |                       |                         |                          |                              |                            |
| Type                                    | Item      | Verge                    |                       | Drop off                | Verge                    |                              |                            |
| Frequency                               | No/Year   | 1                        |                       | 2 per year              | 2                        |                              |                            |
| <b>Collection</b>                       |           |                          |                       |                         |                          |                              |                            |
| <b>MGB</b>                              |           |                          |                       |                         |                          |                              |                            |
| Contractor                              | Name      | Swan                     | Cleanaway             | Cleanaway               | Cleanaway                | RRRR                         | Volich/Cleanaway           |
| Contract Term                           | Years     | N/A                      | 5 years               | 5+5 years               | 5+5                      | N/A                          | 5                          |
| Contract Expiry Date                    | Date      | N/A                      | Dec 2012              | 30/6/08                 | 1.7.08                   | June 2010                    | 2013                       |
| MGB Ownership                           | Name      | Council                  | Cleanaway             | Council                 | Council                  | Council                      | Council                    |
| <b>Unit Collection Rate</b>             |           |                          |                       |                         |                          |                              |                            |
| Domestic                                | \$/pickup | \$ 1.0114                | \$ 0.7527             | \$ 0.9740               | \$ 0.7950                | \$ 0.6885                    | \$ 0.9256                  |
| Litter                                  | \$/pickup |                          |                       | \$ 2.1740               | \$ 1.8557                | \$ 1.0000                    | \$ 0.9256                  |
| Commercial                              | \$/pickup |                          |                       | \$ 0.9740               |                          | \$ 0.9374                    | \$ 0.9256                  |
| Recycling                               | \$/pickup | \$ 1.6285                | \$ 1.5619             | \$ 1.5840               | \$ 1.6200                | \$ 0.7316                    | \$ 1.6662                  |
| Greenwaste                              | \$/pickup |                          | \$ 1.5901             |                         |                          |                              |                            |
| <b>Bulk</b>                             |           |                          |                       |                         |                          |                              |                            |
| Contractor                              | Name      | Swan                     | Cleanaway             | Cleanaway               | WR Services              | Alvito                       | KRS                        |
| Contract Term                           | Years     | N/A                      | 5 years               | 5+5 years               | 3+1+1                    | 5                            | 2                          |
| Contract Expiry Date                    | Date      | N/A                      | Dec 2012              | 30/06/2008              | 30.6.11                  | 2011                         | 30.06.08                   |
| <b>Unit Collection Rate</b>             |           |                          |                       |                         |                          |                              |                            |
| Green Bu k                              | \$/Annum  | \$ 442,320.00            |                       | \$ 17,000.00            | \$ 405,000.00            | \$ 62,500.00                 | \$ 22,250.00               |
| Hard Bu k                               | \$/Annum  | \$ 221,154.00            | \$ 529,171.34         | \$ 391,235.00           | \$ 403,987.50            | \$ 62,500.00                 | \$ 58,380.00               |
| Metals Bulk                             | \$/Annum  |                          |                       |                         | \$ 10,000.00             |                              | \$ 12,000.00               |
| Green Bu k (Unit Rate)                  | \$/Tonne  | \$ 217.78                |                       | \$ 250.00               | \$ 135.00                | \$ 96.01                     | \$ 125.00                  |
| Hard Bu k (Unit Rate)                   | \$/Tonne  | \$ 79.81                 | \$ 63.69              | \$ 174.50               | \$ 142.50                | \$ 177.56                    | \$ 140.00                  |
| <b>Tonnages</b>                         |           |                          |                       |                         |                          |                              |                            |
| <b>MGB</b>                              |           |                          |                       |                         |                          |                              |                            |
| Domestic and Litter                     | Tonnes    | 35,410                   | 25,620                | 11,710                  | 17,000                   | 6,000                        | 8,393                      |
| Commercial                              | Tonnes    |                          |                       |                         |                          |                              |                            |
| Recycling                               | Tonnes    | 7,651                    | 6,000                 | 2,444                   | 5,697                    | 1,552                        | 4,479                      |
| Greenwaste                              | Tonnes    |                          | 9,000                 |                         |                          |                              |                            |
