

Item 10

City of Sydney Waste Management and Operating Environment

File No: S095194.009

Summary

The City of Sydney has run a combined internal and external waste service since before the amalgamation in 2004. Prior to amalgamation, the City of Sydney's waste services were run by Living City Services. The South Sydney Council had an internal and external waste service delivery model, and the external services were run by Collex Pty Ltd which then became Veolia Pty Ltd.

Since September 2018 and following a competitive tender process, the City's contract provider for domestic waste services has been Cleanaway Pty Ltd. Cleanaway is responsible for the collection of general (red bin) waste, recycling (yellow bin), organics (green bin). Cleanaway is also responsible for booked bulky household clean-ups, e-waste and whitegoods, illegal dumps from the kerbside and the supply, delivery, maintenance and repairs of residential bins.

For the majority of the life of this current contract, Cleanaway like many other service delivery organisations in Australia, have been impacted by the effects of the Covid-19 pandemic.

In August 2022, Council was provided with a briefing that included an overview of services the City provides, information on waste-related contracts the City manages and information on where the local area's waste is transported and processed. Refer Attachment G

Over the past month, the service provided by Cleanaway has been interrupted by industrial action. The industrial action has arisen as a result of Cleanaway staff and their union, the Transport Workers Union (TWU), negotiating their new Enterprise Agreement with Cleanaway. To date there have been four days of industrial action, the first of which occurred on 20 January 2023.

In light of this recent disruption to domestic waste collection, this consolidated report is provided. The City is continuing to work with its contractor to ensure this is done to the highest possible standard.

Waste collection is an important service, traditionally undertaken by local councils. Although there is no express legislative obligation for local government authorities to deliver domestic waste services, it is inherent that where a fee is charged for the provision of these services they will be provided.

Recommendation

It is resolved that the Chief Executive Officer be requested to:

- (A) work with the Audit, Risk and Compliance Committee to review major waste contracts to ensure current and future contracts are fit for purpose and adequate resources are provided to manage them;
- (B) develop a community engagement process that will provide Council with community information on the best ways to manage and monitor domestic waste; encourage activities that will reduce waste and improve recycling; encourage the take up of the food waste program and understand the community's preference for the delivery of the future food organics service and assist Council to set appropriate service levels for the future; and
- (C) provide a briefing to Council on the proposed community engagement process and the funds required for the process as part of 2023/24 budget preparation.

Attachments

- Attachment A.** Average Weekly Reported Missed Collections 2023
- Attachment B.** Waste Management Council Briefing - February 2023
- Attachment C.** Summary of City of Sydney Communications with Local Community regarding Cleanaway Industrial Action
- Attachment D.** City of Sydney Letters sent to Community regarding Cleanaway Industrial Action - February 2023
- Attachment E.** History of City of Sydney Domestic Waste Contracts
- Attachment F.** Current Waste Management Contracts and Services
- Attachment G.** Managing Waste and Resources at the City Council Briefing - August 2022
- Attachment H.** Waste Management Legislation and Policy
- Attachment I.** 18 November 2019 – Contract Variation Major Services for Domestic Waste Collection - Resolution of Council and Report
- Attachment J.** 17 September 2018 – Tender – Domestic Waste Collection Services - Resolution of Council and Report
- Attachment K.** 18 November 2019 - Contract Variation Major Services for Domestic Waste Collection – Attachments and Council Briefing (Confidential)
- Attachment L.** 17 September 2018 – Tender – Domestic Waste Collection Services - Attachments and Council Briefing (Confidential)

