

Resolution of Council

29 June 2026

Item 6.8

Food Organics Collection Service Cost Benefit Analysis

It is resolved that Council:

- (A) note the Food Organics Cost Benefit Analysis Review prepared by Morrison Low Advisory as shown at Confidential Attachment B to the subject report is confidential as it contains confidential commercial information;
- (B) note the Food Organics Cost Benefit Analysis Review prepared by Morrison Low Advisory:
 - (i) assessed 2 service delivery scenarios for food organics collection from residents:
 - (a) Scenario 1 - insourced service delivery: continue the current service until June 2028, roll out the service to all households by June 2029, and continue full service from July 2029 by insourced staff; and
 - (b) Scenario 2 - outsourced service delivery: outsource the rollout from as early as July 2028 so that the service is available to all households by 1 July 2029 and continue full service from that date; and
 - (ii) identified key risks for financial modelling and procurement of food organics collection services at present:
 - (a) limited evidence base - the domestic food organics collection market is immature with very limited data and pricing available from other councils or industry;
 - (b) high service demand uncertainty - resident participation in the food organics service is not mandatory therefore post-rollout volumes are difficult to predict; and
 - (c) limited market response - eight industry collection operators were contacted and only two provided pricing. There was a significant disparity between the indicative pricing provided for an outsourced service;

- (C) note the financial implications of the service delivery scenarios for food organics collection assessed in the Food Organics Cost Benefit Analysis Review at Confidential Attachment A to the subject report;
- (D) endorse the implementation of Scenario 1: Insourcing; and
- (E) note that a review of the food organics collection service delivery model including a cost benefit analysis will be undertaken after the first 5 years of full service operations and reported back to Council.

Carried unanimously.

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