

WASTE STRATEGY PROJECT - 8 COMMERCIAL WASTE COLLECTIONS (UPDATE REPORT)

- Attachments:**
1. **Waste Strategy Project 8: Business Case for the Discontinuance of Commercial Waste Services**
 2. **Communications Strategy**

RECOMMENDATION:**That Council:**

1. **APPROVES the:**
 - 1.1 **Revised Business Case for the discontinuance of commercial waste services; and**
 - 1.2 **Communications Strategy to support the service transition; and**
2. **NOTES that rebate considerations from operational savings have been incorporated into scenarios included in the City's Long Term Financial Plan (LTFP).**

PURPOSE OF REPORT:

To provide Council with the updated business case and communications strategy requested at its 17 March 2020 Council Meeting, in respect to the in-principle decision for the discontinuance of commercial collection services from 30 June 2021.

BACKGROUND:

The City currently provides a commercial waste collection service for both rubbish and recycling inclusive of the businesses rateable charge. Each rate-paying business may receive a capacity allowance which is calculated using historical methods based on premise type and size (floor space m²) and commercial premises can also request additional capacity for a fee.

The service provided is not based on the best environmental outcome in terms of materials recovery, and the City does not currently have the ability to provide such a service. The current service is one that is suitable for domestic homes and has been extended to commercial premises, which may have been appropriate when waste was collected in a single bin destined for landfill. This single service approach has introduced inefficiency, does not incentivise landfill diversion and does not support the City's vision of zero waste to landfill.

The City has an obligation to collect domestic waste; there is no obligation to provide a commercial waste service and businesses are not compelled to use the City's waste service. The City has 2488 commercial premises paying business rates. Approximately 15% (377) of businesses do not use the City's service and others purchase additional services from private providers on top of what the City provides. Private waste companies provide a wide ranging service that is tailored to the needs of a business and costed in a way that incentivises material recovery.

Project 8 of the City's Waste Strategy 2018 – 2023 "Commercial Waste Collections Options Appraisal" was established to investigate the value of providing the existing commercial service in this capacity and review alternative options.

With FOGO initially scheduled to be rolled out to all residential properties from October 2020 (now October 2021 due to COVID-19 considerations), there was further reason to review how, or indeed if, the City should provide commercial waste collection services in the future, as the new standard domestic, 3-bin FOGO system would not be suitable for commercial premises. On that basis there was a need for the City to have clear direction on the future of its waste services, so that transition arrangements implemented would not adversely impact on the introduction of the domestic three bin FOGO service.

At the Ordinary Council Meeting held on 17 March 2020, Council received the Commercial Waste Collections Options Appraisal Report and Business Case outlining the issues, various options and recommendation to discontinue the commercial waste collection service.

The Council decision was:

That Council:

1. **NOTES:**

1.1 *the commercial waste collection options appraisal which was a key action from the City's Waste Strategy;*

1.2 *that the City's current commercial waste service is no longer a viable option in the future as it does not meet the objectives of the City's Waste Strategy and as a result of the adoption of a FOGO third bin in October 2020;*

2. **PROVIDES in-principle support for the discontinuance of commercial waste collection from 30 June 2021 on the basis that Administration:**

2.1 *presents a further developed business case to Council for Option 5, including information about potential impacts on commercial ratepayers transitioning to alternative waste services;*

2.2 *provides a communications plan to Council which supports implementation of Option 5; and*

2.3 *that rebate considerations from operational savings will be incorporated as part of the development of the long term financial plan (LTFP).*

This report and the revised Business Case (Attachment 1 - **Waste Strategy Project 8: Business Case for The Discontinuance of Commercial Waste Services**) and Communications Plan (**Attachment 2 - Communications Strategy**) provides the additional information requested by Council.

Administration therefore seeks Council approval of the revised business case and communications strategy, so that the City can engage with the commercial community at the earliest opportunity allowing for a nine month notice period for businesses. It also allows an extensive nine month period to deliver the Communications Strategy and to educate and support businesses during this transition to a new provider.

DETAILS:

The City does not have a separate commercial waste collection service and commercial tonnages are currently collected comingled with domestic waste in the same vehicle.

The City's waste team has undertaken a review of the current services as well as a commercial rubbish truck trial and presents the following key findings:

1. **Bin Capacity Allowance**

Each rate-paying business has a bin capacity allowance which was calculated using historical methods based on premises type and size (floor space). Due to inadequately designed bin stores capacity and limited verge presentation space, many locations are also being serviced multiple times per week (without additional charges applied). It is worth noting that while the City's commercial customers only account for 12% of the City's total rateable properties, in terms of bin lifts they account for around 21%, demonstrating a disparity in service provision between commercial and residential customers. Additionally, commercial customers are also receiving inconsistent and varied services which are not based on the value of the property or rates paid.

Work undertaken by the City has identified a variance between commercial and domestic bin weights, i.e. commercial bins are on average 6kg heavier than the equivalent domestic bin, thereby resulting in higher disposal costs.

Collection costs are also generally higher for commercial properties as they are often situated in high density areas and cannot be collected by a side lift truck. The rear-lift rounds are more expensive to operate, as extra personnel are required for bin servicing and servicing times per premise are generally longer. In total approximately 36% of the total commercial lifts are undertaken by the rear lift vehicles.

2. Historical Data and records

The site audit highlighted that it is difficult to monitor the Commercial Asset Register due to the fact that commercial and domestic bin infrastructure is currently the same. Additionally, bins are constantly going missing or are being relocated. This is increasingly problematic at mixed use premises, where bin stores and/or presentation points may be shared and people simply use/take the nearest bin.

