

Service Review – Domestic Waste Collections

File No: X117443.006

Summary

The City provides domestic waste collection services to approximately 126,000 residential households across the local government area. These services include the collection of red-lid garbage bins, yellow-lid recycling bins and green-lid garden organics bins, as well as booked clean-up services and the collection of reported illegal dumping. In total, the service delivers approximately 6 million collections annually and collects more than 60,000 tonnes of material each year. In addition to collection services, the contract includes supporting activities such as bin delivery, repairs and replacements, and the provision and maintenance of access systems for multi-unit dwellings.

Following a competitive procurement process, Cleanaway Pty Ltd was awarded the domestic waste collection services contract. Cleanaway currently provides these services under a 10-year contract that expires on 30 June 2029.

The current contract is a complex service delivery arrangement. Red-lid garbage, yellow-lid recycling and green-lid garden organics bin collections are high-volume, routine and comparatively predictable services. These services can be more readily specified, resourced, measured and managed through a contracted service model because collection locations, frequencies and service requirements are largely known in advance.

Booked clean-up and illegal dumping collections are different in nature. They are variable, location-specific and strongly influenced by resident presentation behaviour, with significant daily and seasonal fluctuations in demand. These characteristics make the services more difficult for both the City and the waste industry to define, price, verify and reconcile through an itemised contract.

On 25 August 2025, Council resolved that the Chief Executive Officer be requested to compile a report that:

1. analyses trends and identifies potential improvements to clean-up (booked residential clean-ups and illegal dumping) service delivery; and
2. provides recommendations for how future tenders and budgets should be structured to reflect realistic service demand and ensure reliability.

Although this contract does not meet the criteria for further insourcing assessment under Stage 1 of the Sourcing Framework Principles, staff advised that a broader study would be commissioned to assess the entire service delivery model, including the financial assessment required under Stage 2. This approach would provide a more holistic overview of service delivery opportunities and inform any further readiness assessment.

Morrison Low Advisory was engaged to undertake a service delivery review and cost-benefit analysis of the domestic waste collection service. The review assessed the operational, financial and organisational implications of alternative service delivery models, including models delivered by the City's resources and models delivered by private industry providers (External Provider/s) engaged to deliver services on behalf of the City.

Four service delivery scenarios were assessed:

- Scenario 1 – Current model (fully outsourced) - Maintain the current outsourced service delivery model.
- Scenario 2 – Fully insourced - Insource all currently outsourced domestic waste collection services.
- Scenario 3 – Partial insourcing (clean-up and illegal dumping) - Insource booked residential clean-up and illegal dumping collections while retaining outsourced bin collection services.
- Scenario 4 – Partial insourcing (illegal dumping only) - Insource the illegal dumping collection while retaining all other services under the outsourced model.

The analysis found that maintaining the current outsourced model represents the lowest operational cost to the City. However, the review also identified that insourcing booked clean-up and illegal dumping collections could provide operational benefits, including improved responsiveness and greater service integration, while maintaining manageable risks and costs.

Scenario 3 provides a balanced service delivery model by retaining the strengths of the current outsourced model for domestic bin collections, while bringing the more variable and high-visibility booked clean-up and illegal dumping services in-house.

Scenario 3 is considered to be within the City's risk appetite for financially sustainable and reliable service delivery. It provides a practical pathway to improve community satisfaction through more responsive management of booked clean-up and illegal dumping services, while retaining the benefits of outsourced delivery for routine domestic bin collections.

Recommendation

It is resolved that Council:

- (A) note the Service Review Domestic Waste Collections Report prepared by Morrison Low Advisory at Confidential Attachment C to the subject report is confidential as it contains confidential commercial information;
- (B) note the Service Review Domestic Waste Collections Report prepared by Morrison Low Advisory:
 - (i) assessed 4 service delivery scenarios: fully outsourced, fully insourced, and 2 partial insourcing models;
 - (ii) identified the current fully outsourced model (Scenario 1) as the lowest cost option to Council over the assessment period;
 - (iii) identified potential service delivery improvements through the insourcing of residential booked clean-up and illegal dumping services (Scenario 3), with an increase in operational cost;
 - (iv) identified potential service delivery improvements through the insourcing of illegal dumping services (Scenario 4), with an increase in operational cost but less effective than Scenario 3; and
 - (v) identified full insourcing of all services (Scenario 2) would require substantial investment in additional workforce, fleet and depot infrastructure;
- (C) note that Scenario 3 (a combination of outsourced bin collection and insourced clean up and illegal dumping collection) is the most favourable option, balancing financial outcomes and service delivery improvements;
- (D) note the financial implications of the service delivery scenarios assessed in the Service Review Domestic Waste Collections Report at Confidential Attachment B to the subject report;
- (E) endorse the implementation of Scenario 3;
- (F) note that the insourced delivery of residential booked clean-up and illegal dumping services will commence as soon as practicable, with an update on the timeframe to be provided to Council by the Chief Executive Officer by mid-2027; and
- (G) note that negotiations will be undertaken to vary the current contract with Cleanaway Pty Ltd in accordance with the clauses above and a CEO Update will be provided upon the execution of any variation.