| <b>Bulk</b>                             |           |                          |                       |                         |                          |                              |                            |
| Green Bu k                              | Tonnes    | 2,031                    |                       | 68                      | 3,000                    | 651                          | 178+6838                   |
| Hard Bulk                               | Tonnes    | 2,771                    | 8,308                 | 2,242                   | 2,835                    | 352                          | 417+5878                   |
| Metals Bulk                             | Tonnes    | N/A                      |                       | 17                      | 100                      |                              |                            |
| <b>Disposal Site</b>                    |           |                          |                       |                         |                          |                              |                            |
| <b>MGB</b>                              |           |                          |                       |                         |                          |                              |                            |
| Domestic and Litter                     | Name      | Redhill                  | Redhill               | Redhill                 | Redhill                  | Redhill                      | Redhill                    |
| Commercial                              | Name      |                          |                       |                         |                          |                              |                            |
| Recycling                               | Name      | Wangara                  | Bayswater             | Bayswater               | Bayswater                | RRRR                         | Bayswater                  |
| Greenwaste                              | Name      |                          | Redhill               |                         |                          |                              |                            |
| <b>Bulk</b>                             |           |                          |                       |                         |                          |                              |                            |
| Green Bu k                              | Name      | Redhill/MSwan            |                       | Redhill+Purearth        | Redhill                  | Redhill                      | Soiland/Redhill            |
| Hard Bulk                               | Name      | Redhill                  | Redhill               | Redhill                 | Redhill                  | Redhill                      | Redhill                    |
| Metals Bulk                             | Name      |                          |                       |                         |                          |                              |                            |
| <b>Disposal Fee (incl levy and GST)</b> |           | 2008-09                  |                       |                         |                          |                              |                            |
| <b>MGB</b>                              |           |                          |                       |                         |                          |                              |                            |
| Domestic and Litter                     | \$/Tonne  | \$ 63.80                 | \$ 63.80              | \$ 63.80                | \$ 63.80                 | \$ 63.80                     | \$ 63.80                   |
| Commercial                              | \$/Tonne  |                          |                       |                         |                          |                              |                            |
| Recycling                               | \$/Tonne  | \$ 30.00                 | nil                   | nil                     | nil                      | nil                          | nil                        |
| Greenwaste                              | \$/Tonne  | \$ 40.00                 | \$ 51.15              |                         |                          |                              |                            |
| <b>Bulk</b>                             |           |                          |                       |                         |                          |                              |                            |
| Green Bu k                              | \$/Tonne  | \$ 29.15                 |                       | \$ 29.15                | \$ 29.15                 | \$ 29.15                     | \$ 29.15                   |
| Hard Bu k                               | \$/Tonne  | \$ 63.80                 | \$ 63.80              | \$ 63.80                | \$ 63.80                 | \$ 63.80                     | \$ 63.80                   |
| Metals Bulk                             | \$/Tonne  |                          |                       |                         |                          |                              |                            |
| <b>Rates Charges</b>                    |           |                          |                       |                         |                          |                              |                            |
| Rates Charges                           | \$/Annum  | \$ 185.00                | \$ 207.50             | \$ 210.00               | \$ 209.90                | \$ 160.00                    | \$ 232.00                  |
| <b>Wish List</b>                        |           |                          |                       |                         |                          |                              |                            |
| 1                                       | Item      | MRF at H/mere            | bulk greenwaste bins  | continue with bulk bins | keep transfer station    | weekly recycling             | EMRC run transfer stations |
| 2                                       | Item      | Keep in house            | Local drop off centre |                         | bins for bulk collection | regional collection contract | Consistent services        |
| 3                                       | Item      | RRC at Redhill           |                       |                         |                          |                              |                            |
| 4                                       | Item      |                          |                       |                         |                          |                              |                            |

