

7.4.3 INTER-COUNCIL ADVOCACY- KERBSIDE GLASS SERVICE

Responsible Manager:	Kristy Green, Manager Sustainable Monash
Responsible Director:	Jarrold Doake, Director City Services

RECOMMENDATION

That Council joins an inter-council advocacy group seeking an expansion of Victoria's Container Deposit Scheme and a review into the feasibility of the introduction of a kerbside glass service by 2027, and call on the Victorian Government to:

- a) Extend the timeframe for Councils to introduce a glass recycling service until national standardisation of kerbside services and Container Deposit Schemes has been implemented.
- b) Expand the Victorian Container Deposit Scheme to accept wine and spirits bottles in line with other states in Australia.
- c) Review the effectiveness of the Container Deposit Scheme and assess against the usage of the glass recycling service that has been rolled out by councils to date.
- d) Share the Business Case it prepared on kerbside glass recycling for Victoria.

INTRODUCTION

The purpose of this report is to inform Councillors of a recently completed research and modelling project conducted by 22 Victorian Councils on the costs and benefits of a separate glass collection service as mandated by the Victorian Government, and to propose that Council join the advocacy group to achieve the optimum outcome for Monash residents in relation to this service.

COUNCIL PLAN STRATEGIC OBJECTIVES

Sustainable City

Work with the community towards a zero-waste future, actively increasing reuse and recycling.

BACKGROUND

In February 2020, the Victorian Government released 'Recycling Victoria, a new economy (RV policy), a 10-year circular economy policy to strengthen and build resilience across the Victorian waste and recycling sector. The policy led to significant legislative reform and the commencement of the *Circular Economy (Waste and Recycling) Act 2021 (CE Act)*.

The legislation mandates Councils to provide a standardised four bin waste and recycling system for residential households across the state by 2030 under the CE Act, including a separate glass bin by 1 July 2027.

The business case prepared by the State Government to justify the economic and environmental benefits of a kerbside glass collection service was not released publicly, and with very little information or evidence provided to demonstrate the impacts of implementing a mandatory glass bin service. A group of 22 concerned Councils collaborated to undertake an assessment of a separate glass service, and to investigate alternative approaches that could achieve the desired outcomes in a more cost effective and environmentally efficient manner.

While Councils acknowledge the importance of recycling glass, the latest research findings show that the introduction of a costly kerbside collection service will have no additional benefits than expanding the successful Victorian Container Deposit Scheme to include wine and spirit bottles would achieve.

DISCUSSION

A collaboration of 22 Victorian Councils, led by Maroondah City Council, engaged Tonkin & Taylor Pty Ltd (T+T) to undertake research on the cost and benefits of a separate glass collection. The project aimed to provide transparency of the costs and benefits associated with the Victorian Governments' requirement for all Victorian Local Government Authorities (LGAs) to introduce a kerbside glass recycling service by 1 July 2027. Based on the report's findings, the advocacy group is seeking a delay to this mandate due to several factors, including the financial burden it imposes on residents.


The research undertaken found that a glass only service would cost a typical Council approximately \$4 million to implement, and on average cost an additional \$27 per household per year to run the service. This would be the largest increase to a waste charge that has ever been passed on to our community, something that in these challenging economic times, is concerning and unrealistic.

On December 20, Maroondah, along with 14 other Victorian Councils, submitted an advocacy letter to the Minister for Environment, requesting reconsideration of the glass-only household bin service. The letter highlighted the high costs, minimal circularity benefits, and success of the existing Container Deposit Scheme (CDS). Expanding the CDS to include wine and spirit bottles was suggested as a more cost-effective and environmentally friendly alternative.

The response received on Monday 3 February, from the EA to the Chief of Staff for the Office of Steve Dimopoulos MP, stated that he understands the importance of the request and had referred it to the Department of Energy, Environment and Climate Action (DEECA).

Maroondah pro-actively arranged a meeting on Thursday 20 February, between DEECA and the broader advocacy group of Councils (which now consists of 29 Councils, including Maroondah). The research findings and key concerns were raised with DEECA at this meeting, however, DEECA's response indicated that there was little room to adjust the current approach.

Interestingly, whilst repealing the legislation requires another Act of Parliament to be made and then passed through both houses, revoking a regulation (which is what the service standards are, and stipulates the start date) can be done through executive action. As such, it is recommended that Council advocates to delay the start date for which a glass service must be provided by, in order to; understand the impacts of the Container Deposit Scheme (CDS) on



kerbside tonnages and the need to capture the remaining glass versus expanding CDS; await the national standardisation of kerbside services; and await the national alignment of CDS and the understanding of the impact of including wine and spirit bottles.

