# Reducing our waste. Changing our service.

## Waste charge

We will be introducing a 4-bin waste service. This will affect how often we collect your bins, how we collect hard waste and how we charge for the service. Find out what the changes could mean for your annual waste charge.

## What is the waste charge?

The waste charge recovers the annual cost of delivering the kerbside waste service. It is paid by ratepayers (that is, property owners) through an annual charge on your Council rates notice and is reviewed every year.

It entitles all residential properties that pay the charge to receive garbage, recycling and food and garden organics (FOGO) kerbside bin collections and hard waste collections. Commercial properties can also pay the waste charge and use Council’s waste service.

Properties with private waste collection services are not required to pay Council’s waste charge.

The current waste charge is calculated based on the size of the garbage bin being used.

## What does the waste charge cover?

The waste charge recovers the full cost of providing our kerbside waste collection service including:

* collection of bins, including running and maintaining garbage trucks;
* waste disposal and processing fees;
* the landfill levy charged by the State Government;
* labour;
* new and replacement bins;
* education and programs to reduce waste to landfill and increase resource recovery; and
* administration.

The 2020/21 costs of providing Council’s kerbside waste service was $16.1 million dollars.

## Waste charge breakdown

The breakdown of the 2020/21 waste charge is:

* Collection costs 31%
* Disposal and processing fees 30%
* Landfill levy 12%
* Labour costs 14%
* Waste education programs 6%
* Cost of bins 5%
* Administrative costs 2%

## What is the landfill levy?

The landfill levy is set by the State Government and charges per tonne of waste sent to landfill. It acts a price signal to reduce waste sent to landfill. The landfill levy will increase over the next few years, starting from July 2021. This means the cost of delivering our waste service will increase, regardless of any changes.

The proposed changes to our waste service will help to manage these costs because it saves the most waste from landfill. The less we send to landfill, the lower the cost impact of the landfill levy will be.

The landfill levy rose from $65.90 in 2020/21 to $105.90 in 2021/22 and is set to rise again next financial year.

## How will the waste charge change?

The draft Kerbside Waste Service and Charge Policy (“draft waste policy”) outlines how ratepayers would be charged for the proposed service. The current waste charge is calculated based on the size of the garbage bin being used, with the standard charge based on an 80 litre garbage bin.

We are proposing to change how the waste charge works.

For households with individual bins, we are proposing that your waste charge will depend on the size of *all* the bins being used – garbage, food and garden organics (FOGO), recycling and glass bins. The charge for the glass service will cover either a household bin or access to a glass recycling drop-off point.

Similar to how the current waste charge works, smaller bins (where available) would cost less than the standard bin sizes, and larger bins would cost more.

Where bins are shared (e.g. in apartments, units, flats and townhouses), there would be a lower charge for all users.

We are proposing to expand concessions to increase the number of households that might be eligible for a larger garbage bin at no extra cost.

## Will ratepayers have to pay more?

There will be some increase in the waste charge paid by ratepayers to cover the costs of the new glass recycling collection, expanded food and garden organics (FOGO) service, and the increasing landfill levy.

We don’t know yet how much the waste charge will be. It is calculated annually based on projected costs for the year head. The timing and costs of the service change will depend on the final endorsed service and how it is rolled out.

We heard that keeping costs low is important to the community, so we will be working hard to manage the impact of the increase on ratepayers, keeping costs as low as possible. The service we are proposing is modelled to have the lowest long-term costs. Households can minimise what they are charged by reducing how much waste and recycling they generate (because smaller bins cost less).

The overall cost of the proposed service, which is covered by the waste charge, will depend on many factors including how often bins are collected (weekly collections cost more), the amount of waste generated by the community, State Government funding, and future ‘gate fees’ for each waste stream.

## How will the new waste charge be calculated?

Households using the standard service will pay for:

* a 120 litre food and garden organics (FOGO) bin collected weekly;
* a 120 litre garbage bin and 240 litre recycling bin collected on alternate fortnights;
* a 120 litre glass bin collected monthly or access to a glass drop-off point; and
* 2 booked hard waste collections each year.

We heard from the community that households should pay more if they generate more waste, and that households with less waste should pay less.