Waste Census data provision was previously optional. However, the new DWER Approved Methods for Mandatory Reporting under the WARR Regulations 2008, which is effective from July 2020, requires more robust/accurate reporting on commercial waste tonnages and collection costs. This will be a very onerous task with the existing collection methodology. If the service was to continue, it would ideally need to be resourced appropriately with a dedicated truck, appropriate bin infrastructure, personnel and an appropriate commercial business system to capture and maintain customer and asset information.

3. The current commercial service does not align with the City's Waste Strategy

The City currently only provides a limited commercial service. To provide a competitive, cost effective and contemporary service, would require a complete overhaul of existing services and collection methodologies.

A contemporary commercial service should be tailored to the client's requirements, offering collection of variable waste and recycling streams, variable (including larger than 360 litre) infrastructure and collection frequencies that meet their waste generation needs (which may include shifts and operating 7 days a week). This would subsequently be charged at appropriate commercial rates for the variable waste streams collected and on a per bin lift basis.

To provide such a professional commercial service for the City of Vincent would require dedicated vehicles, larger bin infrastructure, a dedicated Commercial Waste Officer (with some administrative support) to manage the waste contracts/payments, client relationships and waste education to ensure correct bin usage.

Contamination is currently an on-going issue at our commercial properties, as the standard "bin allowance" system does not incentivise correct waste behaviour/bin usage. A commercial service that is tailored to the needs of the business, would have bin configuration and charges that would maximise recovery.

The implementation of a standard domestic FOGO system from October 2021 is not suitable for commercial businesses. For example, restaurants would have large volumes of food waste, which would not align with FOGO system collection frequencies and permissible bin weights. Each property would need an individual, tailored approach (as outlined above) to ensure cost efficiency and resource recovery to align with the City's Waste Strategy targets.

4. Options Appraisal:

At the 17 March 2020 Ordinary Council Meeting, the following 5 options were presented to Council.

| Commercial Collection Options | |
|--------------------------------------|-----------------------------------------------------------------------------------------------------------|
| 1. | No change to current service |
| 2. | City provides a fit for purpose commercial service |
| 3. | Provide limited charged service as per residential customers (new three bin domestic FOGO service) |
| 4. | Discontinue existing commercial service |
| 5. | Discontinue existing commercial service with rate rebate |

The advantages and disadvantages of each option were outlined and discussed at both the Council Workshop and subsequent March Council Briefing and Meeting. This culminated in Council providing in principle support for discontinuance of commercial waste services from 30 June 2021 (as detailed below), on the basis that Administration provided additional information to support the business case.

Option 5: Discontinue existing commercial service with rate rebate

By the City discontinuing the provision of commercial waste services, businesses will be able to access tailored waste services which incentivise and deliver increased waste diversion, which is consistent with the City's Waste Strategy 2018-2023.

This is also expected to deliver substantial operational and capital savings, allow the City to accurately collect domestic waste data as required for the DWER annual reporting, and enable the City to accurately calculate its waste diversion.

Businesses currently using the City service would need to source and agree an alternative service from the open market and the service would no longer be included as part of rates. This will be abated to some extent by:

- providing early notice of any change in service to businesses (circa 9 months);
- offering additional City waste advice, support and guidance during the transition (**refer Attachment 2 - Communications Strategy**);
- potentially using savings to rebate rates

5. Potential Impacts on Commercial Ratepayers Transitioning to Alternative Waste Services

It is impossible to determine the precise financial impact on individual businesses, as commercial services are highly tailored to the individual business. The private commercial market is also very competitive. Rates charged are commercially sensitive and not published.

However, as the City of Perth provide a full suite of commercial services and as a local government their fees and charges are published, the revised business case contains modelling using their rates. The modelling is indicative only but does demonstrate the potential for a business to reduce cost by making good environmental choices.

In terms of assisting businesses with the transition, while the City cannot recommend specific commercial waste contractors, it has approval from WALGA to provide their Preferred Supplier Panel List and providing key contact details to the City's Commercial Customers. The City would also notify waste management industry professional bodies/associations Waste and Recycling Industry for Western Australia (WRIWA) and Waste Management & Resource Recovery Association Australia (WMRR) of the City's commercial service discontinuation, so that they may actively approach businesses with their service offerings (as outlined in Communications Strategy).

During preparation of the Options Appraisal informal discussions were held with two major waste service providers currently operating within the City. While they were not able to share their commercial schedule of rates, they indicated a high level of interest in providing services to the City's commercial sector. In fact, they already provide services to Vincent businesses, as many businesses do not use the city service or use top up services from commercial providers.

Indicative timeframes to transition across were all confirmed to be within a 2 week period and they were happy to liaise with the City during the switchover to ensure a smooth transition.

CONSULTATION/ADVERTISING:

The City has developed a Communications Strategy to outline how the City would engage with businesses, prior to, during and post the discontinuance of commercial services. This Strategy also outlines the additional support, advice and guidance that would be provided to ensure a smooth transition to the new commercial waste collection service provider. **Refer Attachment 2 - Communications Strategy.**

LEGAL/POLICY:

Waste Policy No. 2.2.11 needs to be reviewed as the operational elements of the policy will significantly change when the 3-bin FOGO system is introduced. Additionally, much of the content is replicated in the Health Local Law and is superfluous.

RISK MANAGEMENT IMPLICATIONS:

Low/Medium: There is a very **low risk** that a commercial business would not be able to find a private service provider. There is a **medium risk** of negative feedback from some commercial businesses if the City discontinued the waste service.

STRATEGIC IMPLICATIONS:

This is in keeping with the City's *Strategic Community Plan 2018-2028*:

Enhanced Environment

We have improved resource efficiency and waste management.