Delaying the start date will give more time to communicate the research findings and concerns to the Victorian Government.

The City of Monash is preparing to implement the glass service by July 1, 2027 in line with the mandate, however, in light of the advocacy group's research findings, it is proposed that Council joins the advocacy group to ensure the implementation is justified, particularly given the current cost of living crisis.

It is therefore proposed to formalise Council's position in relation to the matter of providing the glass only service at the next Council Meeting, 15 April 2025, subject to feedback from Council.

FINANCIAL IMPLICATIONS

It is estimated that implementing the service will cost each Council around \$4 million, with ongoing annual costs increasing household waste charges by \$27. In these economically challenging times, Councils believe such costs would be an unreasonable strain on their communities.

The potential funding offered by the Victorian Government as it currently stands, would cover less than 10% of these costs.

Expanding the Container Deposit Scheme (CDS) to include wine and spirit bottles would have similar circularity benefits to the glass only bin service, and be funded by the producers of the packaging, rather than local communities.

The cost to City of Monash for implementing this service has been estimated as part of a glass recycling research report to be between \$4.5 and \$4.7 million. Annual operational costs are estimated to be between \$1.6 and \$2.0 million per year (\$22.00 to \$29.00 per tenement). Based on these estimates, it is expected that the annual cost for the first year of the service is estimated to be between \$6.3 and \$6.7 million. The total cost over 10 years of delivering the service is estimated to be between \$20.5 to \$24.7 million (\$303 to \$377 per tenement).

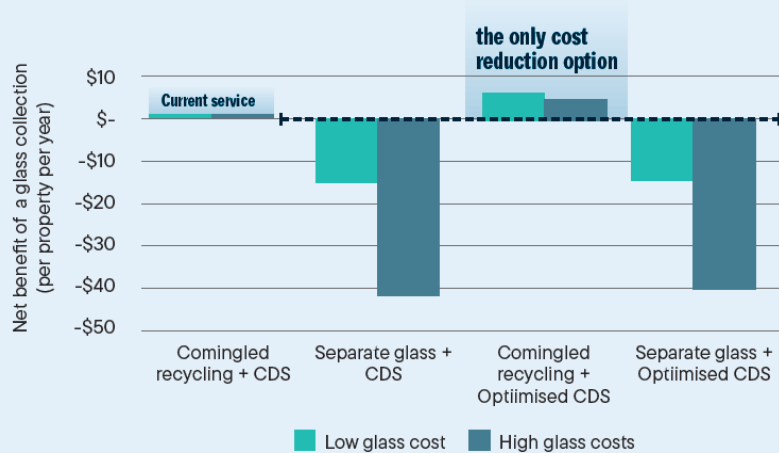
Latest research

An independent study of 22 local Councils found:

- Implementation of a kerbside glass recycling service would cost a combined amount of \$75M.
- A monthly kerbside collection service would cost each Council an additional \$1.43M each year (based on a typical Council).
- Of the four collection options studied, only the co-mingle recycling service and expanded container deposit scheme came at no cost to Council.

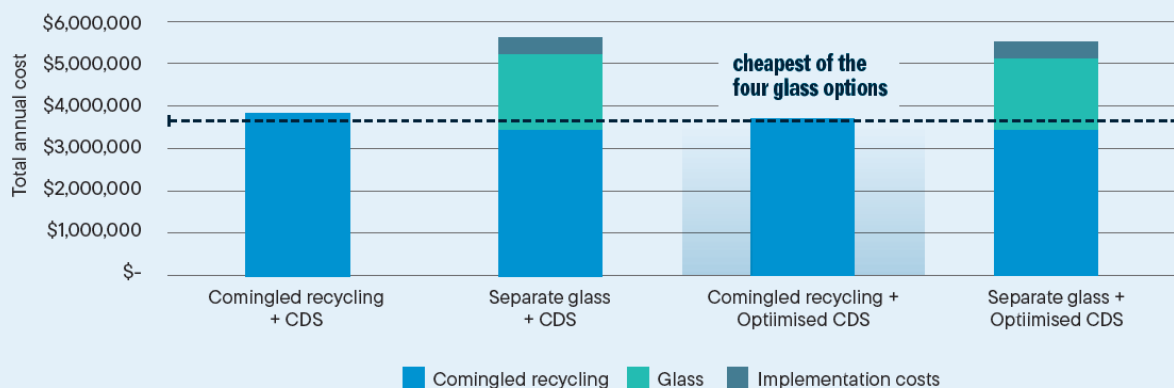
Research concluded that only one option provided a cost reduction to Council. All other options would see an increased cost to residents.