Attachments

- Attachment A.** Booked Clean-up and Illegal Dumping Request Volume Analysis
- Attachment B.** Financial Implications (Confidential)
- Attachment C.** Morrison Low Advisory Service Review Domestic Waste Collections Report (Confidential)

Background

1. The City provides domestic waste collection services to approximately 126,000 residential households across the local government area, including both single unit dwellings and multi-unit dwellings located within high-density residential buildings. These services are essential to protecting public health, maintaining clean and liveable neighbourhoods and supporting the City's environmental and circular economy objectives.
2. Domestic waste collection services provided to residents include:
 - (a) Red-lid garbage bin collection
 - (b) Yellow-lid recycling bin collection
 - (c) Green-lid garden organics bin collection
 - (d) Booked residential clean-up collection services for bulky items, metals, white goods and electronics
 - (e) Illegal dumping collection services
 - (f) Bin delivery, replacement and repair services
 - (g) Supply and installation of key safes in multi-unit developments.
3. Collectively, these services deliver approximately 6 million collections each year and collect more than 60,000 tonnes of waste and recyclable materials annually from residential properties across the City.
4. The operational environment for waste collection in the City of Sydney is significantly more complex than in most other local government areas due to the very high proportion of multi-unit dwellings, constrained street environments, basement waste storage areas and high levels of pedestrian and traffic activity. These factors require specialised operational planning, manual handling and coordinated access arrangements for many buildings.
5. Domestic waste collection services are currently delivered through a fully outsourced service delivery model, with Cleanaway Pty Ltd providing the service across the local government area.
6. The current domestic waste collection contract commenced in 2019 following a competitive procurement process and is due to expire on 30 June 2029.

Service Review

7. On 25 August 2025, Council resolved that the Chief Executive Officer be requested to compile a report that:
 - (a) analyses trends and identifies potential improvements to Clean-up (booked residential clean-ups and illegal dumping) service delivery; and

- (b) provides recommendations for how future tenders and budgets should be structured to reflect realistic service demand and ensure reliability.
8. Although this contract does not meet the criteria for further insourcing assessment under Stage 1 of the Sourcing Framework Principles, staff advised that a broader study would be commissioned to assess the entire service delivery model, including the financial assessment required under Stage 2. This approach would provide a more holistic overview of service delivery opportunities and inform any further readiness assessment.
 9. In response to the first requirement of the Council resolution, City staff analysis identified significant variation in booked clean-up and illegal dumping demand. The analysis identified both seasonal and weekly fluctuations in service demand. Booked clean-up volumes are highest between November and February, indicating a clear seasonal trend. During these peak months, booking volumes can increase significantly and, in some periods, may be up to double the volumes recorded during quieter months. This level of variation directly affects service resourcing, as additional trucks, crews and operational coordination are required to maintain service levels during peak demand.
 10. The analysis also identified weekly variation in booking patterns and collection complexity. Booking volumes are generally highest on Mondays and Tuesdays, creating concentrated demand at the start of the week. However, the most difficult and time-consuming collections are generally experienced on Fridays in the northern part of the local government area, where higher traffic volumes, constrained street environments, limited kerbside access and a high density of multi-unit dwellings reduce collection productivity and increase the time required to complete services.
 11. These seasonal and weekly fluctuations demonstrate that booked clean-up and illegal dumping services are not driven by volume alone. Service delivery is also affected by timing, location, access constraints, property type, resident presentation behaviour and traffic conditions. This reinforces the challenge of managing these services through a fixed or conventional contracted model, as resources required to manage peak periods or difficult collection areas may be underutilised at other times or priced into the contract. A more flexible service delivery model would allow resources to be better aligned with demand, collection complexity and public amenity outcomes.
 12. Morrison Low Advisory was engaged to undertake a service delivery review and cost-benefit analysis of the domestic waste collection service. The review assessed the operational, financial and organisational implications of alternative service delivery models, including models delivered by the City's resources and models delivered by private industry providers (External Provider/s) engaged to deliver services on behalf of the City.
 13. The cost-benefit analysis has been prepared to assist the City in considering options for insourcing the waste collection services or parts of them to ensure that the service is:
 - (a) Appropriate – that is, services meet current community needs and wants, and can be adapted to meet future needs and wants.
 - (b) Effective – that is, the City delivers targeted, better-quality services in new ways.