By discontinuing the commercial waste service, commercial customers will be provided with a tailored, contemporary waste service that incentivises and delivers diversion from landfill, which the City would be unable to deliver without significant investment and high risk.

The City's Waste Strategy 2018-2023 has a vision of zero waste to landfill through maximising recovery and avoidance and cost effective, sustainable and contemporary waste services.

The City's Sustainable Environment Strategy 2019-2024 has identical aims and sets the target of zero waste to landfill by 2028.

SUSTAINABILITY IMPLICATIONS:

By discontinuing commercial services businesses will have access to tailored waste packages, inclusive of variable recoverable/recyclable waste streams, which in turn will provide cost effective collection services which incentivise correct waste behaviours; thus facilitating increased diversion from landfill and assisting in the delivery of our Sustainable Environment Strategy 2019-2024 target of zero waste to landfill by 2028.

FINANCIAL/BUDGET IMPLICATIONS:

It would reduce the City's base operating costs by around \$921,000 per annum by discontinuing the current in-house commercial service.

In addition, capital savings of around \$470,000 for potential future truck replacement costs could be retained in the waste reserve and be used to offset FOGO implementation costs.

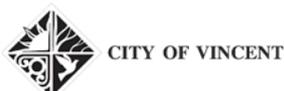
Rebate considerations from operational savings have been incorporated into the current review of the long term financial plan (LTFP).

COMMENTS:

A review of the City's commercial waste collection service has been undertaken and an options appraisal carried out as required by the City's Waste Strategy.

This report provides the additional supporting information requested by Council at its 17 March 2020 Council Meeting (i.e. revised Business Case and Communications Strategy).

There is an imperative for a change to the existing service and Administration recommends discontinuing the City's commercial waste collection.



PROJECT MANAGEMENT FRAMEWORK
CONFIRMATION: BUSINESS CASE



Has Finance confirmed that funding is available for this project? NOT APPLICABLE

| | |
|-----------------------|---------------------------------------------------------------------------------------------|
| | D20/137808 - Revision 1 - August 2020 |
| Project Name: | Waste Strategy Project 8: Business Case for the Discontinuance of Commercial Waste Services |
| Project Manager: | Manager Waste and Recycling |
| Directorate: | Infrastructure & Environment |
| Project Code: | (only enter if funding is required) |
| Accountable Director: | Executive Director Infrastructure and Environment |
| Sponsor: | Executive Director Infrastructure and Environment |

| | | |
|------------------|----|-------------------------------------------------------------------------------|
| Priority Rating: | | <i>Click on icon to calculate the Priority Rating and Score</i> |
| Priority Score: | 38 | |

| | | | |
|----------------------|----------------------------------|-----------------|--------------------|
| Estimated Timeframe: | 9 MONTHS (TO SERVICE END) | Completion date | AUGUST 2021 |
|----------------------|----------------------------------|-----------------|--------------------|

| | | |
|---------------------|------------------------------|---------------------------------------------------------------------|
| Total Expenditure: | \$10,000 – for bin retrieval | <i>Click on icon to calculate the internal Resource Cost</i> |
| Total Salary Cost: | \$ | |
| Total Project Cost: | \$ | <i>Click on icon for Resource Cost example</i> |
| Number of FTE | Internal Waste Team | |

OBJECTIVES

Description
 Project 8 of the City’s Waste Strategy 2018 – 2023 “Commercial Waste Collections Options Appraisal” was established to investigate the value of providing the existing commercial service in its current capacity and review alternative options.

The objectives of this project are to:

| Objective | Status | Details |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1) Review Current Commercial Services | Complete | Item 10.3 - 17 March 2020 Ordinary Council Meeting. Waste Strategy Project 8 - Commercial Waste Collections Options Appraisal (TRIM Ref: D20/31726) and aligning Business Case - Waste Strategy Project 8 - Commercial Waste Collections Options Appraisal (TRIM Ref: D20/40506) |
| 2) Investigate alternative options to ensure provision of “cost effective, sustainable and contemporary waste services” in line with our Waste Strategy 2018-23 objective. | Complete | |
| 3) Propose recommendation | Complete | |
| 4) Propose implementation plan for the approved recommendation | In progress | That is the purpose of this revised Business Case (TRIM Ref: D20/137808), Communications Strategy (TRIM Ref: D20/137809), and Council Report (TRIM Ref: D20/137808), which will be presented to the September 2020 Ordinary Council Meeting. |

BENEFITS, DELIVERABLES, MEASURABLES**Problem Definition and Urgency**

The City currently provides a limited commercial waste collection service for both rubbish and recycling inclusive of the businesses rateable charge. This service is effectively a domestic service which has been extended to commercial users, which may have been appropriate when waste was collected in a single bin destined for landfill. This approach has introduced inefficiency, does not incentivise landfill diversion and does not support City's Waste Strategy objectives and its vision of zero waste to landfill.

The City has a statutory obligation to collect domestic waste; there is no requirement to provide a commercial waste service and businesses are not compelled to use the City's waste service. The City has 2488 commercial premises paying business rates. Approximately 15% (377) of businesses do not use the City's service and others purchase additional services from private providers on top of what the City provides. Private waste companies provide a wide ranging service that is tailored to the needs of a business and costed in a way that incentivises material recovery.

With FOGO being rolled out to all residential properties from October 2020 (now October 2021) there was an urgent need to review how, or indeed if the City should provide commercial waste collection services in the future, as the new standard domestic, 3-bin FOGO system would not be suitable for commercial premises. On that basis there was a need for the City to have clear direction on the future of its waste services, so that transition arrangements implemented would not adversely impact on the introduction of the domestic three bin FOGO service.

