

Relevant Information for Council

FILE: X020580 **DATE:** 18 November 2019

TO: Lord Mayor and Councillors

FROM: David Riordan, Director City Services

THROUGH: Monica Barone, Chief Executive Officer

SUBJECT: Information Relevant To Item 6.9 – Contract Variation - Major Services for Domestic Waste Collection

For Noting

This memo is for the information of the Lord Mayor and Councillors.

Purpose

To answer questions raised by Councillors at the 11 November 2019, Corporate, Finance Properties and Tenders Committee on Item 6.9 – Contract Variation - Major Services for Domestic Waste Collection.

Background

At the meeting of the Corporate, Finance, Properties and Tenders Committee on 11 November 2019, further information was sought in relation to the Contract Variation:

1. **Contracted area versus area managed by City staff:**
 - (a) **Comparisons between the previous contractor, Cleanaway and City of Sydney**

Total Local Government Area (LGA) has approximately 90,000 bins a week including 35,000 red bins, 45,000 yellow bins and 10,000 green bins. Cleanaway are responsible for collecting all recycling (yellow lid) bins and all garden organics (green lid) bins.

| Number of Rubbish Bin (Red Lid) Services* per week | | | | | | | | |
|---|------|------|------|------|------|------|------|--------|
| | Mon | Tue | Wed | Thu | Fri | Sat | Sun | TOTAL |
| Cleanaway | 4045 | 8083 | 5680 | 6436 | 5707 | 1964 | 1238 | 33,153 |
| City of Sydney - Garbage Services | 3745 | 2569 | 4639 | 1264 | 3513 | Nil | Nil | 15,730 |

*Services include multiple collections of the same bin

Table 1 - Division of Rubbish Bin Collections

Booked versus Missed Bulky Waste Collection

Between August and October 2019, missed bulky waste was Cleanaway 6.24%, City of Sydney 7.46%.

Missed Rubbish Bin (Red Lid) Collection

Between August and October 2019, missed Rubbish (Red Lid) was Cleanaway 0.49%, City of Sydney 0.69%.

(b) Explanation of the future of the South Sydney staff (concerns around equivalent roles being offered)

There are 27 Garbage Services staff, of these nine are previous South Sydney staff, operating under the South Sydney Award. All staff will be offered roles at the City Of Sydney and maintain their current salary. No jobs will be lost as a result of this change.

(c) Further information on the contractors performance (missed collections/illegal dumping/level of complaints) / service level requirements of the contractor

Since 1 July 2019, a new process has been implemented to ensure all missed services and all illegal dumps are recorded and reported. The data clearly shows that there has been an improvement in missed services and illegal dumping throughout the LGA.

As per the Cleanaway agreement with the City of Sydney any illegal dump identified by Cleanaway staff is taped, stuck and photographed with an email to City of Sydney Customer Service to log and allocate the request. Cleanaway have 24 hours to collect it from receipt of the request.

| WASTE SERVICES | City of Sydney Garbage Services Staff | | City of Sydney Public Domain – Cleansing Staff | | Cleanaway | |
|------------------------------|---------------------------------------|------------|--|------------|------------|------------|
| | North Area | South Area | North Area | South Area | North Area | South Area |
| Rubbish (Red Lids) | | ✓ | | | ✓ | |
| Recycling (Yellow Lids) | | | | | ✓ | ✓ |
| Garden Organics (Green Lids) | | | | | ✓ | ✓ |
| Booked Household Bulky Waste | | ✓ | | | ✓ | |
| Metals / Kerbside E-Waste | | | | | ✓ | ✓ |
| Food Scraps Trial | | ✓ | | | | |
| Illegal Dumps | | | ✓ | ✓ | ✓ | ✓ |
| Bin Replacement and Repair | | | | | ✓ | ✓ |
| Street Sweeping | | | ✓ | ✓ | | |

Table 2 – Division of Current Services Provided

(d) Consideration of value for money/quality/rates of diversion (environmental concerns)

Refer to Confidential Attachment A for financial implications.