Data for 2006-07 Reporting Period

Data for 2008-09 Reporting Period



## 9.2 REGIONAL WASTE COLLECTION CONTRACT

REFERENCE: COMMITTEES-7011

### PURPOSE OF REPORT

The purpose of this report is to inform Council of discussions held by the Regional Waste Collection Contract Steering Group.

### KEY ISSUES AND RECOMMENDATION(S)

- A regional contract for the collection of waste and recycling could realise significant financial savings for participating member Councils.
- Many of the apparent savings achieved by a consolidated contract may be due to the fact that the operations are run more efficiently by in-house teams.
- The establishment of such a regional contract would take between one and two years once time is allowed for the successful tenderer to acquire a depot, fleet and personnel.
- Given that kerbside collection contracts for three of the member Councils expire on 30 June 2008, there is insufficient time to develop a robust tender. The next date for the expiry of kerbside collection contracts for a member Council is 30 June 2010.
- The development of a regional collection contract before 30 June 2010 is reasonable, and would enable the contract to take into account considerations from the Cardno-BSD report on Waste Collection Systems, as well as the outcomes of the Strategic Waste Management Plan.

#### Recommendation(s)

That:

1. The Regional Waste Collection Contract Steering Group resume its consideration of a regional collection contract in July 2008 upon the completion of the Cardno-BSD report on Waste Collection Systems, and the completion of the Strategic Waste Management Plan.
2. The Regional Waste Collection Contract Steering Group consider the possibilities for regional waste collection to be delivered by the EMRC or the City of Swan from 1 July 2010.

### SOURCE OF REPORT

Executive Manager, Waste Management Services

### BACKGROUND

The kerbside collection contracts for the City of Belmont, the Shire of Kalamunda and the Shire of Mundaring are understood to expire on 30 June 2008. The contracts for the Town of Bassendean will expire on 30 June 2010, and those for the City of Bayswater on 31 December 2012. The City of Swan conducts its services in-house.

At its meeting held on 26 July 2007, Council considered a report investigating possibilities for a regional contract for waste and recycling collections and resolved that:

1. *COUNCILS INTERESTED IN PARTICIPATING IN A REGIONAL COLLECTION CONTRACT NOMINATE OFFICERS TO FORM A REGIONAL WASTE COLLECTION CONTRACT STEERING GROUP.*
2. *THE REGIONAL WASTE COLLECTION CONTRACT STEERING GROUP FORMULATE A DISCUSSION PAPER REGARDING A POTENTIAL REGIONAL COLLECTION CONTRACT.*



*Item 9.2 continued*

**3. THE DISCUSSION PAPER BE TABLED AT COUNCIL'S DECEMBER 2007 MEETING WITH RECOMMENDATIONS.**

Each of the member Councils nominated an officer for the Regional Waste Collection Contract Steering Group, and the Steering Group met on 14 September 2007.

**REPORT**

The City of Belmont and the Shires of Kalamunda and Mundaring all have their kerbside collection contracts expiring on 30 June 2008. An investigation by EMRC officers into waste collection costs for Councils of a range of different sizes indicated that, in general, larger Councils pay less for each "bin lift". This information was presented at the 26 July 2007 meeting. The observed savings are potentially due to "economies of scale", and prompted the formation of the Regional Waste Collection Contract Steering Group to investigate the potential for EMRC member Councils to take advantage of such savings.

Further investigation, including speaking with private sector contractors and local government in-house teams, indicated that the scope of savings by consolidating contracts is actually quite small, and that the bulk of the observed saving is due to highly efficient operations being run in-house. The EMRC is not equipped to provide a waste collection service, nor has this ever been seriously considered as a service that the EMRC might provide. The only member Council to provide an in-house service is the City of Swan. Detailed investigation would be required in order to ascertain the merit in either the EMRC or the City of Swan providing an in-house regional waste collection service.

At the meeting of the Steering Group held on 14 September 2007, the length of time required to establish a regional waste collection contract was discussed. Based on these discussions, it was considered that at least one to two years should be allowed to prepare tender documents and conduct the tender process, and for the successful tenderer to then acquire the necessary depot, fleet and personnel. This makes it impractical to establish a regional waste collection contract in time for 1 July 2008 commencement.

The City of Belmont and the Shires of Kalamunda and Mundaring will need to continue to prepare their own waste collection contracts for the period after 30 June 2008. If these contracts were developed to have the minimum reasonable term of three years, with the option for a three year extension, then the contracts would expire on 30 June 2011, and the member Councils would leave the possibility open to participate in a regional collection contract if it were developed.

The next date on which waste collection contracts expire is 30 June 2010, on which the collection contract for the Town of Bassendean expires. The waste collection contracts for the City of Bayswater expire on 31 December 2012. If work to scope a regional waste collection contract commenced before 30 June 2008, then the contract could be in place to commence on 1 July 2010, and then for subsequent Councils as their own contracts expire on 30 June 2011 (City of Belmont, and Shires of Kalamunda and Mundaring) and 31 December 2012 (City of Bayswater).