A ‘price signal’ has been retained in the draft waste policy to incentivise households to reduce their household waste and select the bin size to match (up to allowed maximum capacities), while also helping prevent overflowing bins.

The price signal is determined by a ‘multiplier’, which sets out the percentage of price increase or decrease from the standard charge depending on the bin size chosen. Choosing larger or additional bins will increase your waste charge, while smaller bins will reduce the charge.

Individual bins cost more than shared bins to service, so a discount for ratepayers using shared bins is included in the draft waste policy.

## Waste charge price signal

The proposed waste charge multipliers, or price signals, in the draft waste policy are listed below. The multiplier is used as a price signal to financially incentivise people to use smaller bins and reduce their household waste.

* Shared bins will be charged at 65% of the standard size bin charge. This can be applied to all 4 waste streams where bins are shared.
* Small individual bins will be charged at 75% of the standard size bin charge. This can be applied to an 80 litre garbage bin and 120 litre recycling bin only. (There are no proposed options for smaller FOGO or glass bins).
* Large bins will be charged at 225% of the standard size bin charge. This can be applied to a 240 litre garbage or 240 litre FOGO bin only.
* Maximum bin capacity will be charged at 350% of the standard size bin charge. This can be applied to an extra 120 litre garbage and recycling bin only, where the maximum allowed capacity is 360 litres.

## Will concessions be available?

Waste charge concessions for ratepayers with special circumstances have been included in the draft waste policy.

We propose expanding waste charge concessions for ratepayers, providing households that may be eligible to get a larger garbage bin at no extra cost, including:

* people with a medical condition generating extra waste
* large families with 5 or more dependants (including adults requiring care)
* households experiencing financial hardship (NEW)
* households with 2 or more children under 4 in daytime nappies (NEW).

Ratepayers will need to apply for a waste charge concession and terms and conditions will apply.

## How could changes to the waste charge affect me?

Examples of how the waste charge could be applied to different households is provided below.

## Standard size bins

Mahek lives with her partner in a standalone home. They use the standard waste service.

Mahek will pay the **standard** waste charge (100%).

## Shared bins

Melissa lives in an **apartment** that she owns and uses shared bins.

Melissa will pay **65%** of the standard waste charge.

## Small individual bins

Mackenzie and her family are a **low waste household.** They use smaller garbage and recycling bins.

Mackenzie will pay **75%** of the standard waste charge for Garbage and Recycling.

## Large bins

Matt has a **family** of 4 with 2 teenage children. They use larger garbage and FOGO bins.

Matt will pay **225%** of the standard waste charge for Garbage and FOGO.

## Maximum bin capacity

Maddy rents and lives in a **house** **with 3 other adults**. They have asked their landlord for an extra recycling and garbage bin.

Maddy’s landlord will pay **350%** of the standard waste charge for Recycling and Garbage.

## Medical concession

Mario has a **medical condition** that generates excess waste. He is eligible for a larger garbage bin at no extra cost.

Mario will pay the **standard** waste charge (100%) for Garbage.

## Nappy concession (NEW)

Max has **2 children under 4 years of age in nappies**. His family is eligible for a larger garbage bin at no extra cost.

Max will pay the **standard** waste charge (100%) for Garbage.

## Large family concession

Mahmoud has a **large** **family** with 5 dependants – his 3 children and 2 parents which he cares for. His family is eligible for a larger garbage bin at no extra cost.

Mahmoud will pay the **standard** waste charge (100%) for Garbage.

## Financial hardship concession (NEW)

Mick is on a **low-income pension** and his household needs extra garbage capacity. He is eligible for a larger garbage bin at no extra cost.

Mick will pay the **standard** waste charge (100%) for Garbage.

## Community feedback welcome

Will the proposed changes work for Moreland?

Tell us at: [conversations.moreland.vic.gov.au/waste](http://conversations.moreland.vic.gov.au/waste)

* complete our online survey (or request a hard copy)
* join an in-person or online workshop
* call us during a community drop-in phone session

If you require assistance with any of our information, please call our customer service team on 9240 1111 or email wasteprojects@moreland.vic.gov.au

Community feedback on the proposed changes is welcome until Sunday 5 September 2021