



## Position Paper Kerbside Collection System Decision Making Tool

This Position Paper has been prepared through the Municipal Waste Advisory Council (MWAC) for the Western Australian Local Government Association (WALGA). The Municipal Waste Advisory Council is a standing committee of the WA Local Government Association, with delegated authority to represent the Association in all matters relating to solid waste management. MWAC's membership includes the major Regional Councils (waste management). The Regional Council members of MWAC include the Eastern Metropolitan Regional Council, Mandarie Regional Council, Southern Metropolitan Regional Council, Rivers Regional Council, Western Metropolitan Regional Council and the City of Geraldton-Greenough. This makes MWAC a unique forum through which all the major Local Government waste management organisations cooperate. This Position Paper therefore represents the consolidated view of Western Australia Local Government. However, individual Local Governments and Regional Councils may have views that differ from the positions taken here.

### Summary

In order to provide a comprehensive response to the Department of Environment and Conservation Position Paper Kerbside Collection Decision Making Tool the WA Local Government Association undertook a survey of Local Governments views on outcomes versus prescriptive assessment of the effectiveness of kerbside collection systems. The survey also obtained information regarding recycling services run by the Local Government.

The majority of Local Governments supported an outcomes based measure of kerbside collection system performance; the outcomes were based on a triple bottom line approach (considering environmental, social and economic factors). Most of the outcomes suggested were considered measurable by Local Government, although not all respondents were currently meeting the specific benchmarks (for outcomes).

The survey provided some positive results that benchmarks were achievable and that many advanced targets across the three areas of environmental, social and economic factors were achievable in 3 to 5 years. The issue of preferred end use was also raised by several Regional Councils.

The structure of this Position Paper is: Background; Aim; Scope; what is driving the process; Local Government Decision Making and Performance Benchmarks; Service model options; Survey results; and Conclusion.

## Background

The Department of Environment and Conservation (DEC), in consultation with WALGA, developed a draft Kerbside Collection Decision Making Tool for discussion. The Paper included three areas; identification of Local Government decision making processes, outcomes for kerbside systems (environmental, social and economic) and various kerbside collection service model options. The Tool is designed to assist decision makers in understanding what is being achieved at the best practice level in kerbside systems using environmental, social and economic outcomes.

The Paper contains examples of kerbside collection systems for metropolitan local governments and regional centres. The purpose of the Paper was to initiate a cooperative dialogue with local government regarding the development of a decision making tool to assist in the identification and implementation of improved kerbside collection systems.

Discussions between the DEC and the Association established a preference that the Kerbside Collection Systems Decision Making Tool be outcome-based guidance rather than a prescriptive approach. That is, the adoption of a particular kerbside collection system will not be mandated, instead, desired outcomes for kerbside collection systems will be identified.

The Tool identifies appropriate kerbside collection outcomes for Local Government to work toward as well as examples of different kerbside collection systems to assist in achieving the outcomes. The purpose of having outcomes to work toward rather than mandating a particular system is to provide Local Governments with independence and flexibility when determining which option is most suited to their circumstances.

## Aim

The aim of the Kerbside Collection System Decision Making Tool is to evaluate existing kerbside collection systems and provide targets for future kerbside recycling development.

## Scope

This Position Paper on Kerbside Collection System Decision Making Tool is designed to:

- Respond to the Department of Environment and Conservation's Kerbside Collection Systems Decision Making Tool paper;
- Consolidate Local Government views; and
- Suggest modifications and/or endorse aspects of the DEC Decision Making Tool paper.

## What is driving the process?

A number of different factors are acting as drivers for Local and State Governments in the identification of best practice targets for kerbside collections. These include:

- **Current systems achieving inconsistent and below optimal performance outcomes** – data collection through DEC Phase 1 of the Zero Waste Plan Development Scheme 2007 and Cardno BSD Report 2008, identified extreme inconsistencies in the outcomes of Local Government kerbside collection systems.
- **State and Local Government commitment to the National Packaging Covenant** – State and Local Governments across Australia made a commitment to assist industry in reducing the amount of packaging waste to landfill.
- **Requirements of Waste Avoidance and Resource Recovery (WARR) Act 2007** – the WARR Act does not directly require the development of kerbside collection targets. However, it identifies a number of provisions, particularly in regard to Codes of Practice and consistency with Modern Practice which means clarity regarding preferred outcomes and measures is needed.
- **Identifying State funding priorities for Strategic Waste Management programs** – the State Government and WALGA are working together to develop a Regional Funding Model to assist Local and Regional Governments seeking to improve their waste management programs.

