

# WARRUMBUNGLE SHIRE COUNCIL

## Ordinary Meeting – 19 November 2020

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### Item 23 Review of Warrumbungle Waste – Commercial Recycling Service

<b>Division:</b>	Environment and Development Services
<b>Management Area:</b>	Waste Services
<b>Author:</b>	Manager Planning & Regulation – Ken Stratton
<b>CSP Key Focus Area:</b>	Public Infrastructure and Services
<b>Priority:</b>	PI8 Local communities have access to effective and efficient waste and recycling services.

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#### **Reason for Report**

To provide Council with a report on the review and proposed cessation of the service to supply and collect woolpacks for commercial recycling (with commercial businesses being offered yellow-lidded recycling bins collected fortnightly) after undertaking public consultation on the proposal during August 2020 as per Resolution 371/1920. The report details submissions received during the exhibition period and provides a recommendation on the future of the service.

#### **Background**

At the Ordinary Meeting of Council held 16 April 2020 a report was presented to Council outlining a review of waste management practices. The review examined current waste practices across the LGA, and made a number of recommendations.

As part of the review, the collection of commercial recycling from local businesses (through supplying and emptying woolpacks) by Council's waste staff was undertaken focusing on cost to implement the service, and manual handling associated with the current practices. The following information was noted and provided to Council within the *Review of Warrumbungle Waste* report presented to Council at the April 2020 Council Meeting;

- The general procedure for collection is very labour intensive and requires staff to collect woolpacks full of recyclable materials from commercial businesses and relocate to the materials handling facility (MHF) in Coonabarabran for sorting and processing.
- Woolpacks are dragged or lifted onto a hydraulic tailgate lifter attached to a small truck, and stacked for transport, requiring staff to lift and swap full woolpacks for empty woolpacks increasing risk of work related injury due to lifting heavy articles. The process carries considerable WHS risks associated with manual handling.
- The manual collection service is offered to all towns within the LGA and requires waste staff to pick up from business premises. The runs are as follows;

#### Southern

Coolah – Monday, Wednesday

Dunedoo – Tuesday, Thursday

Mendooran - Thursday

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### Northern

Binnaway – Monday

Coonabarabran – Monday, Tuesday, Wednesday, Thursday, Friday

Baradine – Monday, Wednesday, Friday

- The commercial recycling runs are undertaken separately in the south and north, this is achieved by one waste officer utilising a small truck in the northern area run and one operator and another truck in the south.
- Commercial recycling costs (wages and plant) over the past three years have been incurred as follows;

Financial Year	Wages	Plant	TOTAL
2016/17	\$72,026	\$46,745	\$118,771
2017/18	\$70,480	\$45,732	\$116,212
2018/19	\$85,180	\$51,654	\$136,834

- The commercial recycling collection is weekly and on average 46 bales of cardboard weighing 400kg per bale is collected per month, the sale of the material at the current rate is \$140 per tonne equating to \$2,576 per month or \$30,912 per annum.
- The council transports half a semi load of cardboard per week at the current volume.
- Over the past three years, on average, the service costs \$123,939 per year.
- As per Council's Operational Plan and Delivery Program (relevant to 2018/19 FY), commercial recycling collection incurred a charge of \$223 per year, with the residential recycling collection charge being included in the residential putrescible waste collection fee. According to the plan the commercial recycling charge is incurred by 329 users. Those users of the commercial service incur one commercial charge with unlimited amounts of recyclable materials being placed out for collection (in woolpacks) by Council staff.
- In accordance with 2018/19 Budget Council incurred charges valued at \$73,367 for commercial recycling, and expended \$85,180 in wages to provide the collection service. Plant costs have been omitted from commercial recycling charges in previous years leading to an additional \$51,654 being incurred during the last financial year. This has led to a shortfall in income of \$63,467 to cover the cost of the service. Other waste services are currently subsidising the commercial recycling collection service. If the sale of cardboard is included, then the shortfall is reduced to \$32,555.
- For Council to continue providing commercial recycling in its current format, the annual charge would need to be increased to meet the costs to provide the service. Meaning the service is likely to require increasing upwards to at least \$416 to cover costs; an estimated increase of \$193 per user (based on the 2018/19 FY and does not include increases relating to CPI and award increases as expected in the following years.
- Some business have already commenced using yellow lidded mobile garbage bins (MGB) as their recycling collection container. The number of businesses with this arrangement is very minimal (less than 10). For these businesses, their recycling is currently collected at the same time as woolpacks are emptied.