- (c) Efficient – that is, the City improves resource use (people, materials, equipment, infrastructure) and redirect savings to finance new or improved services.
 - (d) Affordable – that is, the community is able to afford the current and any proposed future service levels.
14. The review assessed 4 service delivery scenarios:
- (a) Scenario 1 – Retain the current fully outsourced service delivery model.
 - (b) Scenario 2 – Insource all domestic waste collection services.
 - (c) Scenario 3 – Insource the booked residential clean-up and illegal dumping collection services while retaining outsourced bin collection services.
 - (d) Scenario 4 – Insource the illegal dumping collection services only.
15. The objective of the review was to identify a service delivery model that provides reliable, responsive and efficient waste collection services to residents while maintaining strong public amenity across the city. In doing so, the review sought to determine an approach that delivers improved service outcomes to the community while minimising operational risks and financial impacts to the City.
16. Scenario 3 is a targeted service delivery change. It does not propose to insource all domestic waste collection services. Red-lid garbage, yellow-lid recycling and green-lid garden organics bin collections would remain outsourced, while booked residential clean-up and illegal dumping collections would be brought in-house to improve responsiveness, coordination and public amenity outcomes.

Differences in Service Models

17. The Morrison Low Advisory review identified differences between the service delivery models used by the current External Provider and the City's Cleansing Operations team. The review noted that the contractor and in-house models operate under different structural and operational frameworks, meaning that resource requirements, productivity assumptions and cost structures are not directly comparable.
18. Workforce arrangements – an External Provider's workforce operates under private sector enterprise agreements, which may provide greater flexibility in workforce deployment and productivity arrangements. The City's workforce operates under local government industrial frameworks.
19. Risk allocation – Under the contracted model, operational risks such as workforce management, fleet reliability and service delivery are largely managed by the contractor. Under an in-house model, these operational risks would be managed directly by the City.
20. Operational systems and logistics – External Providers utilise specialised logistics, routing and operational management systems designed specifically for large-scale waste collection services. The City's operational systems support a broader range of municipal services.

21. Contract management is a central consideration in determining the most appropriate delivery model. Routine bin collections are comparatively easier to specify and manage through a contract because the number of services, locations, frequencies and service standards are largely known in advance. This allows resources to be planned, performance to be measured, and many delivery risks to be allocated through the contract.
22. Under the current fully outsourced model, red-lid garbage bin collections must remain the highest operational priority because they are the most time-sensitive domestic waste service and have the greatest public health and amenity implications if delayed. This can result in booked clean-up and illegal dumping collections being prioritised behind core bin collection services when resources are constrained.
23. Under Scenario 3, red-lid garbage, yellow-lid recycling and green-lid garden organics bin collections would remain with the External Provider, while booked clean-up and illegal dumping collections would become a core priority for the City's in-house cleansing crews. This would create two focused service priorities: routine bin collections delivered through the outsourced contract and booked clean-up and illegal dumping delivered through an in-house model designed around flexible responses, public amenity and operational integration.
24. Booked clean-up and illegal dumping collections operate differently. Demand can vary significantly between seasons and from day to day, and service requirements can change quickly based on resident behaviour, seasonal demand, localised dumping patterns and emerging amenity issues. The City can identify trends and forecast broad demand, but it cannot define the exact location, timing, presentation condition or quantity of all material with the same certainty as scheduled bin collection services.
25. These characteristics make the service harder to manage through a narrow contractual scope. For example, a booked clean-up may be placed at a different location from the booking, additional material may be placed around the booked items, or residual waste may be presented early and become mixed with clean-up material. In these circumstances, a contractor may be limited to collecting the booked items at the booked address, because collecting additional or differently located material may not be within the verified and payable scope of the service.
26. For residents, however, the service issue is experienced as an unresolved waste collection problem rather than a contract scope issue. This can result in complaints that the City has not collected all material, even where the contractor has performed the specified contracted task. The City's proposed insourced model for booked clean-up and illegal dumping is better suited to managing this interface because it can combine collection with cleansing, education, enforcement and place-based responses without requiring each adjustment to be separately logged, verified and administered through a contract mechanism.
27. The review therefore supports a hybrid delivery model. The External Provider remains best placed to deliver routine, high-volume bin collection services efficiently, while the City is better placed to directly manage the more variable and high-visibility booked clean-up and illegal dumping services, where flexibility, local knowledge and integrated amenity management are critical.