Net collection and processing costs of the four models



The cheapest of the four glass options modelled is comingled recycling plus optimised Container Deposit Scheme.

Cost of recycling collection service



Inconsistent financial modelling

- A kerbside glass collection service (with no expansion to the current Container Deposit Scheme) is \$2.6M higher per year for a typical Council than predicted.
- Additionally, the independent research showed that Councils' forecasting on the cost to implement the kerbside service was almost double the predictive costs that the State Government had based its financial modelling on.
- These are costs that would be borne by Council residents despite research concluding that the implications – including the cost, materials recovered, and emission impacts were not beneficial.

Implementation costs

Implementation costs and the availability of funding to support rolling out the service would be \$2.2M higher than predicted.

Combined implementation costs for glass

Commodity revenue	'Typical' council (total implementation cost)	Government modelling (total implementation cost)	Difference in cost to Council (total)
Bin purchase and delivery	\$3,351,000	\$1,569,000	\$1.78M
Procurement, education and administration	\$413,000	*included in per bin cost	\$413,000
Collection trucks	\$1,000,000	\$1,000,000	\$0
Total implementation cost	\$4,763,000	\$2,569,000	\$2.2M

Roll out of service cost

These implementation costs are made up of the cost of rolling out a new service and the kerbside collection service.

Bin purchasing costs, 'typical' council vs government modelling

Commodity revenue	'Typical' council (per bin)	Government modelling	Difference in cost to Council (total)
Bin purchase and delivery			
Metropolitan and interface, regional cities, large and small shires	\$63	\$34.50	\$1,782,000
Total difference in one-off bin purchasing costs:			\$1,782,000

Kerbside collection cost

Financial assumptions, 'typical' council vs government modelling

Modelling scenario	'Typical' council (per property, per year)	Government modelling (per property, per year)	Difference in cost to Council (total, per year)
Commingled recycling (glass included) (current service offered)	\$36	\$27	\$585,035
Glass (monthly) collection cost	\$27	\$23	\$212,740
Commingled recycling (glass excluded)	\$36	\$26	\$531,850
Total annual collection cost difference – glass excluded:			\$744,590

POLICY IMPLICATIONS

There are no policy implications for this report.

CONSULTATION

Community consultation was not required.

SOCIAL IMPLICATIONS

There are no social implications to this report.

HUMAN RIGHTS CONSIDERATIONS

There are no human rights implications to this report.

GENDER IMPACT ASSESSMENT

A GIA was not completed because this agenda item is not a 'policy', 'program' or 'service'.

CONCLUSION

The report examines the mandated kerbside glass recycling service, highlighting significant cost concerns for councils and communities, limited circularity benefits due to the existing efficiency of Materials Recovery Facilities, and the effectiveness of the Container Deposit Scheme (CDS) as a cost-effective alternative. It also raises doubts about the necessity of investing in new infrastructure due to declining glass volumes and recommends exploring alternative approaches to maximize resource recovery while minimising financial and operational burdens.

It is recommended that City of Monash join the advocacy group to ensure the best outcomes for our community and the most cost-effective resource recovery.

ATTACHMENT LIST

1. Glass summary report [7.4.3.1 - 4 pages]

Putting the kerbside glass recycling service onhold

A consortium of Victorian Councils is calling for an expansion of Victoria's Container Deposit Scheme and a review into the feasibility of Council kerbside glass recycling services before it embarks on the multi-million dollar roll out of a fourth bin to all their households and properties with a Council recycling service.

Background

Recycling Victoria – A new economy was released in 2020 and is a blueprint that outlines the systemic change that is needed to cut waste and boost recycling and reuse our precious resources.

The blue print is supported by the Circular Economy (Waste and Recycling) Act 2021 which stipulates that Councils will provide a glass recycling service to residents by 2027.

We are seeking

- To extend the timeframe for Councils to introduce a glass recycling service until national standardisation of kerbside services and Container Deposit Schemes has been implemented.
- To expand the Victorian Container Deposit Scheme to accept wine and spirits bottles in line with other states in Australia
- For the Victorian Government to review the effectiveness of the Container Deposit Scheme and assess against the usage of the glass recycling service that has been rolled out by councils to date.
- That the Victorian Government share the Business Case it prepared on kerbside glass recycling for Victoria.

While Councils acknowledge that importance of recycling glass, latest research findings show that introduction of a costly kerbside collection service will have no additional benefits than expanding the successful Victorian Container Deposit Scheme to include wine and spirit bottles would achieve.