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Due to manual handling and WHS risks identified, and the financial loss incurred by Council to deliver the commercial recycling, the service was identified as an activity undertaken by Warrumbungle Waste that Council should consider ceasing.

As a result of the report to Council, the following resolution was made (as part of Resolution 371/1920):

*That Council considers the cessation of the service to supply and collect woolpacks for commercial recycling during the 2020/2021 financial year, with commercial businesses be offered yellow-lidded recycling bins that will be collected fortnightly by Council similar to residential recycling arrangements, with the proposed changes being notified to the community via a public consultation phase for 28 days, and a further report be provided to Council on submissions received after the consultation phase has ended.*

### **Issues**

The proposal to cease the service to supply and collect woolpacks for commercial recycling during the 2020/2021 financial year, with commercial businesses being offered yellow-lidded recycling bins was notified to the public as per Council resolution via newspaper, social media and individualised letters to commercial users of the service from 31 July 2020 to 28 August 2020.

A total of 26 submissions were received during the exhibition period. A *Summary of Public Submissions* is provided as Attachment 1, with copies of individual submissions provided as Attachment 2.

The comments in the submissions presented a number of main themes, these being:

- Yellow lidded bins will be too small and inadequate for volume of cardboard, recycled cardboard won't fit in a wheelie bin.
- Difficult to get cardboard into and out of a yellow lidded bin.
- The woolpack system should be retained as it is the most efficient method of collection and disposal of cardboard.
- Storage onsite for yellow lidded bins will be challenging; as too will be the number of bins required to replace a woolpack.
- Cost for businesses to purchase yellow lidded bins.
- Excess cardboard will be placed into general waste and recycling may decrease.
- Commercial users (businesses) would incur increased employee costs for cardboard to be folded down to fit into a yellow lidded bin.
- Changes would not suit all businesses.
- A fortnightly collection would be inadequate.

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- Acknowledgement of woolpacks being awkward and difficult to lift and manage; baled cardboard is present for Council staff for collection also.
- Chance of wheelie bins being knocked over when placed out in street for collection.
- Council should consider other options such as providing skip bins, or lifting arms on trucks, or a trolley type bin.

The submissions raised a number of points, in particular the difficulties of placing large cardboard boxes into yellow lidded bins. It is acknowledged that larger sized boxes will not fit into a wheelie bin however the bins could be provided in two sizes, being either 240l or 360l capacity. Smaller to medium sized cardboard boxes could be folded down and placed into either the 240l or 360l bins. Larger boxes that do not fit into a yellow lidded bin would need to be relocated to a waste facility by other means.

It is noted concerns have been raised regarding the number of bins each business may need in replacement of woolpacks. Those businesses that generate minimal cardboard would obviously require a smaller number of bins compared to those that generate large volumes of cardboard. It would be up to individual businesses to determine how many bins they may need and the storage and the management of such.

Further to the above, the cost of purchasing bins needs to be taken into consideration.

In relation to fortnightly collection of the proposed bins, this can be reviewed and consideration given to weekly collection instead to deal with the sheer volume that is being generated by commercial users.

The concerns regarding bins being knocked over by dogs may relate more to general waste bins where remnant food can be detected; Council has received minimal reports of this occurring. Food products in recycling lines (in particular cardboard) is unlikely to be present in recycling bins; however some contamination from other items does occur in residential recycling bins; Council would prefer for recycling lines to remain clean from contaminants. Further media and education on keeping recycling lines free from contamination is required and will be undertaken in the future.

A number of submissions indicate the current arrangement with the use of the woolpacks is sufficient and should not change. However, the WHS risks associated with continuing on with the woolpacks exposes Council to potential workers compensation claims through manual handling and heavy lifting. Over the past month Council has received a report of an injured worker whilst collecting commercial recycling. Earlier reports of injuries have been received over the past years. Some submissions acknowledge the manual handling aspect, and offer assistance to load the woolpacks (and baled cardboard). Whilst this is appreciated, the woolpacks still need manual handling at the waste facility to be unloaded off the truck and emptied.