28. An External Provider's service model typically relies on defined productivity targets, route optimisation and performance monitoring to maximise operational efficiency. The City's operations may operate under different productivity assumptions due to broader service delivery responsibilities, including the ability to address multiple waste and cleansing tasks as they arise. This may provide greater operational responsiveness by reducing reliance on separate logged requests for each task, although productivity outcomes may vary depending on how resources are allocated and managed.
29. External Providers supply, maintain and manage the fleet and equipment required to deliver contracted services. As they operate across multiple contracts, they may benefit from economies of scale, greater purchasing leverage and access to broader fleet procurement pipelines. This may assist with vehicle pricing, availability and delivery timeframes. By contrast, the City's Cleansing Operations fleet is owned and managed by the City. Any expansion of services delivered by the City would require additional fleet and equipment, and additional capital investment. The City may also have less favourable procurement leverage and longer sourcing and delivery timeframes when compared with External Providers operating at a greater scale.
30. The Scenario 3 service model (combination of contractor and in-house service) provides for an enhanced ability to manage service disruptions, such as pandemics, fuel crises or other major events. This helps maintain service continuity by allowing available resources to be prioritised where they are needed most.
31. In parallel with the service delivery review, City staff analysed the depot requirements for the four service delivery scenarios, including the potential costs associated with developing or acquiring an additional depot to support expanded in-house waste operations. The analysis considered the development of a depot similar in scale to the Alexandra Canal facility within the southern part of the local government area.
32. Preliminary findings indicate that Scenarios 1, 3 and 4 would not require an additional depot, as the required resources for these scenarios could be accommodated within the City's existing depots.
33. Scenario 2 would require a dedicated depot to support the fully insourced service model. This could involve leasing and retrofitting an existing site, building a depot on City-owned land, or purchasing land and constructing a new depot. The capital investment required for these options is estimated to be in the range of \$51 million to \$91 million. The estimated delivery timeframe is between 3 and 5 years, depending on land availability, planning requirements and the selected delivery approach. Based on recent experience with comparable infrastructure projects, these timeframes are considered ambitious and may be difficult to achieve.
34. Depot location is also a significant issue, as travel times would further affect service efficiency and staff numbers. The cost of depot development closer to the service area would likely be higher.

Options Implementation

35. To transition the booked clean-up and illegal dumping collection services in-house, the City will need to recruit FTEs and acquire fleet. A variation to the current Cleanaway contract will also be required to remove these services from the scope of the in-house service delivery model if it commences before the expiry of the current contract. The timeframe for these activities will be determined once initial discussions with Cleanaway on the contract service change have occurred.

Key Implications

Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

36. Sustainable Sydney 2030-2050 Continuing the Vision renews the community's vision for the sustainable development of the city to 2050. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. This report is aligned with the following strategic directions and objectives:
- (a) Direction 1 - Responsible governance and stewardship - domestic waste collection services are an essential service that supports public health, environmental protection and community wellbeing. The service analysis identifies options to provide quality waste collection services that are appropriate, efficient, effective and affordable.
 - (b) Direction 2 - A leading environmental performer - the domestic waste collection service supports the City's commitment to being a leading environmental performer by enabling effective waste management, resource recovery and waste diversion from landfill. The service ensures the reliable collection of garbage, recycling and garden organics from residential properties, supporting the source separation of waste streams and contributing to improved recycling and recovery outcomes.
 - (c) Direction 3 - Public places for all - Scenario 3 would strengthen public amenity by enabling booked clean-up and illegal dumping collections to be managed more directly with cleansing, education, enforcement and place-based responses. This is important because bulky waste and illegal dumping are highly visible in streets, laneways and public places, and delays or partial collections can quickly affect community confidence, pedestrian access and the presentation of neighbourhoods. Retaining outsourced delivery for routine bin collections while insourcing these variable services aligns responsibilities with the service model best suited to each activity.
 - (d) Direction 5 - A city for walking, cycling and public transport - The domestic waste collection service contributes to maintaining safe and accessible streets, laneways and public spaces that support walking, cycling and the use of public transport. Timely collection of containerised residential waste, booked clean-up materials and illegally dumped items helps prevent obstructions on footpaths, cycleways and road corridors. This is expected to be further strengthened through Scenario 3, which would align service responsibilities with the party best positioned to deliver each service efficiently and effectively, and improve the City's ability to respond where material is presented early, incorrectly located or mixed with other waste.

- (e) Direction 6 - An equitable and inclusive city - the collection of residential waste and illegally dumped materials helps maintain public spaces that are accessible, clean and welcoming for the entire community.

Organisational Impact

37. Scenario 1 will not have an organisational impact.
38. Scenario 2 would have the greatest organisational impact, requiring a significant increase in FTEs, plant and equipment, and the establishment of a new depot.
39. Scenarios 3 and 4 would require fewer additional FTEs. Each of these scenarios would also necessitate investment in plant and equipment to enable the City's Cleansing Operations team to deliver services currently performed under contract.

Domestic Waste Charges Impact

40. The Domestic Waste Charge (DWC) is the annual component of residential rates paid by ratepayers to recover the cost of domestic waste management services, including waste collection, processing and associated operational activities.
41. Based on the Net Present Value (NPV) analysis prepared by Morrison Low Advisory, City staff also conducted a percentage and actual financial impact assessment for each scenario per household per year. The table below presents this impact across the range of households that pay the Domestic Waste Charge (DWC) to the City, representing approximately 78% of all residential premises. The assessment includes depot depreciation over the 10-year analysis period.