At the Ordinary Council Meeting held on 17 March 2020, the Commercial Collections Options Appraisal and original business case was presented to Council. The following 5 options were presented:

1. No change to service
2. City provides a fit for purpose service
3. City provides a limited charged service as per residential customers (three bin FOGO service)
4. Discontinue existing commercial service
5. Discontinue existing commercial service with rate rebate

The recommended option was Option 5 and to discontinue the existing commercial service and provide a rebate to affected customers. This has the following benefits:

- Commercial Customers will receive cost effective, sustainable and contemporary waste collection services (a key City Waste Strategy objective), which the City is not in a position to provide without significant capital and operational investment.
- Increased diversion from landfill, which aligns with our waste strategy Vision to achieve "zero Waste to Landfill by 2028"
- Equitable service charge for residential rate payers

After due consideration of the advantages and disadvantages of each option, Council gave in-principle support for the discontinuance of commercial waste collection from 30 June 2021 on the basis that Administration:

- presented a further developed business case and communications plan to Council for the implementation of Option 5, including information about potential impacts on commercial ratepayers transitioning to alternative waste services;
- that rebate considerations from operational savings will be incorporated as part of the development of the long term financial plan (LTFP).

How does the project align to the Strategic Community Plan?

This is in keeping with the City's Strategic Community Plan 2018-2028: [Enhanced Environment](#)

We have improved resource efficiency and waste management. By ceasing the commercial waste service, commercial customers will be provided by cost effective, sustainable and contemporary waste services, which the City would be unable to deliver without significant investment.

The project deliverables are:

- Stakeholder Engagement (as detailed in Project and Communications Strategy)
- Comprehensive Communications and Engagement Strategy (to effectively communicate and support transition arrangements).
- Review Waste Policy 2.2.11
- On-going Waste Education and support for businesses
- Improved visual amenity
- Anticipated Operational Cost Savings of circa \$921,000 per annum
- Releases one vehicle for auction (plus savings in fleet renewal program budget of \$470,000)
- Potential Rates Rebate (Note: Rebate considerations from operational savings are being incorporated into the current review of the long term financial plan, as per Council request, with two options being presented for Council Consideration).

How will the success of this project be measured?

The success of the project will be measured by the following:

- Increased diversion from landfill (Annual Statutory Waste Data Reporting)
- Better visual amenity – less bins presented for collection at kerbside (contractor offer larger infrastructure, multiple collections and property drive-on collection options).
- Increased Customer Satisfaction - Commercial contractors are able to offer a full suite of waste collections, variable bin size options and at a desired collection frequency (including weekends/out of hours). Some providers also offer environmental reporting, which is of benefit for those Customers pursuing ISO Environmental Accreditation.

If applicable, outline how the project will impact or be impacted by other departmental or government initiatives

Changes would need to be made well ahead of FOGO rollout in October 2021.

APPROACH**Recommended option and reason:**

In summary, the current service is not fit for purpose, is expensive and inequitable and does not deliver the desired environmental outcomes. It is proposed to cease providing the service from 30 June 2021, with appropriate ongoing communication, engagement and support during transition arrangements. This is aligned with our Waste Strategy Vision/Objectives and budget priorities.

SCOPE**What will be included as part of this project:**

- Stakeholder Engagement
 - Internal: Elected Members, Rates/Finance, Marketing, IT, Planning, Engineering, Customer Services, Place Managers, EHO's and Rangers.
 - External: Commercial Ratepayers, Commercial Waste Collection companies, WALGA and The Waste and Recycling Industry for Western Australia (WRIWA).
- Consideration of the potential impacts on Commercial Ratepayers transitioning to alternative waste services (as detailed below).
- Comprehensive Communications and Engagement Strategy (to communicate and support transition arrangements).
- Bin Audits: Complete mixed-use site assessments, to ensure adequate resources/servicing
- Establishment review - Rescheduling of existing domestic truck rounds to remove commercial properties
- Potential Rates Adjustment (Options considered in the LTFP)
- Update Bin Asset Records (CRM/Waste Register)
- Review Waste Policy (2.2.11)
- On-going waste education and support for businesses (program/literature to be developed)
- Removal and reuse/recycling of old bin stock
- Auction released vehicle (following rescheduling -1 truck)

POTENTIAL IMPACTS ON COMMERCIAL RATEPAYERS TRANSITIONING TO ALTERNATIVE WASTE SERVICES

It is impossible to determine the precise financial impact on individual businesses, as commercial services are highly tailored to the individual business.

For example, when establishing contracted commercial services, a private commercial provider would consider factors such as:

- business type,
- operating days/hours,
- waste streams and potential generation rates (based on above),
- bin store capacity
- bin infrastructure
- verge presentation space
- site specific risk assessments and collection methodologies for requested "drive-on" properties (RA considerations here include: safe access/egress, vehicle type/s, operator requirements - number/security/safety, round scheduling and capacity, expected time to complete services, etc.)
- Client budget and other specific requirements

A commercial provider would generally have a Technical Sales Officer available to undertake client visits, undertake the aforementioned site/client assessments and then develop a pricing structure accordingly.

Case Study: Waste Management at Beatty Park Leisure Centre

In 2017, the City's Waste team and the Beatty Park Leisure Centre Management undertook a waste audit and identified that the existing waste service needed to be updated to save costs as well as improve the amount of waste recovered.