Without the urgency of attempting to get a regional waste collection contract established to commence on 1 July 2008, the matter can be considered more thoroughly. In particular, the regional waste collection contract can be considered in the context of the Cardno-BSD Task 10 report on Waste Collection Systems, and the Strategic Waste Management Plan to be developed.

The Cardno-BSD Task 10 report is presented to Council as item 9.1 of the Resource Recovery Committee agenda for 22 November 2007. The Strategic Waste Management Plan will be developed early in 2008, with a completed plan anticipated to be reported to Council before the end of June 2008. More information on the Strategic Waste Management Plan is presented elsewhere in this agenda.

These timelines indicate that the development of a regional waste collection contract should be deferred until July 2008, at which time further information will be available to enable decisions regarding regional waste collection. In the interim, the Steering Group could consider the options for in-house regional waste collection to be provided by either the EMRC or the City of Swan.

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*Item 9.2 continued*

### **STRATEGIC/POLICY IMPLICATIONS**

The primary benefit of a regional waste collection contract is its potential to improve member Council and EMRC financial viability. This would be achieved where savings were realised from a regional waste collection contract.

A secondary benefit is the potential to minimise adverse impacts on services and facilities provided by member Councils. This could be achieved by providing a uniformly high level of service for all participating Councils.

### **FINANCIAL IMPLICATIONS**

Substantial savings may be possible for Councils participating in a regional contract for waste and recycling collections.

### **SUSTAINABILITY IMPLICATIONS**

Nil

### **MEMBER COUNCIL IMPLICATIONS**

| <b>Member Council</b> | <b>Implication Details</b>  |
|-----------------------|---|
| Town of Bassendean    | Nil   |
| City of Bayswater     | Nil   |
| City of Belmont       | The lack of a regional waste collection contract before 30 June 2008 means that there will need to be a local contract developed. |
| Shire of Kalamunda    | The lack of a regional waste collection contract before 30 June 2008 means that there will need to be a local contract developed. |
| Shire of Mundaring    | The lack of a regional waste collection contract before 30 June 2008 means that there will need to be a local contract developed. |
| City of Swan          | Nil   |

### **ATTACHMENT(S)**

Nil

### **VOTING REQUIREMENT**

Simple Majority

### **RECOMMENDATION(S)**

That:

1. The Regional Waste Collection Contract Steering Group resume its consideration of a regional collection contract in July 2008 upon the completion of the Cardno-BSD report on Waste Collection Systems, and the completion of the Strategic Waste Management Plan.
  2. The Regional Waste Collection Contract Steering Group consider the possibilities for regional waste collection to be delivered by the EMRC or the City of Swan from 1 July 2010.
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*Item 9.2 continued*

Discussion ensued in relation to changing the first recommendation and removing the second recommendation.

The Chief Executive Officer advised Committee members that perhaps the best outcome would be to achieve uniformity through all Councils' waste collection contracts. This would enhance the Resource Recovery outcomes.

Discussion was held about a previous tender that was advertised approximately 9 ½ years ago with an 'option' for a regional collection contract, and how the prices were no different irrespective of whether the contract serviced one or all the member Councils. Committee member's discussed the potential for taking a similar approach again in the future.

After much discussion the Committee members came to a decision to change the first recommendation to:

"That the Regional Waste Collection Contract Steering Group consider regional waste collection arrangements that integrate future member Council tenders and include transitional clauses to allow for changes in resource recovery technology and collection systems."

The Committee members decided to remove the second recommendation.

**TAC RECOMMENDATION(S)**

MOVED MR LUTEY

SECONDED MR STEWERT-DAWKINS

That the Regional Waste Collection Contract Steering Group consider regional waste collection arrangements that integrate future member Council tenders and include transitional clauses to allow for changes in resource recovery technology and collection systems.

CARRIED UNANIMOUSLY

**COUNCIL RESOLUTION(S)**

MOVED CR CUCCARO

SECONDED CR LAVELL

THAT THE REGIONAL WASTE COLLECTION CONTRACT STEERING GROUP CONSIDER REGIONAL WASTE COLLECTION ARRANGEMENTS THAT INTEGRATE FUTURE MEMBER COUNCIL TENDERS AND INCLUDE TRANSITIONAL CLAUSES TO ALLOW FOR CHANGES IN RESOURCE RECOVERY TECHNOLOGY AND COLLECTION SYSTEMS.