Charges	Type	Current charge FY26	Change / revised	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Domestic Waste Charge (120ltr Bin)	Single Unit Dwelling	\$529	Change	\$0	\$61	\$7	\$4
			<i>Revised</i>	\$529	\$590	\$536	\$533
Minimum Domestic Waste Charge 2x weekly	Multi Unit Dwelling	\$401	Change	\$0	\$46	\$5	\$3
			<i>Revised</i>	\$401	\$447	\$406	\$404
Standard Domestic Waste Charge, 2x weekly	Multi Unit Dwelling	\$574	Change	\$0	\$66	\$7	\$5
			<i>Revised</i>	\$574	\$640	\$581	\$579

Charges	Type	Current charge FY26	Change / revised	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Standard Domestic Waste Charge, 3x weekly	Multi Unit Dwelling	\$632	Change	\$0	\$73	\$8	\$5
			<i>Revised</i>	\$632	\$705	\$640	\$637
Domestic Waste Charge, 7 Day Service Area	Multi Unit Dwelling	\$565	Change	\$0	\$65	\$7	\$5
			<i>Revised</i>	\$565	\$630	\$572	\$570

42. These calculations do not capture the upfront capital investment in a new depot for Scenario 2, estimated to be in the range of \$51M to \$91M.
43. The additional Domestic Waste Charge impact associated with Scenario 3 reflects the cost of the service benefits of reducing the duration of visible waste issues, improving the City's ability to respond to incorrect or early presentation, reducing repeat complaints, and better aligning collection activity with cleansing, education and enforcement responses.

Risks

44. Scenario 3 is within the City's risk appetite, which states:
- (a) The City has a responsibility to ensure that it has resources in the short, medium and long term to provide the levels of service that are affordable and considered appropriate by the community.
 - (b) We maintain a cautious appetite to financial risks, aiming to minimise the likelihood and impact of significant financial losses. We prioritise the protection of our financial resources and our long-term financial sustainability. We strive to ensure our financial decisions are well-informed, based on sound financial analysis and aligned with our strategic objectives.
 - (c) The financial risk of retaining booked clean-up and illegal dumping entirely within a contracted model is that uncertainty must either be tightly administered through itemised service verification or priced into the contract as contingency. Where the location, quantity and presentation of bulky waste and illegal dumping cannot be defined with certainty, a broader lump sum contract model would likely require the provider to price additional capacity and risk into the service. This may increase cost without necessarily improving responsiveness or customer outcomes.

- (d) Scenario 3 manages this risk by applying direct City control only to the services where uncertainty, public amenity impacts and customer expectations are highest. This targeted approach supports improved service outcomes while avoiding the substantial fleet, workforce, depot and transition risks associated with fully insourcing all domestic waste collection services.
- 45. Scenario 3 is within the City's risk appetite, which emphasises maintaining financially sustainable service delivery while ensuring services remain appropriate and reliable for the community.
- 46. Scenario 1 maintains strong cost efficiency and stable service performance under the current fully outsourced model, particularly for high-volume bin collection services. However, the model is less adaptable in responding to changing or high-demand service requirements, such as booked clean-ups and illegal dumping, where demand can fluctuate and service expectations are closely linked to local amenity. As a result, while Scenario 1 remains the lowest-cost option, it provides less flexibility and integration with other Council services compared with Scenario 3.
- 47. Scenario 2 presents the highest level of risk. It would have a significant negative impact on the long-term financial sustainability of the City and would require a revision of the Long-Term Financial Plan. Transition risks are assessed as high and could affect the City's ability to maintain service continuity during the potential five-year transition period required to source or construct a new depot. The scenario would also require additional service management resources to oversee functions and associated risks currently managed through outsourced service delivery.
- 48. Scenario 4 presents a low level of risk; however, it is less advantageous than Scenario 3, as managing the interaction between booked clean-up and illegal dumping jobs and locations would be more operationally complex.

Social / Cultural / Community

- 49. The City's Cleansing operations team and domestic waste collection contract both work to increase the diversity and inclusion of their respective workforce. This includes the employment of Aboriginal and Torres Strait Islander people and people living with a disability.

Environmental

- 50. The domestic waste collection services support the delivery of the Environmental Strategy 2025-2030 priorities to:
 - (a) Direction 1 – Resilient and efficient operations- Domestic waste collection services contribute to improving the environmental performance of the City's operations by enabling the effective separation, collection and management of waste streams, including garbage, recycling and garden organics. These services support resource recovery, reduce waste sent to landfill, and provide opportunities to improve operational efficiency and reduce emissions through the progressive transition to lower-emission collection vehicles and more efficient service delivery models. Scenario 3 would further support these outcomes by strengthening operational resilience and efficiency through closer alignment between service delivery, education and enforcement functions.