Historically, the existing main point for collection infrastructure included 2 x 3m3 skip bins that were collected at least twice per week and sent to landfill. This form of waste management was not sustainable, equating to Beatty Park Leisure Centre sending a minimum of 4.2 tons to landfill every week. This was also extremely expensive for Beatty Park, costing a minimum of \$15,500 per annum. By undertaking the waste management audit and implementing actions identified within this Waste Management Plan, Beatty Park were able to reduce their landfill infrastructure to 1 x 3m3 skip bin. The second 3m3 skip bin was replaced with recycling (2x 1100L co-mingled Recycling and 2x 1100L Cardboard Bin) and organics collection infrastructure (120L Food Waste bin) provided and collected by the City of Perth.

The introduction and use of recycling infrastructure in place of landfill reduced the cost of collection to \$3,264 plus the cost of collecting the remaining landfill waste, meaning the Centre was able to decrease its costs to less than \$5,000 per annum. This alteration in infrastructure also resulted in a reduction in tonnage to landfill by 50%.

Financial Modelling – potential impacts

The private commercial market is very competitive, rates charged are commercially sensitive and not published. However, the City of Perth provide a full suite of commercial services and as they are a local government, their fees and charges are published. Administration have therefore, used these rates to undertake indicative modelling to give an indication of the possible impacts on businesses within the City of Vincent. The City of Perth assisted with average waste generation rates/service provision for each of the key business types, to enable Administration to cost and compare the following examples:

Restaurant

Based on a standard floor size of approximately 200m², a restaurant is likely to generate around 4,440L of general waste per week and 6,600L of recyclable materials per fortnight. Under the City's 2-bin system a restaurant would require 19x240L general waste bins and 18x360L co-mingled recycling bins. However, the City's current waste policy (2.2.11) would only entitle this restaurant to 3x240L general waste bins and 2x360L co-mingled recycling bins (included as part of their business rates). The additional 16x240L general waste bins and 16x360L co-mingled recycling bins would need to be paid for at the City's additional bins rate (i.e. \$475 for a 240L general waste bin per annum x 16bins = \$7,600 and \$128 for a co-mingled recycling bin per annum x 16 bins = \$2,048; a total cost for additional bins of \$9,648 per annum).

If the business was to simply replace the two bin City allowance like for like, based on City of Perth rates they would pay an additional \$1,141 per annum. However, a private contractor would be able to provide the business with a tailored service to seek the best environmental outcome by collecting separate waste streams such as food waste and cardboard.

Based on City of Perth rates and suite of waste services available, the restaurant would be able to set up the following service to cover the above waste and recycling generated on site:

2x660L general waste bins collected 3 times per week, 2x660L co-mingled recycling bins collected twice per week, 2x120L food waste bins collected twice per week, and 1x660L Cardboard bin collected once per week. This would provide the same weekly removal volume (i.e. 7,740L per week) for an annual cost of \$7,555.

Total number of bins onsite would be 7 as opposed to 37 wheelie bins under a 2-bin service. Additionally, there would be a potential saving of \$2,093 per annum.

Café

Based on a standard floor size of approximately 250m², a Café is likely to generate around 2,220L of general waste per week and 1,440L of recyclables per fortnight, which under a 2-bin system would require 9x 240L general waste bins and 4x360L co-mingled recycling bins. 1x general waste bin and 1x co-mingled Recycling bin is included as part of the business rates, so the remaining cost for the additional service required would be \$4,184 per annum (i.e. 8x \$475 and 3x \$128)

If the business was to simply replace the two bin City allowance like for like, based on City of Perth rates they would pay an additional \$509 per annum. However, by obtaining a tailored commercial service, this café would be able to change the bin infrastructure to 1x660L general waste bin collected 3 times per week, 1x660L co-mingled recycling collected twice per week and 1x120L food waste bin collected weekly, for an annual cost of \$3,644.

Total number of bins onsite would be 3 as opposed to 13 wheelie bins under a 2-bin service. Additionally, there would be a potential saving of \$540 per annum.

Hairdresser

Based on a standard floor space of approximately 100m², a Hairdresser is likely to generate 720L of general waste per week and 960L of co-mingled recycling per fortnight. On a two bin system this would require 3x 240L general waste bins collected weekly and 3x360L co-mingled recycling bins collected fortnightly. 1 bin per waste stream is included in the City's business rates, so the business would need an additional 2x240L general waste bins and 2x360L co-mingled recycling bins, at a cost of \$1,206 per annum.

As the waste streams generated from this type of business is limited (or specialist), a private contractor would supply similar core waste streams (i.e. general and co-mingled recyclables) although bin numbers would be reduced by increasing collection frequency as the City of Perth provide services 7 days a week. The total cost based on City of Perth's current rate would be \$1,225 per annum.

The business could further reduce their cost by seeking alternative disposal options, such as participating in the 'sustainable salons' initiative (<https://sustainablesalons.org/>) which recovers and reprocess specialist materials that would normally be sent to landfill (e.g. contaminated aluminum foil, hair, dye).

Total number of bins onsite would be 2 as opposed to 6 wheelie bins under a 2-bin service for much the same price (\$19 per annum more).

Small Retail Shop

Based on a standard floor space of approximately 100m² a small retail shop is likely to generate 720L of general waste per week and 1800L of co-mingled recycling per fortnight. On the City's 2 bin system this would require 3x240L general waste bins collected weekly and 5x 360L co-mingled recycling bins collected fortnightly. 1 bin per waste stream is included in the City's business rates, so the business would need to pay for an additional 2x240L general waste bins and 4x360L co-mingled recycling bins, at a cost of \$1,462 per annum.

If the business was to simply replace the two bin City allowance like for like, based on City of Perth rates they would pay an additional \$509 per annum. However, by obtaining a tailored service, this small retail shop would be able to change the bin infrastructure to 1x240L general waste bin collected 3 times per week, 1x240L co-mingled recycling collected once per week and 1x660L cardboard bin collected weekly, for an annual cost of \$1,324.

