

2024 Election Commitment – ACT Labor

Name of Commitment:	Second hand Sunday/ free annual kerbside bulky waste		
	Reference Number: LAB050		
Request Submitted by:	Andrew Barr MLA, ACT Labor		
Date Request Received:	14-Oct-24		
Additional Information Requested (details and date)	N/A		
Additional Information Received (details and date)	N/A		

Financial Implications					
Impact On:	2024-25	2025-26	2026-27	2027-28	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues ^(a)	0.0	0.0	0.0	0.0	0.0
Expenses ^{(a)(b)}	0.0	-1,360.0	-1,360.0	0.0	-2,720.0
- Employee Expenses	0.0	0.0	0.0	0.0	0.0
- Other Expenses	0.0	-1,360.0	-1,360.0	0.0	-2,720.0
- Cost of Financing	0.0	0.0	0.0	0.0	0.0
Depreciation	0.0	0.0	0.0	0.0	0.0
Net Operating Balance	0.0	-1,360.0	-1,360.0	0.0	-2,720.0
Capital Requirement	0.0	0.0	0.0	0.0	0.0
Cash Surplus/Deficit	0.0	-1,360.0	-1,360.0	0.0	-2,720.0
<small>(a) A negative number indicates a decrease in revenue or an increase in expenses.</small>					
<small>(b) Excludes depreciation</small>					

Other Information
Costing Methodology Used:
- Costing Technique:
The costing is for \$1.360 million per annum over two years (totalling \$2.720 million) from 2025-26 to 2026-27 to trial free annual kerbside bulky waste collection for 10 suburbs per year. It has been calculated using a price by quantity methodology at \$136,000 per suburb, with the cost per suburb calculated based on a cost of \$106 per collection per dwelling and an average of 1,283 dwellings per suburb.

- Proposal Parameters:

- The costing assumes that administrative expenses associated with the program would be absorbed by the Transport Canberra and City Services Directorate (TCCS).
- The trial is anticipated to commence in the second half of 2025 and cease by 30 June 2027.
- The collections would be implemented by an external provider through a service agreement (either through a variation of an existing contract or a new procurement process). TCCS would manage this process consistent with the current kerbside collection contract.
- The costing assumes that the average number of dwellings per suburb is 1,283, based on assumptions that:
 - i. total number of dwellings in the ACT in 2024-25 is 189,397;
 - ii. 19.4 per cent of dwellings in the ACT are flats or apartments; and
 - iii. the total number of suburbs in the ACT (excluding suburbs that are largely industrial or have very few residential dwellings) is 119.
- The costing assumes that the cost per collection is \$106, based on assumptions that:
 - i. the appropriation for bookable bulky waste collection service in 2022-23 was \$3.684 million;
 - ii. as per current contract for bulky waste collection, six collections are completed per hour (12,480 collections per year) and the service is only available on weekdays;
 - iii. the contracted price includes 30 per cent of fixed costs (including vehicle leasing, call centre resourcing, vehicle registration, licencing costs etc) and 70 per cent of variable costs (drivers, fuel, tyres etc); and
 - iv. there will be a 50 per cent saving on fixed costs and 70 per cent saving on variable costs per collection basis.

Caveats or qualifications to the costing:

The costing assumes the employee expenses associated with the proposed works would be included within the proposed funding or managed by TCCS within existing resources.

The cost may vary significantly depending on the actual demand of residents.

The costing assumes the program may generate savings from reduction of the demand for the bookable kerbside collection service.

The costing does not consider impact from indexation or population growth.

Other Comments:

Treasury considers the proposed cost of \$106 per collection to be reasonable based on similar projects in other cities:

- i. the additional cost per collection of \$72.50 in Adelaide after two free collections; and
- ii. the additional cost per collection of \$58 in Coffs Harbour City Council after two free collections.

- Statistical Data Used:

- Treasury estimates.
 - The total cost per suburb was calculated using the sources listed below.
- ACT Government, 2024-25 Budget - Aggregate Land Value for 2024-25 General Rates Settings:
https://www.treasury.act.gov.au/_data/assets/pdf_file/0005/2516171/Aggregate-land-value-for-general-rates-settings-2024-25-Budget.pdf
- ACT Government, 2020-21 ACT Budget initiative *Fast tracking bulky waste collection services*.
- Australian Bureau of Statistics, 2021 Census data:
<https://www.abs.gov.au/census/find-census-data/quickstats/2021/8>
- Elections ACT website - List of suburbs by electorate:
https://www.elections.act.gov.au_data/assets/pdf_file/0008/2518784/List-of-suburbs-by-electorate.pdf
- Tenders ACT, the current contract for bulky waste collection:
<https://www.tenders.act.gov.au/contract/attachments?id=185687>
- The cost per collection for Adelaide was sourced through City of Adelaide website, Hard waste collection for residents:
<https://www.cityofadelaide.com.au/resident/recycling-waste/hard-waste-collection-for-residents/>
 - The cost per collection for Coffs Harbour City Council was sourced from:
<https://www.handybinwaste.com.au/domestic/bulky-goods.htm>



Stuart Hocking PSM
Under Treasurer
17 October 2024