- (b) Direction 2 – Efficient and climate resilient buildings- domestic waste collection services support the sustainable operation of residential buildings across the local government area, particularly in high-density apartment developments where effective waste management infrastructure is essential. Bin collection services enable residents to separate waste streams and participate in recycling and organics programs, contributing to improved environmental outcomes and supporting the sustainable operation of residential buildings.
- (c) Direction 3 – Regenerative and inclusive city- domestic waste collection services contribute to maintaining a clean and healthy urban environment by ensuring the timely collection of residential waste, booked clean-up materials and illegally dumped items. These services help protect public spaces, reduce environmental pollution and support the health of local waterways and ecosystems while maintaining the amenity of streets, laneways and neighbourhoods for the community.
- (d) Direction 4 – Strong foundations for delivery- domestic waste collection services support the Environmental Strategy's focus on collaboration and community participation by enabling residents to engage in sustainable waste management practices such as recycling, organics recovery and responsible disposal of bulky items. Effective waste services underpin broader initiatives aimed at reducing waste generation, supporting circular economy outcomes and improving environmental performance across the local government area.

Economic

- 51. The domestic waste collection service delivers economic benefits for the local economy by maintaining clean, safe and well-presented neighbourhoods that support the liveability and attractiveness of the City. Reliable waste collection services contribute to public health, protect property values and support economic activity by ensuring streets, laneways and residential areas remain clean and functional for residents, workers, visitors and businesses.
- 52. Optimising the service delivery model is expected to strengthen service resilience within a sustainable economic framework, enabling the City to manage resources effectively while continuing to support community priorities and services that benefit residents and the broader community.

Financial Implications

- 53. The additional funding requirement is linked to a targeted change in service delivery rather than the full insourcing of domestic waste collection services. This limits the financial impact by retaining outsourced delivery for routine bin collections, where the current contracted model remains efficient, while directing additional resources to booked clean-up and illegal dumping services, where demand variability, contract management complexity, environmental risk and community amenity impacts are greatest. On this basis, Scenario 3 remains consistent with value for money principles.

54. The Domestic Waste Collection Service Delivery Review assessed the financial implications of four service delivery scenarios. The current service delivery model (Scenario 1) is reflected in the adopted 2025/26 budget and the Long-Term Financial Plan and remains the lowest-cost option. Scenario 3 provides a targeted enhancement to the current model by retaining outsourced bin collection efficiencies while insourcing booked clean-up and illegal dumping services where greater responsiveness, coordination and direct operational control would provide additional service value. Scenario 3 would require additional revenue and expenditure to be incorporated into future budgets and the Long-Term Financial Plan.
55. Any additional costs will be recovered through the domestic waste management charge.

Relevant Legislation

56. Local Government Act 1993 - Sections 10A and 10B provide 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.
57. Attachments B and C contain confidential commercial information which, if disclosed, would:
 - (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business; and
 - (b) prejudice the commercial position of the person who supplied it.
58. Discussion of this matter in an open meeting would, on balance, be contrary to the public interest. This is because disclosure of the confidential information would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers. Further, disclosure of information provided as part of this analysis, and the assessment of that information, would prejudice the commercial position of the current supplier.

Critical Dates / Time Frames

59. The timeframe for the insourcing of booked clean-up and illegal dumping services will depend on the outcome of negotiations with Cleanaway to vary the scope of the current contract, and the timeframes for recruiting FTEs and acquiring fleet. The insourced service will commence as soon as practicable, and no later than 1 July 2029.
60. The current contract with Cleanaway expires on 30 June 2029.

VERONICA LEE PSM

Executive Director City Services

Sash Vasilevski, Contracts and Procurement Manager, Cleansing and Resource Recovery

Attachment A

**Booked Clean-up and Illegal Dumping
Requests Trends and Volume Analysis**

Service Review Domestic Waste Collections – Booked Clean-up and Illegal Dumping Request Trends and Volume Analysis

