

No.     **CORRESPONDENT:**     **Mr Mal Ellson**  
          **FILE NUMBER:**         *insert file no.*  
          **ATTACHMENT:**        / 05

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### **DISCUSSION**

In response to the email dated 16 March 2007 sent to all Councillors in relation to the new Garbage System, the following information is provided-

#### **Community Bins**

The bins at the Kingscote Warf are the only ones that have been reported with this issue and the Garbage Collection Vehicle Driver has not seen this issue across KI. The bin closers at the Kingscote Warf will be replaced as soon as possible.

#### **Roadside Litter**

There have been numerous reports about this issue and it is being followed up as soon as it is reported however I can advise the following-

#### ***Kerbside Collection Truck-***

The “hopper” was modified prior to Christmas 2006 and no reports have been received since that time.

Future reports need to identify when rubbish was observed escaping- the contractor is enquiring as to weather it is still occurring and the driver is not observing litter escaping.

The Contract between Council and Solo Resource Recovery for the Garbage and Recyclable Collection Service requires Solo Resource Recovery to clean up spilt material- this however can only be enforced if reports are accurate and timely.

#### ***Transfer Trailer-***

Changes have occurred to the lids to make the “tarps” overlap significantly. Staff loading the trailer have been in discussion with Solo in relation to how best load the trailer so the lids stay down “flat”.

The trailers are about to go for a major service so the lid issue will be addressed further at this time.

#### ***Hog Bay Road-***

As part of Councils contract with DETI, Council undertakes a litter pick up.

Council recently picked up litter along the Hog Bay Road (from Grace James Corner to Baudin Beach Hill) and collected 4 wheelie bins of litter. The litter consisted of cans, tyres, batteries,

mud guards, some cardboard etc which is consistent with roadside litter in any location in South Australia.

The most obvious litter was the “toilet paper” which was not from the garbage service but inappropriate actions of some residents, and this returned 2 days after the litter pick up.

#### Cost of Collection

The Service Charge- Waste is charged on a per property basis to recover all costs associated with the Waste Management Program on Kangaroo Island. In simple terms it has two components, based on the 2006/07 amounts-

\$185 General Operating which is a community as a whole responsibility

\$100 Kerbside Collection

OR

\$185 Unoccupied

\$285 Occupied

NOTE- These amounts have remained constant for 2005/06 and 2006/07 and are likely to remain the same in 2007/08 subject to final modelling. This is an actual decrease in the amounts due to the waste program going into operational mode rather than construction.

The 2 methods suggested by Mr Ellson have been briefly discussed with Solo Resource Recovery and they have advised the following-

#### *Method 1*

It is not possible for the driver to enter data onto the laptop as they drive around. To achieve this Council would need to employ a person to ride in the truck to enter the data, provide the equipment (laptop etc) and databases, download the data and send out invoices/rate notices etc. This would however not be an extra cost to Council in relation to the existing contract with Solo Resource Recovery but a cost for the extra employee and time to provide invoices etc- suggest the cost would be in excess of \$100,000 per year.

#### *Method 2*

Solo Resource Recovery quoted, as part of the initial tender process, for the “bar code” arrangement, to enable Council to “track bin locations” and this would have been an additional \$25,000 per year. Solo could not guarantee the reliability or longevity of the system due to the “dusty” and “corrugated” roads. This was also without the additional administrative cost on sending bills etc.

Based on current Commercial charging arrangements the cost **per bin** for introducing this program would be \$5/bin collected (or \$10 per premise). This ONLY includes the Kerbside Collection component of the waste program. To ensure full recovery of all costs associated with the waste program \$10/bin collected (or \$20 per premises) would need to be charged

In relation to the alternative system suggested the following questions/comments are raised-

- How can Council be sure to cover all costs as even if no bins are picked up there will still be a cost to Council? Solo will still charge the base rate even if no bins are picked up as the truck costs continue?
- As people are paying per bin, will this increase illegal dumping- the current principle is every body pays so they will use it?
- While Mr Ellson is “reducing, reusing and recycling” he is in the minority and a major change such as is proposed will create further hardship to the majority of the community and further issues with rating policies.

Another alternative could be similar way to the way SA Water, AGL and Telstra charge for their services-

Connection Charge-	\$185 (based on 2006/07)
PLUS Service Charge-	>\$5/bin collected

While the current system is not perfect it is the most equitable way Council can implement such a system. There are other anomalies such as the cost of collection in Kingscote is far less than all other locations on Kangaroo Island. The collection vehicle travels 1,300km per week and about 100km on a Wednesday for Kingscote alone. Approximately 50% of the bins are also collected on Wednesday.

With the introduction of the Service Charge- Waste a “Business Unit” was established as all income (including tip fees and recycling income) and expenditure is required to be spent on the waste program. This has provided officers with the incentives to increase income from numerous sources which it is hoped will decrease the dependence on the Service Charge.

When the Service Charge was introduced the tip fees for household waste or small loads was abolished as compensation. Mr Ellison will state that he never payed tip fees in the past however with the Waste to Landfill Levy (payable to the

Environment Protection Authority EPA) is likely to increase from \$5/t to \$50/t by 2014 this could not have been maintained without large increases and without the Service Charge.

The Service Charge is not included in “Rate Capping” and as a result does not effect the “General Rate” component of the budget and as a result the expenditure in other areas of Council. It may be possible to abolish the Service Charge and include the expenditure with the income from the “General Rate” however it is likely that waste will then impact on other operations of Council.

Many other Council’s are looking to introduce a Service Charge- Waste, in NSW it is legislated. Like CWMS, waste is a service provision that ultimately should be a State responsibility.

#### **RECOMMENDATION**

1. Mr Ellson be provided with a copy of the above report.
2. The Service Charge- Waste remain divided as in previous years with final amounts determine as part of the rating policy.

#### **Motion**

*Moved Cr*

*Seconded Cr*

*That the recommendation be adopted.*