## Local Government Decision Making and Performance Benchmarks

The Local Government Act (1995) identifies that "In carrying out its functions a local government is to use its best endeavours to meet the needs of current and future generations through an integration of environmental protection, social advancement and economic prosperity<sup>1</sup>". Local Government decision makers are required to incorporate these considerations, therefore the outcomes for kerbside collection system performance should be in keeping with the principles of sustainability including economic, environmental and social viability.

The Kerbside Collection System Decision Making Tool identifies outcomes for Environmental, Social and Economic categories. These include both easily measurable outcomes such as yield and cost, and less readily measurable targets such as greenhouse gas reduction.

The Tool also identifies benchmarks for Metropolitan, Regional Centres and Small Rural/Remote Local Governments. The benchmarks represent outcomes that are being achieved by Local Governments operating systems at a high level of efficiency (respective of their regional circumstances). These benchmarks were calculated by the use of data collected through the Zero Waste Plan Development scheme Phase 1 Report 2006-2007<sup>2</sup> and the Cardno BSD Report 2008<sup>3</sup>.

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<sup>1</sup> Local Government Act 1995- sect 1.3 [Section 1.3 amended by No. 49 of 2004 s. 15.]

<sup>2</sup> DEC 2007, 'Zero Waste Plan Development Scheme (ZWPDS) Phase 1 Report 2006-2007'. Available from <http://www.zerowastewa.com.au/>.

<sup>3</sup> Cardno BSD Report 2008, 'Review of kerbside collection systems and drop off facilities for recyclables and development of preferred services model'. Available from <http://www.zerowastewa.com.au/>.

## Service Model Options

The Paper outlines several kerbside collection system examples, including general system characteristics. The system characteristics are based on the use of 120L - 240L MGB's and are either two or three bin systems. These collection systems are for metropolitan areas and regional centres.

For small rural and remote local governments, no example systems are given due to the significant differences within small rural and remote Local Governments in Western Australia. Instead, these Local Governments were encouraged to pursue the Kerbside Collection Service Model Options, such as:

- Environmental, social and economic costs;
- Drop off points for recyclables; and
- Local government regional cooperation.

## Survey Results

WALGA undertook a survey of Local Governments to identify views on outcomes based and prescriptive based kerbside collection systems, as well as obtain information regarding recycling services currently provided by Local Government.

51 Local Governments responded to the survey, 22 Metropolitan, 8 Regional Centres and 21 Rural/Remote Local Governments. Of these, 77.1% indicated they would support an outcomes based approach to assessing kerbside recycling systems. For those who selected outcomes based approach, they were asked to nominate what additional tools would be useful (if any), to achieve outcomes, respondents were able to select more than one option. Responses included:

- 78.4% indicated that examples of high performance kerbside systems with documented case studies would be useful;
- 75.7% indicated that suggestions for kerbside system templates would be useful;
- 67.6% indicated WALGA/DEC assistance would be useful; and
- 43.2% indicated additional internal capacity (including additional staffing) would be useful.

100% of respondents agreed with the triple bottom line approach of environment, social and economic measures. Table 1 shows the results of the survey.

### *Environmental Outcomes*

58% of local governments indicated they were currently achieving a 40 – 50% “Best Practice Benchmark” recovery rate (including recyclables and organics) as indicated by the Zero Waste Plan data 2007<sup>4</sup>. Clarification of the meta data is necessary to understand if this recovery rate includes or excludes contamination (post processing) of recyclables. The majority of metropolitan Local Governments indicated the advanced target of 50 - 60% recovery would be achievable in 3 – 5 years. Regarding the ability to measure recovery rate, nearly 70% of Local Governments indicated they would be able to do so.

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<sup>4</sup> Department of Environment and Conservation, Towards Zero Waste, Zero Waste Plan Development Scheme, Phase 1 Report 2006-07.

For recovery of recyclables, over 75% of Local Governments indicated they were achieving a recovery rate of 70 – 80%. For metropolitan local governments, nearly 95% anticipated being able to achieve the advanced target of 80 – 90% recovery in 3 – 5 years. Nearly 75% of local governments indicated they would be able to measure percentage of recyclables recovered.

Over 90% indicated a simple life cycle analysis tool to measure carbon footprint of the service would be useful; the majority of local governments indicated they would not currently be able to measure this outcome.

### ***Social Outcomes***

Only 55% of local governments indicated they were providing an MGB for all services offered. For rural local governments the vast majority indicated they were providing a MGB for waste services. The vast majority of local governments were able to report the number of households with MGB's in their area.