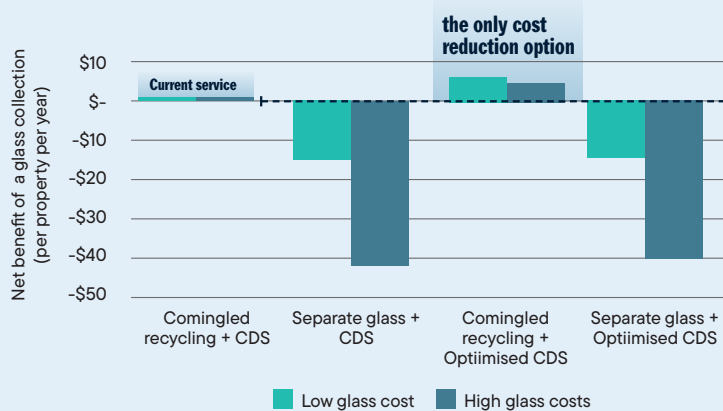
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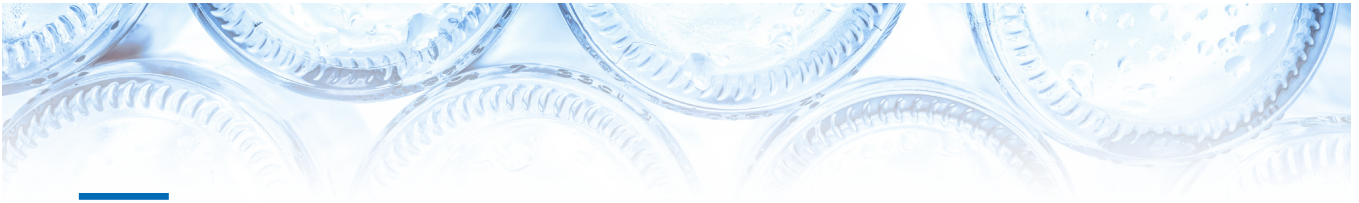
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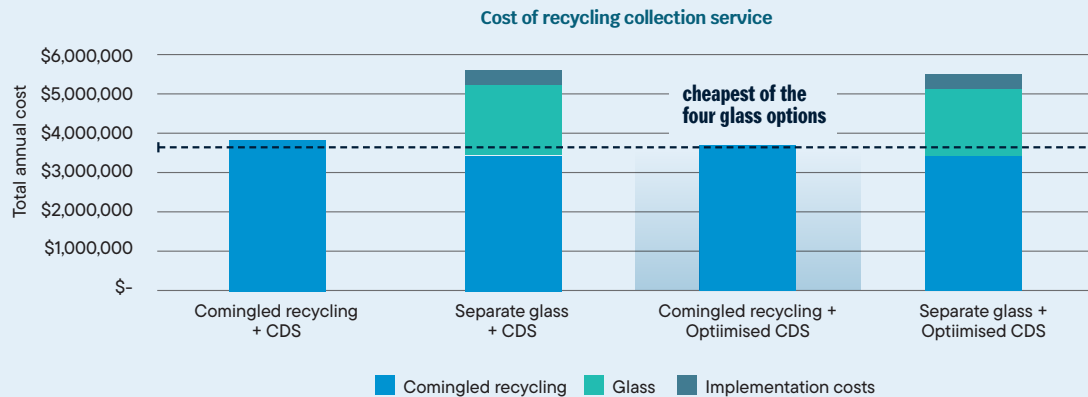
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Submitted by Maroondah Council on behalf of 30 Victorian Councils



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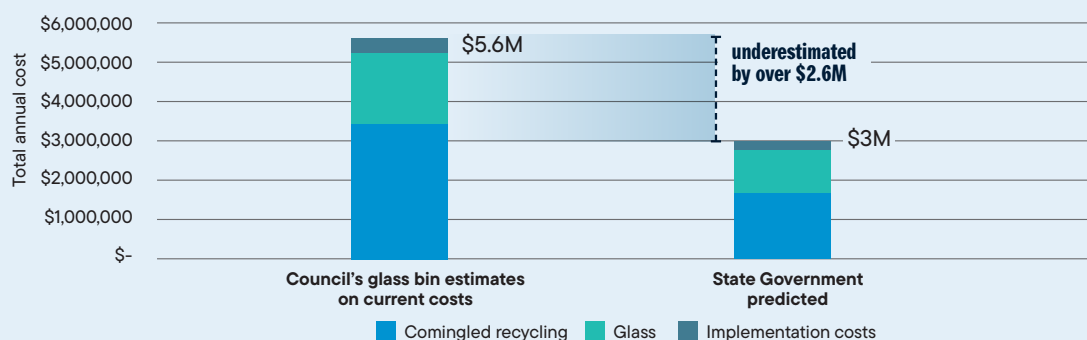