CARRIED UNANIMOUSLY

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### 9.3 REGIONAL CONTRACT FOR MEMBER COUNCIL WASTE AND RECYCLING COLLECTIONS

**REFERENCE: COMMITTEES-6436**

#### **PURPOSE OF REPORT**

The purpose of the report is to seek Council's endorsement to commence an investigation into establishing a regional contract for waste and recycling collections.

#### **KEY ISSUES AND RECOMMENDATION(S)**

- A regional contract for the collection of waste and recycling could realise significant financial savings for participating member Councils.
- The scope of a regional collection contract could take a number of forms to enhance the financial savings. These forms include potentially making the contract binding on all member Councils once their current contracts expire, or having uniform waste service across all member Councils, or rearranging collection routes so that they cross Council boundaries, or establishing a single point of contract management.
- Extensive discussions are required at officer level to establish a preferred scope of service.

#### **Recommendation(s)**

That:

1. Councils interested in participating in a regional collection contract nominate officers to form a Regional Waste Collection Contract Steering Group.
2. The Regional Waste Collection Contract Steering Group formulate a discussion paper regarding a potential regional collection contract.
3. The discussion paper be tabled at Council's December 2007 meeting with recommendations.

#### **SOURCE OF REPORT**

Manager Engineering/Waste Management

#### **BACKGROUND**

The kerbside collection contracts for the City of Belmont, the Shire of Kalamunda and the Shire of Mundaring are understood to expire on 30 June 2008. The contracts for the Town of Bassendean will expire on 30 June 2010, and those for the City of Bayswater on 31 December 2012. The City of Swan conducts its services in house.

At its meeting dated 17 February 2005, Council considered a report item on regional waste collections and resolved:

- "1. THAT THIS REPORT BE CIRCULATED TO MEMBER COUNCILS.*
- 2. THAT MEMBER COUNCILS BE REQUESTED TO INDICATE WHETHER THEY WOULD BE PREPARED TO SUPPORT THE EMRC UNDERTAKING FURTHER INVESTIGATIONS INTO THE FEASIBILITY OF A REGIONAL WASTE COLLECTION SERVICE.*
- 3. THAT THE TOWN OF BASSENDEAN AND THE SHIRE OF MUNDARING BE REQUESTED TO CONSIDER THE POSSIBILITY OF NEW COLLECTION CONTRACTS TERMINATING IN 2008 TO BRING ALL MEMBER COUNCIL COLLECTIONS INTO ALIGNMENT."*



*Item 9.3 continued*

The only response received to the Council resolution was a letter from the Shire of Kalamunda dated 9 May 2005. In this letter, the Shire of Kalamunda indicated that Council had resolved that it “supports the EMRC undertaking further investigations into the feasibility of a regional waste collection service”. It also indicated that it had made its collection contract run through until mid 2008.

As a result of the lack of a comprehensive response, the matter was not pursued further. The member Councils were also aware of the report being done by consultants Cardno BSD Meinhardt Joint Venture on various bin collection systems as part of the Resource Recovery Project.

**REPORT**

Rather than the City of Belmont, the Shire of Kalamunda and the Shire of Mundaring undertaking separate tenders and contracts for waste collection, it is likely that substantial cost efficiencies could be realised by consolidating all contracts into a single regional contract for waste and recycling. This regional contract might also be available to the other member Councils as their current collection contracts expire.

To get some measure of the collection cost savings, estimates of the current collection costs for the City of Joondalup and the City of Stirling garbage service have been compared with the estimated costs for the six member Councils’ garbage service. These Councils have been selected for comparison for the following reasons:

1. A regional collection contract across the City of Belmont, the Shire of Kalamunda and the Shire of Mundaring would represent 2,528,188 bin lifts per year, approaching the same number of bin lifts as the City of Joondalup at 2,860,000 per year;
2. The participation of all member Councils excluding the City of Swan would correspond to 4,203,680 bin lifts per year, or about the same number of bin lifts as the City of Stirling at 3,640,000 per year; and
3. The inclusion of the City of Swan would represent a much larger contract again at 6,253,728 bin lifts per year.