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Council does not charge for recycling taken to our waste facilities; apart from commercial green waste. Businesses are encouraged to recycle where possible and not place recycling into general waste.

The recycling is collected from residential properties fortnightly and the truck also collects the recycling from the waste transfer stations on the fortnightly run. The businesses have a separate service of recycling collection in the wool packs, this is for all recycling however the majority is cardboard. It could mean that businesses are disposing of their other recyclable materials in another manner such as taking to the waste transfer stations or putting in the general waste bins which go to landfill. The figures in our annual return on waste have indicated that our general waste is decreasing with our limit of 5,000 tonne to landfill dropping to 4,200 tonne last financial year. In previous years it has fluctuated around the 4,500 tonne mark.

If the 5,000 tonne is exceeded the landfill will need to be licenced and costs will escalate with users of the system incurring higher waste charges; the volume figures indicate that recycling is benefiting the Council area and we should continue on that path.

A new system will give the businesses through the recycle bin system opportunity to recycle more and therefore limiting the recycling going to landfill.

A number of submissions raised possible other options that could be considered by Council to provide commercial recycling services, these being provision of skip bins (or front load bins), providing lifting arms on trucks, or providing trolley type bins. In relation to skip bins (or front load bins), Council does not have a truck suitable to empty skip bins. A local contractor may be available to provide this service separately for interested businesses. Lifting arms on trucks could be explored, and whilst beneficial would be time consuming for staff to operate (particularly with the number of users of the service). Trolley type bins (depending on capacity) maybe suitable depending on weight - would still require staff to be on and off the truck and undertaking manual handling.

It is acknowledged that the proposed changes to the service will not be ideal for all businesses, however a blended approach could possibly work where yellow lidded bins are used for smaller items, with the business arranging delivery of larger recyclable items directly to the waste facility.

Further to consideration of the submissions received, Council has also contacted other Council's to gauge industry standards relating to collection of commercial recycling. The following Council's offer the following:

<b>Council</b>	<b>Charge</b>	<b>Frequency</b>	<b>Additional Information</b>
Dubbo	\$300 per year/per recycling bin; if additional bins are needed - pay an extra \$187.89/per bin/per year.	Pick up fortnightly - 240l bins only	No limit on number recycling bins as long as charge is paid for each one. Bins belong to the contractor as service is carried out under contract.
Narrabri	\$170/per year for waste station	Recycling picked up	Larger cardboard items can be taken to waste facility for

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	contribution + \$330/per year for three bins including general waste, recycling and green waste recycling. Additional bins are charged at \$160/per bin/per year	fortnightly in 240l bin	an annual charge; this charge allows for unlimited drop offs. Service is provided by contractor.
Mid-Western	\$416 per year/per recycling bin, or \$17.25 per week/per recycling bin	Pick up fortnightly 240l bin	Offer four levels of pick-up service ranging from once/week to once/month limited to 1m <sup>3</sup> of material collected at kerbside in 240l recycling bins. Owner to supply bins or source from Council at \$87/bin.
Gilgandra	\$9 per pick up/per woolpack/per week	Weekly collection using woolpacks on stands	Service is provided by contractor. Three staff attend each site to lift the woolpacks. Businesses are advised to half fill the woolpacks only and not to overfill.
Gunnedah Council	Recycling bins are offered for commercial businesses for a per bin/per year charge.	Weekly pickup in 240l bins.	Service is currently under review and in the past has been carried out by contractor.
Narromine Shire Council	No recycling pickup service provided. Allow businesses to take recycling to waste stations for free	Able to dispose of recycling as often as required.	Narromine offer business the right to drop their recycling at the waste stations free of charge. No recycling bins or pick-up is provided by Council.

It has also been brought to Council's attention through undertaking this review, that there are a number of inconsistencies across our current service; these are as follows:

- Some businesses are paying for the service and do not have a recycling collection service (ie woolpack) and are not receiving a weekly collection from Council.
- A number of businesses have more than one (1) woolpack emptied each week. In some cases this can be up to five woolpacks, but only paying for one collection.
- Whilst some businesses have a yellow lidded bin for recycling; a number are putting out more than one bin for collection each week.