Total number of bins onsite would be 3 as opposed to 8 wheelie bins under a 2-bin service. Additionally, there would be a potential saving of \$138 per annum.

The examples above suggest that the financial impact on the City's Businesses would be minimal provided that the business seeks the best environmental outcome. In practice, this is the most likely outcome in a competitive market. This is of course in addition to the benefits of optimising their bin infrastructure/storage and increasing resource recovery.

The modelling undertaken is indicative only and the following considerations should be noted:

- Examples used are costed on the assumption that the businesses currently utilise the City's 2 bin system and purchase additional capacity from the City. This cost is then compared to a tailored service (using City of Perth rates and waste generation assumptions).
- Private Commercial Provider rates may vary and are likely to be lower cost.
- Some businesses may currently use their "free" City allowance and already top up with additional larger bins from private contractors.

- Some commercial customers have historically been over-serviced (additional bins or multiple collections). Note: these are being adjusted in line with Council Policy as identified.
- Modelling is based on the assumption that the business would seek best financial and environmental outcome, and not simply continue with a two bin system.
- There is no allowance made for the impact of the Container Deposit Scheme which will be introduced in October 2020 and is likely to result in further reduced cost for commercial recycling services.

Whilst the City cannot recommend specific commercial waste contractors, it has approval from WALGA to provide their Preferred Supplier Panel List and aligning key contact details to the City’s Commercial Customers. The City will also notify waste management industry professional bodies/associations Waste and Recycling Industry for Western Australia (WRIWA) and Waste Management & Resource Recovery Association Australia (WMRR) of the City’s commercial service discontinuation, so that they may actively approach businesses with their service offerings (as outlined in Communications Strategy).

During preparation of the Options Appraisal informal discussions were held with two major waste competitors currently operating within the City. Whilst they were not able to share their commercial schedule of rates, they indicated a high level of interest in providing services to the City’s commercial sector. In fact, they already provide services to Vincent businesses, as many businesses do not use the city service or use top up services from commercial providers.

Indicative timeframes to transition across were all confirmed to be within a 2-week period and they were happy to liaise with the City during the switchover to ensure a smooth transition.

CONSULTATION/ADVERTISING:

The City has developed a Communications Strategy to outline how the City will engage with businesses, prior to, during and post the discontinuance of commercial services. This Strategy also outlines the additional support, advice and guidance that will be provided to ensure a smooth transition to the new commercial waste collection service provider.

Refer: Communications Strategy (TRIM Ref: D20/137809)

PROJECT TIMELINE - DISCONTINUE COMMERCIAL COLLECTION SERVICES

| Key Timeframes | Description | Target/ Responsible |
|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| Pre- discontinuance of commercial service (up to 30/6/2021) | | |
| September 2020-December 2020 | <ul style="list-style-type: none"> • Finance: <ul style="list-style-type: none"> - Rebate Options (from operational savings) presented to Council as part of the Long Term Financial Plan (LTFP) review - Council consider options - Liaise with Rates on options • External Communications (as per Communication Strategy): <ul style="list-style-type: none"> - The City to advise businesses the change is happening via traditional letters sent via rates database. CoV will ensure commercial tenants receive appropriate communications, in addition to owner/strata manager, where applicable. - All communications to be captured in Commercial Action Register (initially populated from Rates Commercial Database) • Details in the letter to include: <ul style="list-style-type: none"> - Why the city will be discontinuing the commercial service (rationale for change) - Additional benefits of an outsourced commercial service (e.g. variable bin infrastructure, additional waste streams and waste recovery/diversion, 7 day collections and collections out of standard business hours, drive on collections, environmental reporting, etc.) - Key dates of change occurring | Elected Members Finance All businesses Waste All businesses/ Waste |

| | | |
|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> - Opportunity to contact the City directly to discuss best collection options for them - Recommend a formal letter on standard CoV letterhead for initial information. - DL/flyer with key dates and educational information, including, for example: a list of other waste streams that may be collected by private contractors, giving businesses information about waste streams that may be generated from their type of business. In addition to traditional letters, available database of business e-mail addresses will be used to send an EDM outlining the change and also what is going to be happen. <ul style="list-style-type: none"> • Item on website to go live with links to a Q&A style page where businesses can go for extra information. Waste to create page on website, under Business and/or Waste. • Provision of WALGA Preferred Supplier Panel List and aligning key contact details for the City’s Commercial Customers. Option to notify waste management industry professional bodies/associations (WRIWA and WMRR), regarding commercial service discontinuation, so that they may actively approach businesses with their service offerings. • Brief internal staff (e.g. Place Managers, Planners, Customer Service Officers, Environment Health Officers, Finance/Rates, Rangers, etc.) so they are equipped to answer questions and provide advice. | <p>All businesses/ Waste</p> <p>Private waste companies</p> <p>Internal staff</p> |
| March-June 2021 | <ul style="list-style-type: none"> • Reiterate the change and also be on hand to propose best collection services for businesses. Opportunity to re-iterate the change/benefits. • Include information in rates notice. | <p>All businesses</p> <p>Finance</p> |
| Discontinue Commercial Collection Service (from 30/6/2021) | | |
| July 2021 | <ul style="list-style-type: none"> • Commence the communicated bin removals. • Waste to monitor collections and where a business hasn’t arranged direct collection services the waste team will need to liaise on case by case basis to ensure continuity of appropriate waste services. • Allow the month of July for City bin removals and transition to the new provider. • Additional resources to be available for potential ‘missed’ services during the transition. | <p>All businesses/ Waste</p> |
| Post discontinuance of commercial service (from 1/8/2021) | | |
| August-September 2021 | <ul style="list-style-type: none"> • Waste Team to continue monitoring collections and where a business hasn’t arranged direct collection services, the waste team will need to liaise on case by case basis to assist as necessary. • Ongoing education material via website/business e-news/rates | <p>All businesses/ Waste</p> |



City of Vincent

Draft Communications Strategy

Discontinuance of Commercial Waste Collection
Services (from 30 June 2021)

TRIM REF D20/137809

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1. Background

The City currently provides a commercial waste collection service for both rubbish and recycling inclusive of the businesses rateable charge. Each rate-paying business may receive a capacity allowance which is calculated using historical methods based on premise type and size (floor space m²) and commercial premises can also request additional capacity for a fee.