Analysis

1. The analysis identified a clear seasonal trend in booked clean-up demand, with the highest booking volumes occurring between November and February. During these peak months, booking volumes can be up to double the volumes recorded during quieter periods.
2. This level of seasonal variation has a direct impact on service resourcing. During peak demand periods, the service may require up to double the number of collection resources to maintain service levels, including additional trucks, crews and operational coordination. In contrast, these same resources may not be required during quieter periods.
3. This demand profile reinforces the challenge of managing booked clean-up and illegal dumping services through a conventional contracted model. A contractor would need to either retain sufficient resources to meet peak seasonal demand, resulting in underutilised capacity during quieter periods, or price this demand risk into the contract. This creates value for money challenges and supports the case for a more flexible service delivery model that can scale resources in response to seasonal demand and emerging public amenity issues.
4. The analysis also identified daily variation in booked clean-up demand. Booking volumes are generally highest on Mondays and Tuesdays, reflecting increased resident booking activity at the start of the week and following weekend presentation patterns. This creates concentrated demand early in the week, requiring sufficient collection capacity to prevent delays, customer complaints and visible waste remaining in the public domain.
5. While Monday and Tuesday have the highest booking volumes, Friday collections in the northern part of the local government area are generally more difficult and time-consuming to complete. This is due to the higher density of multi-unit dwellings, constrained street environments, traffic congestion, limited kerbside access and higher levels of pedestrian and vehicle activity. These conditions can reduce collection productivity, increase travel and loading times, and require greater operational coordination even where the number of bookings may be lower than earlier in the week.
6. This daily demand profile reinforces the challenge of managing booked clean-up and illegal dumping services through a fixed contracted model. The service is not only affected by total booking volumes, but also by the day of collection, location, property type, traffic conditions and access constraints. A service delivery model that can adjust resources and coordinate with cleansing activities is better placed to respond to these daily operational variations and maintain public amenity.
7. Overall, the analysis demonstrates that booked clean-up and illegal dumping demand are affected by both seasonal peaks and weekly collection patterns. Demand increases significantly between November and February, while weekly service delivery is further affected by higher booking volumes early in the week and more complex Friday collections in the northern part of the local government area.

8. These fluctuations show that resource planning cannot be based on average booking volumes alone. The service requires flexibility to respond to peak demand periods, daily demand changes, difficult collection areas, traffic conditions, access constraints and multi-unit dwelling density. This supports the case for a service delivery model that can adjust resources more directly in response to demand and public amenity impacts.