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- There are a number that are receiving the service that are not paying for it.
- A number of businesses are baling their own cardboard and placing out for staff to transport.

For the purpose of the report, the differences between residential vs commercial waste and recycling collections are provided as follows:

Residential Service	Commercial Service (plus GST)
Charged domestic waste charge = \$372 This pays for one general waste bin collection (per week) and one yellow lidded recycling bin collection (per fortnight).	Charged non-domestic waste charge = \$372. This pays for one general waste bin collection (per week). <b>Note – no yellow lidded recycling bin is currently included in this charge.</b>
	Charged recycling charge = \$241 This pays for one woolpack collection (per week)
Extra bins are charged at \$372 per service.	Extra woolpacks incur an additional recycling charge per woolpack of \$241.
Waste Management Charge = \$114	Waste Management Charge = \$114

Under the residential service if more than one bin is utilised, Council will charge \$372 for the additional service. For commercial service additional woolpacks incur an additional charge of \$241 per woolpack. Costs of the non-domestic waste charge (\$372) and the recycling charge (\$241) incur charges to commercial businesses of \$613 per year under the current arrangements.

If we compare the services, the commercial businesses are paying for a recycling bin and not receiving the service - they could be supplied a yellow lid bin to come into line with the residential service (this bin to be at no cost to the user).

### Options

The waste service is a large budget area of Council, and it is appropriate for Council to be reviewing the service to see what changes may be necessary, along with continuing to refine waste management practices, costs and encourage sustainability into the future.

As part of an earlier review, it was noted by Council staff that the cessation of commercial recycling could be feasible based on the inherent risks Council faces on a daily basis with manual handling requirements associated with the woolpack collection system. The current system has many issues that relate to WHS and under legislation Council has a duty of care to address these issues. Further to that, the current service is generating a financial loss and would require a large increase in user charges to break even on an annual basis. In reviewing the pick-up schedule, it was identified that a number of businesses were receiving additional services (extra wool packs) and only paying for the single service. With this in mind, at present the service is being subsidised from other areas of the waste business to cover the costs to provide the service.

Based on the above information, and comments received from the public, Council has the following options available;

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**Option 1** – Continue to provide the commercial recycling collection service utilising woolpacks – no change to the current service. WHS risks with manual handling would remain to exist as would the financial loss from the running of the service. This is not acceptable.

**Option 2** – Opt out of providing commercial recycling collection service in its entirety, and businesses arrange their own collection and transport of recyclables to waste facilities.

**Option 3** – Cease to provide the commercial recycling collection service utilising woolpacks, and offer recycling bins being 240l capacity that are emptied fortnightly from kerbside by Council as follows:

- Cease to provide the woolpack commercial recycling collection service.
- Offer recycling collection to commercial/business premises on the same basis as residential premises on a fortnightly basis.
- Offer a 240l yellow lidded recycling bin service at no charge as they already pay the charge, in line with residential charges currently \$372 per bin for 20/21FY. After that, additional recycling services could be charged at \$110 per recycling bin per year.
- The cost of purchasing additional bins to be borne by the commercial business owner as per Council's current fees and charges.

Note – it would not be feasible to send a garbage compactor to collect recyclables each week.

### **Financial Considerations**

The above options would incur the following costs:

Option 1 would incur same costs as current arrangement and see no savings made. The cost is upwards of \$136,834 per year. However, it would be necessary for all the costs of the service to be covered by the charges paid by commercial users of the service. Meaning the service is likely to require increasing upwards of at least \$193 per user per woolpack (and does not include increases relating to CPI and award increases as expected in the following years). The Council will undertake an audit of all collection points and add additional charges where there is more than one woolpack being collected.