The service provided is not based on the best environmental outcome in terms of materials recovery and the City does not currently have the ability to provide such a service. The current service is one that is suitable for domestic homes and has been extended to commercial premises, which may have been appropriate when waste was collected in a single bin destined for landfill. This single service approach has introduced inefficiency, does not incentivise landfill diversion and does not support the City's Waste Strategy Vision of zero waste to landfill.

The City has a statutory obligation in accordance with the WARR Act 2007 to collect domestic waste; there is no requirement to provide a commercial waste service and businesses are not compelled to use the City's waste service. The City has 2488 commercial dwellings paying business rates. Approximately 15% (377) of businesses do not use the City's service and others purchase additional services from private providers on top of what the City provides. Private waste companies provide a wide ranging service that is tailored to the needs of a business and costed in a way that incentivises material recovery.

Project 8 of the City's Waste Strategy 2018 – 2023 "Commercial Waste Collections Options Appraisal" was established to investigate the value of providing the existing commercial service in this capacity and review alternative options.

With FOGO being rolled out to all residential properties from October 2021 there was further reason to review how, or indeed if, the City should provide commercial waste collections in the future, as the standard domestic 3-bin FOGO system will not be suitable for commercial premises.

At its March 2020 Ordinary Council Meeting, Council gave in principle support to the business case for the discontinuance of commercial waste services from 30 June 2021.

A comprehensive communications strategy is required to effectively communicate the discontinuation of services. This Communications Strategy will detail how the City will engage with businesses prior to, during, and post the discontinuation of City managed commercial waste collections services and outline the additional support, advice and guidance that will be provided during the transition to the new waste services provider.

2. Aim

Effective communication is key to supporting change and managing any potential opposition or misconceptions that the discontinuance of commercial services may bring. Good communication will help businesses in transitioning quickly to a new private waste service provider so that there is no or minimal impact on the businesses' daily operations.

The key aim of this Communication Strategy is to engage with businesses, prior to, during and post the discontinuance of services, to ensure all businesses can transition smoothly to the new waste collection services.

This Communications Strategy outlines the type of media that will be used to support the changes to services. It is intended for use until the cessation of City services, during the switchover to the new supplier and beyond. It illustrates activities that will be used to support the changes with the aim of effectively communicating key messages to businesses, as well as providing additional support and guidance to ensure a seamless transition for all affected businesses.

This document will identify the main methods of communication that will be used to implement the change of service and how to manage media relations.

The City's key underpinning marketing objectives are to:

Communicate the discontinuance of City commercial waste collection services from 30 June 2021 and the effect this will have to commercial premises currently receiving a waste and recycling service through the City of Vincent.

3. Target Audience

The main target market is all commercial premises in the City of Vincent.

4. Stakeholders

4.1 External stakeholders

Whilst the City cannot recommend specific commercial waste contractors, it has approval from WALGA to provide their Preferred Supplier Panel List and aligning key contact details to the City's Commercial Customers.

The City will ensure this information is incorporated into its communication/education materials, to ensure a seamless transition for commercial customers.

The City will also notify waste management industry professional bodies/associations - Waste and Recycling Industry for Western Australia (WRIWA) and Waste Management & Resource Recovery Association Australia (WMRR) - of the City's commercial service discontinuation, so that they may actively approach businesses with their service offerings.

- **Waste Industry Associations/Bodies**

The Waste and Recycling Industry for Western Australia (WRIWA).

WRIWA have indicated they would alert their members should the City decide to discontinue its commercial activity. Their members are drawn from private sector operators and include large nationally based waste collection and recycling companies, landfill owners and operators, and state/locally based C&I and C&D collection, processing and recycling companies. WRIWA is committed to improving the Western Australian waste and recycling industry through the creation and promotion of industry driven policy.

Waste Management & Resource Recovery Association Australia (WMRR)

WMRR will also be approached upon approval to proceed. WMRR is the only national peak body for the waste and resource recovery industry. Their membership covers the entire spectrum of the industry including landfill, recycling and resource recovery, energy from waste, e-waste, organics, construction and demolition, commercial and industrial, hazardous and biohazardous waste sectors, with members ranging from large multinational corporations, SMEs, local and state governments, equipment and service providers, and individuals. They provide a range of services to support services to members, including advocacy, conferences and networking events, information, learning and training.

4.2 Internal stakeholders

Internal stakeholders are vital in ensuring clear and consistent messaging during each communication stage and these include: Elected Members, Customer Service staff, Marketing Services, operational staff, Planning Officers, Place Managers, EHO's, Rangers Service and other employees.