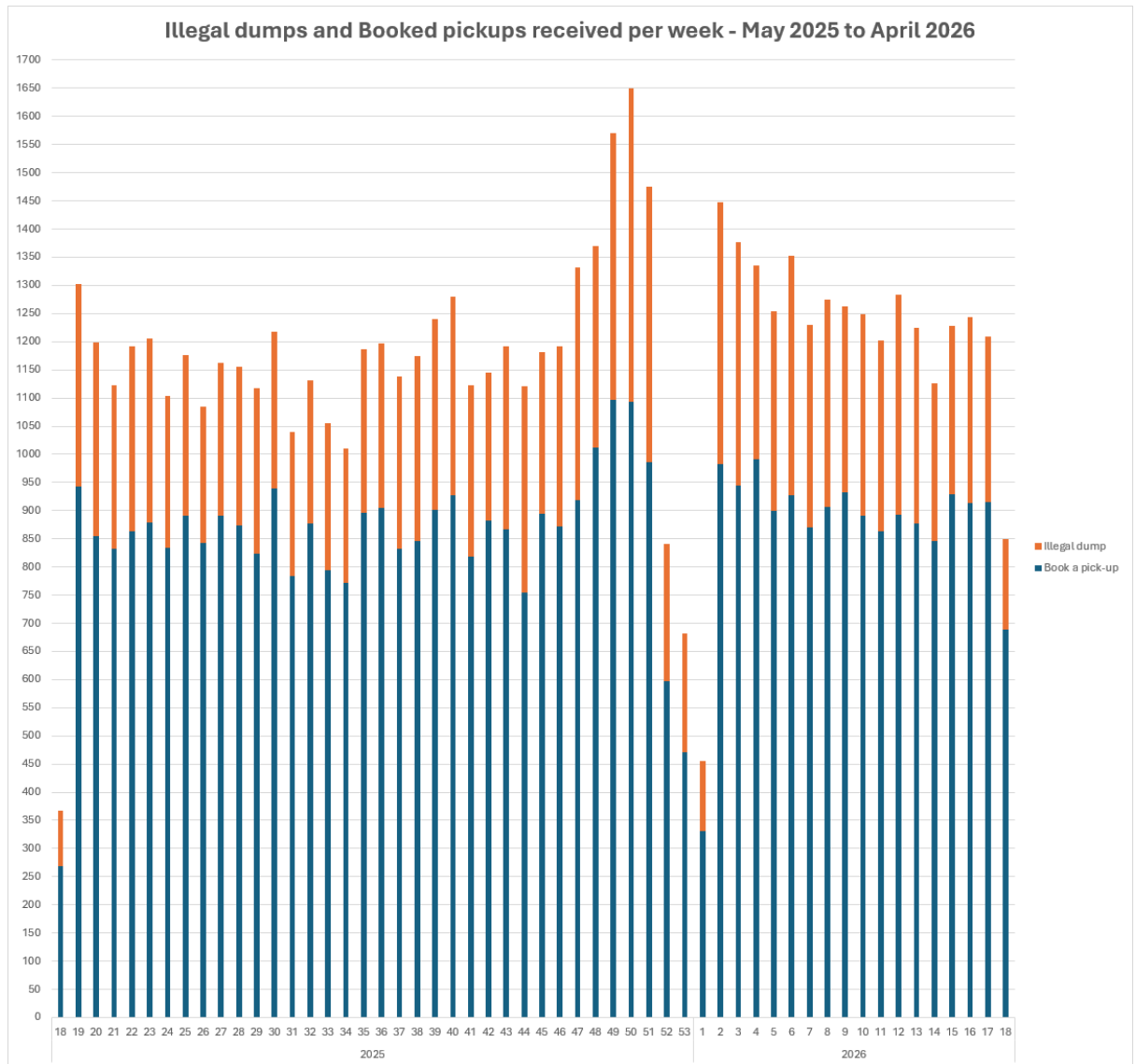


Figure 1: Booked clean-up requests by week - May 2025 to April 2026

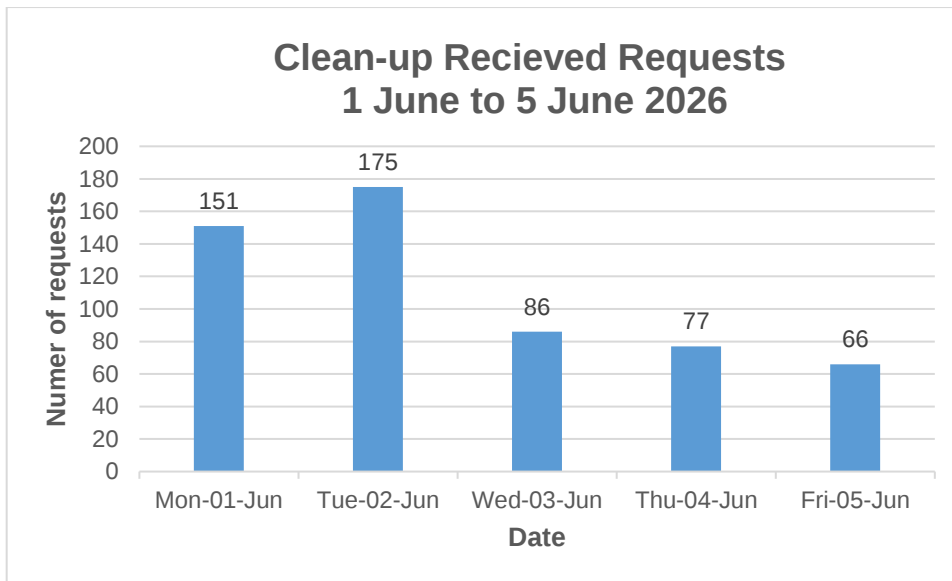


Figure 2: Booked clean-up requests by day of week- off-peak season

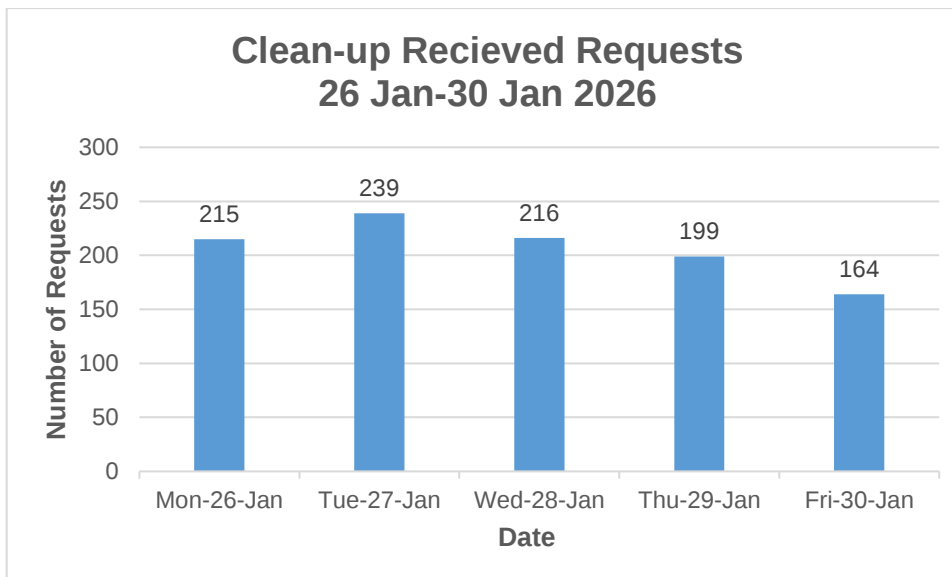


Figure 3: Booked clean-up requests by day of week - peak season

VERONICA LEE PSM

Executive Director City Services

Sash Vasilevski, Contracts and Procurement Manager, Cleansing and Resource Recovery

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