The comparison is tabulated below.

Table: Comparison of garbage bin collection service costs

| <b>Council</b>   | <b>Cost per bin lift</b> | <b>Bin lifts p.a.</b> | <b>Est. total cost at current rates</b> | <b>Est. saving at Stirling rates</b> | <b>Est. saving at Joondalup rates</b> |
|------------------|--------------------------|-----------------------|---|--------------------------------------|---------------------------------------|
| <i>Joondalup</i> | \$0.87                   | 2,860,000             | N/A                                     | N/A                                  | N/A                                   |
| <i>Stirling</i>  | \$0.73                   | 3,640,000             | N/A                                     | N/A                                  | N/A                                   |
| Bassendean       | \$0.7028                 | 319,956               | \$224,865                               | -\$53,497                            | -\$8,703                              |
| Bayswater        | N/A                      | 1,355,536             | N/A                                     |                                      |                                       |
| Belmont          | \$1.0030                 | 840,528               | \$843,050                               | \$111,790                            | \$229,464                             |
| Kalamunda        | \$0.7780                 | 1,020,500             | \$793,949                               | -\$93,886                            | \$48,984                              |
| Mundaring        | \$0.9663                 | 667,160               | \$644,677                               | \$64,248                             | \$157,650                             |
| Swan             | \$1.0100                 | 2,050,048             | \$2,070,548                             | \$287,007                            | \$574,013                             |
| <b>TOTAL</b>     |                          |                       | <b>\$7,578,246</b>                      | <b>\$315,662</b>                     | <b>\$1,001,408</b>                    |

Note: 1. The costs exclude waste disposal costs for all Councils, including Joonadalup and Stirling.  
 2. Bayswater was unable to provide current bin lift costs in time for the completion of this item.





### *Item 9.3 continued*

The saving on garbage collection costs for all EMRC member Councils from a regional collection contract could range between \$300,000 and \$1.0m. Further savings may be realised if the regional collection contract included the collection of recycling or green waste, and Councils may gain additional savings in a reduced requirement for contract management costs. However, the saving on garbage collection costs is a useful estimate of the potential savings that might be realised.

Deciding to establish a regional collection contract for a number of member Councils is not uncontroversial, nor is it straightforward. To achieve the greatest cost savings, such a contract should:

- Be mandatory on all Councils party to the contract (provided they do not already have a contract). Whilst "opt-in" contracts do exist for joint service provision across Councils, such contracts rarely achieve the sorts of savings that a regional contract might achieve. This is because tenderers have no certainty regarding the number of services to be provided, and at the worst, may be servicing one Council only;
- Provide for uniformity of service. Thus, the best pricing will be achieved where bins of the same waste type are collected at the same frequency, and the bins themselves are all able to be collected using one truck type. Some flexibility is clearly possible here, but the more uniformity that is provided to tenderers, the better the collection fleet can be optimised;
- Provide for the rearrangement of collection routes, potentially changing collection days for some ratepayers. This would enable tenderers to optimise runs, potentially having a single collection run crossing council boundaries.
- Provide for a single point of contract management, reducing the demands on contract management staff for member Councils; and
- Provide for a potential change in the bin collection system pending the outcome of the Cardno BSD Meinhardt Joint Venture Task 10 report on waste collection systems.

Each of these items requires substantial discussion regarding the nature and extent that they might be applied to a regional collection contract prepared by the EMRC. If a regional contract is to be in place for July 2008, then such discussions need to take place through the remainder of this year. This leaves four months to draft the tender and have sign-off from the participating Councils, and a further two months to advertise and award the tender, and then resolve the contract implementation (such as collection routes) before the collection service is required to commence.

The initial stage of these discussions is proposed to be conducted with members of the Technical Advisory Committee (TAC), and will be initiated with EMRC officers drafting a series of alternatives for consideration by TAC. These discussions are proposed to culminate in a report with a recommended regional tender scope to be considered by Council at its December meeting.

### **STRATEGIC/POLICY IMPLICATIONS**

The primary benefit of a regional contract is its potential to improve member Council and EMRC financial viability. This would be achieved where savings were realised from a regional collection contract.