Quality of service through Cleanaway has improved since the first three month “transition-in phase”, this is demonstrated through a reduction in missed services to agreed Contract KPI level, and diminished waste related customer service registrations during September and October 2019 to prior month trends. This positive trend is continuing in November 2019.

| Monthly Reported Missed Services Collections (September 2019) | |
|--|-------|
| Red Bin Waste | 1.29% |
| Yellow Bin | 0.57% |
| Green Bin | 1.13% |
| Booked Bulky Waste Collections | 0.02% |

Total LGA has approximately 90,000 bins a week including 35,000 red bins, 45,000 yellow bins and 10,000 green bins

Table 3 - Monthly Reported Missed Services Collections (September 2019)

2. Comparison of levels of satisfaction / service standards

Between April 2019 and September 2019 waste related issues were a key concern for customers however, results indicate this is now changing with marked improvement in the City of Sydney’s ability to provide a more satisfying experience and service for our residents.

In relation to service standards, reported missed services have trended downward since Cleanaway’s service contract began in July. Cleanaway’s response and service times in relation to booked services is satisfactory. Their response times in relation to missed services and illegal dump collection is also within Contract KPIs.

The number of missed services in the area serviced by City of Sydney in-house Garbage Services staff has increased as a percentage of scheduled services since 1 July 2019 and this higher level of missed services has been consistent from July to October 2019.

3. Comparison of rates of diversion from landfill

- General Waste (red lid/putrescible waste) – via SUEZ, Diversion = 30%
- Booked Bulky Household Waste and Non-Putrescible Illegal Dumps – via Veolia = 52%

The recent Environment Protection Authority policy changes and the Asian bans on importing processed waste have had an impact on diversion rates throughout NSW.

As this contract variation relates to collection and not management for waste, diversion rates are the same for waste collected by Cleanaway and waste collected by City staff. Rates of diversion are not impacted by Cleanaway or Garbage Services. Separate receipt and processing contracts are in place with other providers e.g. SUEZ and Veolia.

4. Comparison of level of complaints around waste and illegal dumping

Complaints under URM, Cleanaway and City of Sydney Garbage Services have been consistent at about 0.5% however there have been spikes in complaints when transitioning to a new provider.

5. Workforce Implications

All staff will be offered roles at the City Of Sydney and maintain their current salary in accordance with the *Local Government General Regulation 2005* clause 178 (1A). Every effort will be made to accommodate staff choices across depots and current shift schedules.

These roles will include servicing street litter bins throughout the LGA, managing the collection of a new service: the collection of food waste, the cleansing of the public domain and additional teams to respond to customer requests.

No jobs will be lost as a result of the proposed contract variation. The City is endeavouring to improve the services throughout the Local Government Area (LGA) for all residents, communities and visitors.

Staffing levels for the Cleansing and Waste Business Unit for the five years from 2015 to 2019 are as follows:

| Approved Positions (FTE) | As At 30/06/2015 | As At 30/06/2016 | As At 30/06/2017 | As At 30/06/2018 | As At 11/11/2019 |
|--------------------------|------------------|------------------|------------------|------------------|------------------|
| Total | 256.0 | 257.0 | 257.0 | 254.4 | 265.0 |

Table 4 - Staffing levels for the Cleansing and Waste Business Unit

Cleanaway was awarded the City's contract for domestic waste which came into effect on 1 July 2019. Cleanaway employs staff to provide services to the City of Sydney under an Enterprise Agreement. The Enterprise Agreement was negotiated with the Transport Workers Union.

This agreement was ratified by the Fair Work Commission but is not published on the Fair Work Commission website. The rates are confidential between those parties.

By law the base pay rate in enterprise agreements cannot be less than the base pay rate in the Industry Award (the Waste Management Award 2010) and the National Employment Standards still apply.

Memo from David Riordan, Director City Services

Prepared by: Catherine Price, Manager Cleansing and Waste Services

Approved

A handwritten signature in black ink, appearing to read 'P. M. Barone', with a long horizontal flourish extending to the right.

**MONICA BARONE,
CHIEF EXECUTIVE OFFICER**

Attachments

Attachment A. Financial Implications (Confidential)