5. Communication Stages

This Communications & Consultation Strategy will be rolled out in a number of stages:

- Pre-discontinuance of service – to provide clear information on the service change and what will happen next
- Post- discontinuance of commercial service – to continue to educate businesses on best waste management practice and support the City’s target of zero waste to landfill by 2028.

| Key Timeframes | Description | Target | | | | | | |
|-------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------------------------------------|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Pre- discontinuance of commercial service (up to 30/6/2021) | | | | | | | | |
| September 2020- December 2020 | <p>The City to advise businesses the change is happening via traditional letters sent via rates database. CoV will ensure commercial tenants receive appropriate communications, in addition to the owner/strata manager, where applicable.</p> <p>All communications to be captured in Commercial Action Register (initially populated from Rates Commercial Database).</p> <p>Details in the letter to include;</p> <ul style="list-style-type: none"> • Why the city will be discontinuing the commercial service (rationale for change) • Additional benefits of an outsourced commercial service (e.g. variable bin infrastructure, additional waste streams and waste recovery/diversion, 7 day collections and collections out of standard business hours, drive on collections, environmental reporting, etc.) • Key dates of change occurring • Opportunity to contact the City directly to discuss best collection options for them • Recommend a formal letter on standard CoV letterhead for initial information. • DL/flyer with key dates and educational information, including, for example: a list of other waste streams that may be collected by private contractors, giving businesses information about waste streams that may be generated from their type of business. For example: <table border="1"> <thead> <tr> <th>Business Type</th> <th>Waste likely to be generated</th> <th>Examples of Waste streams with best environmental outcome</th> </tr> </thead> <tbody> <tr> <td>Restaurant/Cafe</td> <td> <ul style="list-style-type: none"> • Food waste/coffee • Packaging (Cardboard) • Glass • Cans • General Waste </td> <td> <ul style="list-style-type: none"> • Food Waste • Glass Bin • Co-mingled Recycling • General Waste </td> </tr> </tbody> </table> | Business Type | Waste likely to be generated | Examples of Waste streams with best environmental outcome | Restaurant/Cafe | <ul style="list-style-type: none"> • Food waste/coffee • Packaging (Cardboard) • Glass • Cans • General Waste | <ul style="list-style-type: none"> • Food Waste • Glass Bin • Co-mingled Recycling • General Waste | <p>All businesses</p> <p>Private Waste Companies Internal staff</p> |
| Business Type | Waste likely to be generated | Examples of Waste streams with best environmental outcome | | | | | | |
| Restaurant/Cafe | <ul style="list-style-type: none"> • Food waste/coffee • Packaging (Cardboard) • Glass • Cans • General Waste | <ul style="list-style-type: none"> • Food Waste • Glass Bin • Co-mingled Recycling • General Waste | | | | | | |

| | | | |
|------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| | <ul style="list-style-type: none"> • Food waste • Packaging (Cardboard, Plastic) | <ul style="list-style-type: none"> • Food Waste • Cardboard • General | |
| | <ul style="list-style-type: none"> • Packaging (Cardboard, Plastic) | <ul style="list-style-type: none"> • Cardboard • General Waste for all non-recyclables | |
| | <ul style="list-style-type: none"> • Food waste • Packaging (Cardboard, Plastic) | <ul style="list-style-type: none"> • Food Waste, switch to compostable take away containers • Cardboard • General Waste (non-recyclables) • Co-mingled Recycling | |
| | <p>In addition to traditional letters, available database of business e-mail addresses will be used to send electronic direct mail (eDM) outlining the change and what is going to happen.</p> <p>Item on the City website to go live with links to a Q&A style page where businesses can go for extra information. Waste to create page on website, under Business and/or Waste, with inclusion of Waste Team telephone contact details, for businesses to call for further advice and guidance.</p> <p>Provision of WALGA Preferred Supplier Panel List and aligning key contact details for the City's Commercial Customers. Option to notify waste management industry professional bodies/associations (WRIWA and WMRR), regarding commercial service discontinuation, so that they may actively approach businesses with their service offerings.</p> <p>Brief internal staff (e.g. Place Managers, Planners, Customer Service Officers, Environment Health Officers, Finance/Rates, Rangers, etc.) so they are equipped to answer questions and provide advice.</p> | | |
| March-June 2021 | <p>Reiterate the change and also be on hand to propose best collection services for businesses. Opportunity to re-iterate the change/benefits. Include information in rates notice.</p> | | All businesses |
| July 2021 | <p>Services officially cease 30/6/2021. Commence the communicated bin removals. Waste to monitor collections and where a business hasn't arranged direct collection services the waste team will need to liaise on case by case basis to ensure continuity of appropriate waste services. Allow the month of July for City bin removals and transition to the new provider. Additional resources to be available for potential 'missed' services during the transition.</p> | | All businesses |
| <p>Post discontinuance of commercial service (from 1/8/2021)</p> | | | |
| August-September 2021 | <p>Waste Team to continue monitoring collections and where a business hasn't arranged direct collection services, the waste team will need to liaise on case by case basis to assist as necessary.</p> <p>Ongoing education material via website/business e-news/rates</p> | | All businesses |

Table 1 CoV Discontinuance of Commercial Service - Communication Timeframe

5.1 Communication Channels

The integrated marketing campaign will include a number of elements:

- Printed materials
- Commercial Information Page on Website
- Digital assets
- Direct mail
- Electronic direct mail
- Social media (responses to customer enquiries)
- Telephone
- Face to face interaction and opportunities
- Rates notice for businesses

5.2 Supporting information

- Waste Authority Website. <https://www.wasteauthority.wa.gov.au/>
- WA Government - Own your Impact Campaign. <https://ownyourimpact.com.au/our-waste-problem/>
- Recycle Right App. <https://recycleright.wa.gov.au/>
- The Waste and Recycling Industry for Western Australia (WRIWA). <https://www.wriwa.com/>
- Waste Management & Resource Recovery Association Australia (WMRR). <https://www.wmrr.asn.au/>
- WALGA Preferred Supplier Program <https://walga.asn.au/Preferred-Supplier-Program.aspx/>