Background

Information on waste management and recent industrial action

1. Waste collection is an important service, traditionally undertaken by local councils. While there is no legislative mandate to provide waste collection services, this has been a traditional function of local government.
2. The Local Government Act 1993 provides that where a domestic waste collection service is provided the council must charge a fee for that service.
3. Like an estimated 95 per cent of local governments in NSW, the City contracts an external waste contractor to help deliver the best services possible for the community.
4. The City has run a combined internal and outsourced cleansing and waste service for more than 20 years. This enables us to provide a range of services, respond to the community's needs, and adapt when short-term issues arise.
5. The City of Sydney has approximately 220 staff who work in the field and are responsible for street cleaning, street litter bins, parks and general cleansing including hot spots, and assisting with the removal of dumped rubbish.
6. The City contracts Cleanaway to pick up domestic waste. This includes general (red bin) waste, recycling (yellow bin), organics (green bin), booked bulky household clean-ups, e-waste and whitegoods, and illegal dumps from the kerbside. Cleanaway has approximately 80 staff who provide this service.
7. Over the past month, the Cleanaway service has been interrupted by industrial action:
 - (a) Friday 20 January 2023 – southern area – Camperdown, Centennial Park, Chippendale, Moore Park, Newtown, Paddington, Darlington;
 - (b) Friday 27 January 2023 – southern area- Camperdown, Centennial Park, Chippendale, Moore Park, Newtown, Paddington, Darlington;
 - (c) Tuesday 7 February 2023 – northern and southern areas – Barangaroo, Millers Point, Rocks, Sydney, Haymarket, Glebe, Forest Lodge, St Peters, Alexandria and Beaconsfield; and
 - (d) Tuesday 14 February 2023 – northern and southern areas – Barangaroo, Millers Point, Rocks, Sydney, Haymarket, Glebe, Forest Lodge, St Peters, Alexandria and Beaconsfield.
8. As a consequence of the industrial action in these locations, further disruptions occurred in other areas of the City of Sydney whilst Cleanaway sought to catch up with the overdue collections. The following additional challenges are noted:
 - (a) in response to the industrial action that occurred on Fridays 20 and 27 January 2023, Cleanaway delayed these services by 24 hours to the following Saturday; and
 - (b) in response to the industrial action that occurred on Tuesdays 7 and 14 February 2023, Cleanaway was forced to delay all collections scheduled for the immediate Wednesday, Thursday and Friday following, by 24 hours each.

City of Sydney and Cleanaway response to industrial action

9. During this period and in order to manage the disruption to domestic waste collections, the City has:
 - (a) deployed its own staff to focus on booked pickups and illegal dumps, and in some instances domestic waste pickups when there has been an urgent health and safety issue identified; and
 - (b) suspended booked pickups, except for urgent requests.
10. Cleanaway also scheduled additional staff on the Saturday in order to address the collections from the day of the industrial action prior.
11. The City is not paying Cleanaway for services it does not deliver and that are provided by the City.
12. Council was briefed on 6 February 2023 regarding this issue. This briefing detailed the situation, response and communications. Refer Attachment B.
13. A full summary of further actions the City has undertaken to minimise service disruption for local residents is provided below:
 - (a) on 9 January 2023, the City suspended bulky waste bookings when we were concerned about overdue collections;
 - (b) overdue bulky waste bookings continued to climb in throughout January due to bookings received prior to the suspension;
 - (c) the City also continued to accept urgent requests for bulky collections and reports of illegal dumping;
 - (d) during this period, City staff supported urgent collections of bulky waste, prioritising illegal dumps;
 - (e) Cleanaway continues prioritising red, yellow and green bins, with remaining resources allocated to bulky waste collections;
 - (f) on 18 January 2023, the Cleansing and Waste Business Continuity Plan (BCP) was activated following notification that industrial action by Cleanaway staff would occur on 20 January 2023;
 - (g) the first day of industrial action exacerbated delays in overdue bulky waste collections, and the expected reduction was not achieved;
 - (h) on Monday 30 January 2023, City staff commenced clean-up operations to clear booked services and illegal dumps;
 - (i) by Friday 17 February 2023, outstanding booked services and illegal dumps returned to manageable levels; and
 - (j) bookings for bulky waste collections recommenced on 17 February 2023, with collections recommencing on 21 February 2023.

14. The City has not intervened in the industrial action between Cleanaway and their staff as this would be a breach of the contract the City holds with Cleanaway for the delivery of domestic waste services.