Over 70% of local governments indicated they were currently achieving a 80- 90% participation rate recycling. In the metropolitan area, 85% considered they would be able to achieve a 90 – 100% recovery rate in 3 – 5 years. Most local governments were able to measure participation rates.

Metropolitan local government contamination rate of recyclables/organics (measured at kerbside), 52% gave their contamination rate as 5 – 10%, with around 40% indicating they had a contamination rate of 10- 20%. For non metropolitan areas 52% gave their contamination rate as less than 10%. However, it should be noted that only 67% of local governments indicated they could measure the contamination rate at kerbside.

### ***Economic Outcomes***

Many Local Governments' commented that State Government support was needed to ensure viable markets for recycled products, if this was not possible then storage space for the recycled materials until the commodities price was high enough to ensure a feasible return was needed.

The Advanced Target for waste collection fees (in the Metropolitan area) appeared to 58.8% of Local Governments surveyed, to be unachievable within a 3-5 year period. The majority of these Local Governments indicated that fees were likely to increase due to:

- replacement costs of infrastructure;
- increasing waste processing costs;
- increasing labour costs; and
- increasing fuel prices.

For recyclables, 50% of respondents thought the advanced target was achievable. Regarding saleability of product, 65% supported the use of sale price and quality of product as an outcome.

With regard to kerbside collection costs, it is not feasible to measure cost of kerbside collection systems in isolation of the levels of service provided by drop-off facilities or periodic verge-side collections. Costs and revenues are subject to significant changes from year to year, setting

benchmarks in dollar terms is a difficult exercise; particularly as there is no standard approach across Local Governments.

## Conclusion

Local Government indicated significant support, nearly 80%, for outcomes based performance measures. There was a 100% agreement with the triple bottom line approach using environment, social and economic measures. The outcomes based approach provides Local Government with flexibility when choosing collection systems to ensure they suit the Local Governments particular circumstances. WALGA recommends that an outcomes based approach be used to measure performance of Kerbside Collection Systems.

Many Local Governments indicated that cheaper recycling services would be dependant upon contractor prices, many have existing long-term contracts for recyclable collections which cannot be altered. Returns from recycled materials will depend upon contract renegotiations and commodities prices.

The majority of Local Governments indicated they supported and could achieve the benchmarks set within the tool, however, there appears to be no consistent methodology used for assessing the 'cost of a waste service'. WALGA suggests that a comprehensive outline of the methodology of measurement used in the Kerbside Collection Decision Making Tool is needed.

The NSW Local Government Councils uses a Comparative Information System to assess or compare the performances of councils in their provision of services including waste services. Data is collected annually from all councils and used when calculating key performance indicators for services provided, and gives a more accurate indication of benchmarks achieved. The system currently in operation in WA, is that Local Government provides costings for services to the Grants Commission, however these figures are incomplete and consistent methodology is not assured.

Some of the main factors inhibiting performance included:

- **Environment**
  - the need to introduce recycling and infrastructure to remote areas;
  - lack of education to promote/increase recycling;
  - lack of markets; and
  - better access to recycling facilities needed
- **Social**
  - MGB's only provided to town sites and special rural properties;
  - Needs a targeted education/marketing program; and
  - Lack of education regarding what can/cannot be recycled
- **Economic**
  - Increasing costs for fuel, labour and infrastructure keeping collection fees high;
  - Lack of consistent methodology for assessing cost of waste services;
  - Long-term fixed recycling contracts with set prices per bin collection; and
  - Market price fluctuations control commodities prices.

Local Governments identified some difficulty in measurement of the various outcomes. A lack of weighbridges at some sites inhibited measurement and the need for advice and funding to carry out waste auditing was also mentioned. There was very strong support for a life cycle analysis tool to measure the Carbon Footprint of a service, as the majority of Local Governments indicated they would not be able to measure this currently.

WALGA recommends that the DEC support the development and use of a simple life cycle analysis tool which enables Local Government to measure the carbon footprint of different collections systems.

The economic measures included saleability of product. Although over half of Local Governments supported this measure it was noted that the market price fluctuation in commodities would affect outcomes. With regard to performance measures, it is not useful to set benchmarks in absolute dollar terms as costs and revenues are subject to significant changes from year to year. A more useful approach would be to publish actual results for each quartile of Local Governments (ie best 25%, best 10%). Local Governments could then assess their performance against this result within the corresponding time frame.