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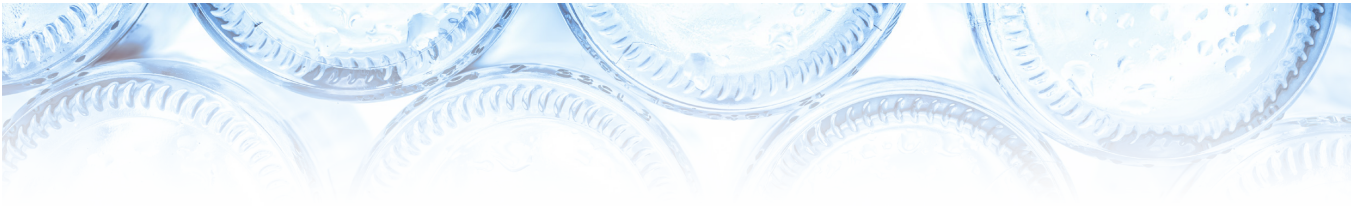
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- Additionally, the independent research showed that Councils' forecasting on the cost to implement the kerbside service was almost double the predicative costs that the State Government had based its financial modelling on.
- These are costs that would be borne by Council residents despite research concluding that the implications – including the cost, materials recovered and emission impacts were not beneficial.

Cost of operating separate glass bin service

The predicted cost of \$3M to collect mixed recycling and glass only bins is underestimated by over \$2.6M.



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No benefit to kerbside collection

The research found that the net benefit of a separate glass collection that was presented in State Government modelling could not be replicated using actual data from the participating Councils. This is supported by:

- Conversations with Material Recovery Facilities (MRF) and Glass Beneficiation Plants (GBF) indicating they don't see financial benefits through removing glass from other recyclables.
- Research suggests that there is not a significant difference in the amount of glass recovered through comingled vs separated kerbside collection.
- Diversion of glass from landfill and recovery of high-value recycled glass are both greater through Container Deposit Schemes than through either separated or comingled kerbside glass recycling.
- Comments from industry indicate that contamination in the comingled recycling stream does not impact the ability of material recovery facilities to access end markets for glass or other recyclables.

Container Deposit Scheme

Victoria's Container Deposit Scheme commenced in November 2023 after the Circular Economy (Waste and Recycling) Act 2021 was legislated. The scheme has had an immediate reduction in the amount of glass in recycling bins. It is hoped the scheme will be expanded to include other glass products such as wine and spirit bottles in line with other Australian states.

Benefits of an expanded container deposit scheme include:

- The nature of CDS returns means that it provides a material stream with very low levels of contamination.
- CDS collections result in a very small portion of loss to landfill, so expanding the CDS and increasing the quantity of material flowing through this system would likely increase overall glass recovery rates.
- Research from South Australia estimates a \$34 million saving to councils from diverting containers from kerbside bins under an expanded CDS scenario, when compared to a glass only kerbside bin option.
- An expanded CDS would utilise existing infrastructure.
- Costs would be incurred by newly included beverage producers/suppliers instead of the community.
- Avoids the transport emissions born from 79 Councils introducing new glass only truck fleets.

Why council is asking for an extension to the 2027 timeframe

The consortium of Councils is calling on the State Government to review its financial modelling and the potential expansion of the container deposit scheme before they invest more than \$75 million in infrastructure to roll out a glass bin kerbside collection services.

This will also give Council time to adequately survey its community to understand the demand for a collection service that they pay for rather than a Container Deposit Scheme that refunds them personally.

Additionally, Council is requesting the Victorian Government release the business case it prepared for the state and local councils to justify the economic and environmental benefits of a kerbside glass collection service.

This will help Council to justify the cost to the community and support the implementation of the service.

¹Data from 22 participating councils was used as inputs into the model, aggregated to form a 'typical council'. The four scenarios that were modelled were:

- Comingled kerbside recycling and the existing Victorian Container Deposit Scheme (CDS) (the status quo).
- Comingled kerbside recycling and the existing Victorian CDS, plus a separate kerbside glass recycling service.
- Comingled kerbside recycling and an optimised CDS (accepting wine and spirit glass containers).
- Comingled kerbside recycling and an optimised CDS plus a separate kerbside glass recycling service.

Additionally, the assumptions set out in the RIS were used to model the option preferred by the RIS (comingled kerbside recycling and the existing Victorian CDS, plus a separate kerbside glass recycling service), using data from the typical council.

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