Average weekly reported missed collections 2023

15. Data on recent missed collections is provided at Attachment A.

City of Sydney communications

16. A summary of communications is provided at Attachment C.

Lord Mayor's meeting with the Cleanaway Chief Executive Officer

17. The Lord Mayor met with Cleanaway in its capacity as a contract-holder with the City of Sydney.
18. Under its contract with the City, Cleanaway is expressly responsible for industrial relations issues arising with its employees and is solely responsible for maintaining the employer-employee relationship.
19. The Lord Mayor has strongly urged Cleanaway to resolve the dispute with its workers quickly and Cleanaway has committed to doing so. The Lord Mayor stressed that the City of Sydney supports the rights of workers to take action to achieve fair wages and conditions and understands there may be additional industrial action.

City of Sydney communications and meetings with Cleanaway

20. The City of Sydney Chief Executive Officer has spoken with the Cleanaway Chief Executive Officer, Cleanaway General Manager and/or the Cleanaway Head of Corporate Affairs on most days over the past month.
21. Senior City staff also met with senior Cleanaway staff on 9 February 2023 to directly discuss Cleanaway's response to the industrial action.
22. City staff continue to meet with Cleanaway staff daily, and have done so since 2 January 2023 (prior to the industrial action), to identify strategies and opportunities to collectively minimise any impact on local residents.

Council decisions relating to the Cleanaway contract

23. In September 2018, following a competitive tender process, Council resolved to enter into a contract with Cleanaway Pty Ltd for domestic waste collection services.
24. The Council resolution, associated report and attachments and the briefing provided to Council at the time are provided in Attachments J and L.
25. In November 2019, Council resolved to vary the terms of contract with Cleanaway Pty Ltd for domestic waste collection services.
26. The Council resolution, associated report and attachments and the briefing provided to Council at the time are provided in Attachments I and K.

Cleanaway contract

27. The terms and value of the City's contract with Cleanaway are:

Current: Cleanaway Contract - RFT No. 1822 (Cleanaway)

Term: 7 years + 2 extensions (extension 1 is 2 years and extension 2 is 1 year)

- Start date: Commenced 1 July 2019
- Value: \$117,959,147 over the contract term including both extensions and the contract variation in 2020
- First Variation: expand the collection services to the south of the city.

28. A full contract history of all City of Sydney domestic waste contracts over the past 20 years is provided in Attachment E.

Waste strategy and action plan 2017-2030

29. The City's current waste strategy, [Leave nothing to waste: Waste strategy and action plan 2017-2030](#) was adopted by Council (following public exhibition) on 23 October 2017.

Rodent monitoring and baiting program

30. The City undertakes a baiting and monitoring program to control rodent activity on public spaces. Currently, there are 937 bait stations and 40 smart catch devices deployed across the local area.

31. Areas identified with the highest levels of rodent activity are prioritised with bait stations. Prioritisation is based on the number of complaints received and data captured through the smart catch devices.

32. The areas with the highest numbers of bait stations are:

- (a) Surry Hills - 147 stations
- (b) Redfern - 71 stations
- (c) Ultimo - 52 stations
- (d) Potts Point - 43 stations
- (e) Woolloomooloo - 41 stations.

33. Data from the 40 smart catch devices indicate no increase in rodent activity for the period of November 2022 to the present:

- November 2022 – 103 rodents caught
- December 2022 – 102 rodents caught
- January 2023 – 107 rodents caught

34. At the time of writing this report for the part-month of February 2023, 40 rodents have been caught which is on par with previous months.

Relevant Legislation

35. Local Government Act 1993 (NSW).
36. Section 10A of the Local Government Act 1993 provides that a Council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.
37. Attachments K and L contain confidential commercial information, which if disclosed, would confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business.
38. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.
39. Protection of the Environment Operations Act 1997 (NSW).
40. Public Health Act 2010 (NSW).
41. Public Health Regulations 2022 (NSW).
42. Waste Avoidance and Resource Recovery Act 2001 (NSW).
43. Fair Work Act 2009 (Cth).
44. Fair Work Regulations 2022 (Cth).
45. Work Health and Safety Act 2011 (NSW).

MONICA BARONE

Chief Executive Officer