Option 2 would incur no further ongoing annual costs to Council to collect from individual businesses. [Note - Whilst some commercial businesses have yellow-lidded recycling bins these are not emptied by Council's compactor truck and are manually handled by staff emptying woolpacks.] There would be an increase in recyclable products disposed of at transfer stations and in that instance, Council transfer station staff would place into recycling bins (240l or 360l) for compactor truck collection. Larger recycling items such as cardboard boxes would need to be folded down and transported via small truck or ute to Coonabarabran for processing (no different to current practices, volume may increase). With potential increase in volume, there maybe a need to retain one vehicle (or small recycling truck) with staff



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member to undertake a weekly run to collect larger recycling items from each transfer station. Estimated costs incurred are conservative and provided as follows:

- Plant/truck costs = approximately \$25,000
- Staff costs = approximately \$42,000
- Total cost for Option 2 = approximately \$67,000
- Total cost cannot be offset against income as no user charges incurred. This means Council would lose income from users of \$73,367. Disposal of recyclable items at Council's waste facilities is free (apart from commercial green waste) so no gate fees applicable.
- If income received from sale of cardboard is taken into consideration (\$30,912), then costs can be offset against the income, incurring a small cost to Council of \$36,088.

Option 3 would incur costs related to provision of and collection of recycling bins. At present commercial users pay two charges, one being for waste collection (\$372) and one being for woolpack recycling (\$241). The volume of cardboard collected on a weekly basis using the wool pack system indicates the frequency of collection is correct as the wool packs are coping with the volume. With most commercial businesses requiring more than one recycling bin, Council could provide a 240l recycling bin, as part of the \$372 (non-domestic waste charge). After that, additional recycling services would be charged at \$110 per recycling bin per year. This will see commercial businesses pay a similar fee to the amount they pay now and receive 3 x 240l recycling bin service for a little less than the annual charge.

If the wool pack is swapped for three recycling bins and picked up fortnightly then there will be two issues being;

- the businesses will take the excess to the waste transfer stations and Council will need to transport the cardboard in a small truck back to Coonabarabran for processing - the existing bin system at the transfer stations will not cope with this and a new approach would need to be developed.
- if the collection is done at the same time as the residential it will take longer and we will need to build more storage bunkers to accommodate the extra waste, the truck will also need to empty half way through the run as it will not have capacity to empty from commercial at the same time it does residential.

At this stage it is undetermined how many businesses would take up the offer of a recycling bins, however, on an annual basis in line with preparation of the yearly budget, the collection costs are offset with user charges to cover the cost of providing the service. The service would be conducted early morning to ensure access to bins is available at kerbside and to avoid commercial traffic. From here, Council's compactor truck could continue on and collect residential recycling (on the weeks residential collections are done). Apart from the resources Council currently has, there would be no need to employ additional staff or purchase additional plant. At least one small recycling truck would not be required and savings of at least \$25,000 per year would be achieved. It is possible that one staff member will experience reduced hours, however could be offset with additional duties such as MRF operations and sorting and CDS collection point. Sale of cardboard will still occur as per current regimes with income of \$30,912 per annum still anticipated.

Out of the above three options, it is recommended that Option 3 is the most suitable as:

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- Manual handling is reduced and limits Council's risk of a worker being injured, lessening the chances of a workers compensation claim in the future.
- The true cost of providing the service is recognised and paid for by the users of the service without being subsidised by residential users (as is the current case).
- Those who do not wish to utilise the service can opt out and make other arrangements to transport their recycling to a waste facility.
- The use of 240l recycling bins for commercial businesses is in line with industry practice and similar to services offered by other Councils.

### **Community Engagement**

Community engagement is at the level of 'Inform + Consult' as per Council's *Community Engagement Strategy 2020-2024*.

Information to the community has been made available via social, digital and print media (incorporating the Council website, Have Your Say and printed publications in each town throughout the Shire); and through interaction with Council officers.

Consultation with the community has been undertaken by way of 'On Exhibition – Public Submissions from 31 July 2020 to 28 August 2020. Individualised letters to commercial recycling service users were also sent out seeking comments on the proposed changes.

### **Attachments**

1. Summary of Public Submissions
2. Submissions Received

### **RECOMMENDATION**

That:

1. Council notes the information in the Review of Warrumbungle Waste – Commercial Recycling Service Report.
2. Council ceases to provide the commercial recycling collection service utilising woolpacks.
3. From 1 July 2021, businesses be provided with a service that is inclusive of one 240l general waste bin collected weekly and one 240l yellow lidded recycling bin collected fortnightly.
4. Additional recycling bins collected fortnightly be provided on the basis of \$110 per service per year.