A secondary benefit is the potential to minimise adverse impacts on services and facilities provided by member Councils. This could be achieved by providing a uniformly high level of service for all participating Councils.

### **FINANCIAL IMPLICATIONS**

Substantial savings are likely to be realised for Councils participating in a regional contract for waste and recycling. These savings have been estimated at up to \$2.6m per year if all member Councils were to participate in such a contract.

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*Item 9.3 continued*

## **SUSTAINABILITY IMPLICATIONS**

Nil

## **MEMBER COUNCIL IMPLICATIONS**

| <b>Member Council</b> | <b>Implication Details</b>   |
|-----------------------|--|
| Town of Bassendean    | Potential additional cost of \$8,703 per year from garbage collection. Savings likely to be realised in recycling and administration services. |
| City of Bayswater     | Potential savings are unable to be estimated.  |
| City of Belmont       | Potential saving of \$229,464 per year. Additional savings likely to be realised in recycling and administration services.                     |
| Shire of Kalamunda    | Potential saving of \$48,984 per year. Additional savings likely to be realised in recycling and administration services.                      |
| Shire of Mundaring    | Potential saving of \$157,650 per year. Additional savings likely to be realised in recycling and administration services.                     |
| City of Swan          | Potential saving of \$574,013 per year. Additional savings likely to be realised in recycling and administration services.                     |

## **ATTACHMENT(S)**

Nil

## **VOTING REQUIREMENT**

Simple Majority

## **RECOMMENDATION(S)**

That:

1. Councils interested in participating in a regional collection contract nominate officers to form a Regional Waste Collection Contract Steering Group.
2. The Regional Waste Collection Contract Steering Group formulate a discussion paper regarding a potential regional collection contract.
3. The discussion paper be tabled at Council's December 2007 meeting with recommendations.

## **Discussion ensued**

Mr Coten advised that the City of Swan figures included overheads such as administration as the City of Swan included areas of dense housing as well as areas such as Bullsbrook and the Swan Valley that were more widely spread. The \$1.01 cost for garbage bin collection was an average of the costs over the entire City of Swan area.

A member had some concerns about whether smaller contractors would be disadvantaged when competing against larger contractors when submitting a tender for a regional collection contract. Other members advised that the role of member Councils was to ensure efficient waste collection services were provided that also provided value for money.

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*Item 9.3 continued*

Cr Klein advised that the Town of Bassendean may be interested in participating but based on the figures in the report there was a negative saving for the Town of Bassendean. Despite this the Town of Bassendean would be interested in participating in a group to discuss forming a regional steering group and requested that the first recommendation be amended to remove the words 'in participating' after the words 'Councils interested'.

**Crs Klein and Fardig moved and seconded the recommendation respectively.**

Cr Klein suggested that recommendation 1 be changed as follows:

That the words 'in participating' after the words 'Councils interested' be deleted so that the recommendation 1 reads 'Councils interested in a regional collection contract nominate officers to form a Regional Waste Collection Contract Steering Group'.

**Cr Fardig, the seconder of the motion, agreed to the above.**

**The substantive motion included the amendment to recommendation 1.**

**RRC RECOMMENDATION(S)**

MOVED CR FARDIG

SECONDED CR KLEIN

That:

1. Councils interested in a regional collection contract nominate officers to form a Regional Waste Collection Contract Steering Group.
2. The Regional Waste Collection Contract Steering Group formulate a discussion paper regarding a potential regional collection contract.
3. The discussion paper be tabled at Council's December 2007 meeting with recommendations.

**CARRIED UNANIMOUSLY**

**COUNCIL RESOLUTION(S)**

MOVED CR GODFREY

SECONDED CR LAVELL

THAT:

1. COUNCILS INTERESTED IN A REGIONAL COLLECTION CONTRACT NOMINATE OFFICERS TO FORM A REGIONAL COLLECTION CONTRACT STEERING GROUP.
2. THE REGIONAL COLLECTION CONTRACT STEERING GROUP FORMULATE A DISCUSSION PAPER REGARDING A POTENTIAL REGIONAL COLLECTION CONTRACT.
3. THE DISCUSSION PAPER BE TABLED AT COUNCIL'S DECEMBER MEETING WITH RECOMMENDATIONS.

**CARRIED UNANIMOUSLY**

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