

ITEM 4 FOGO - IMPLEMENTATION AND GRANT FUNDING

Council has recently undertaken a successful food organics and garden organics (FOGO) collection trial which resulted in high participation rates, good food waste diversion and low contamination levels. Due to the success of the trial, options to bring forward the introduction of FOGO to households across the City have been investigated.

The NSW EPA has recognised the introduction of FOGO to multi-unit dwellings as a challenging part of any FOGO rollout and has allocated specific funding through the NSW Environmental Trust Organics Collections Grants Program to increase the understanding for MUDs.

This report recommends that Council introduce a FOGO service to all households with a current green-lidded bin service. This report also recommends that Council undertakes a FOGO trial across 1,500 households living in Multi-unit dwellings (MUDs), pending a successful grant application.

RECOMMENDATION

- 1 Council introduce an enhanced organics collection service (FOGO) to households by incorporating food organics and increasing the service frequency to weekly commencing November 2020. The service frequency for the current fortnightly co-mingled recyclable service (yellow) and weekly residual waste service (red) will remain.
- 2 Council prepare a scope for a 12-month FOGO trial across Multi-unit Dwellings (MUDs), pending a successful grant application.

REPORT AUTHORISATIONS

Report of: Joanne Page, Manager Open Space & Environmental Services

Authorised by: Andrew Carfield, Director Infrastructure + Works - Connectivity Assets + Liveable City

ATTACHMENTS

- 1 FOGO Collection Trial Survey - Infographic

BACKGROUND

The NSW Waste and Resource Recovery Strategy 2014-21 sets long term targets for municipal solid waste. Those that are relevant to Council's operation include:

- Avoiding and reducing the amount of waste generated per person;
- Increasing recycling rates from 52% (2010-2011) to 70% for municipal solid waste;
- Increasing diversion from landfill to 75%.

Wollongong currently has an effective garden organics service which collects, composts and diverts around 23,000 tonnes from landfill each year. This produces a range of quality soil, compost and mulch products for markets across NSW.

When food waste decomposes in a landfill it produces odours, leachate and methane gas which is 25 times more harmful than carbon dioxide as a greenhouse gas. This has long term economic, social and environmental implications for our City. In FY19, the average food waste composition in the residual waste bin (red) was greater than 35%, which accounted for more than 6,900 tonnes of waste landfilled at Whytes Gully.

The combination of food waste and garden organics is promoted by the NSW EPA as FOGO – food organics and garden organics. The implementation of FOGO collection and processing would have the following benefits to our residents:

- Diverts waste from landfill;

- Increases the life of the landfill;
- Creates compost which improves the quality of soil by adding nutrients and organic matter;
- Aligns with Council's Resource Recovery and Waste Strategy;
- Aligns with Council's Draft Climate Change Mitigation Strategy.

In September 2019, Wollongong City Council introduced a 13-week FOGO trial to investigate and assess the feasibility of a city-wide FOGO waste collection system. The trial was conducted across 1,500 properties in Warrawong, Cordeaux Heights and Austinmer and had the following outcomes:

- An average contamination rate of 0.3%, well below the NSW EPA average of 2.6%;
- Increase in the waste diverted from landfill from 56% to 65%, an average of 1.5kg of food waste diverted from each household per week;
- 82% of trial participants believed that FOGO was an effective way for Council to reduce landfill;
- Participation in the trial was strong;
- Provision of clear information and consistent messages is important to FOGO success;
- Caddies and liners make FOGO collection more effective;
- Weekly FOGO collection is supported by the community; and
- Some concerns were raised about the potential loss of a weekly residual waste service from households who used disposable nappies or had special waste needs.

To support Council with the determination of the FOGO proposal, the:

- Operational Plan included an action to "continue to progress options to implement a Food Organics Garden Organics (FOGO) program across the LGA";
- Waste Model, Waste budget and associated waste gate fee included the implementation of FOGO;
- Current contracts for organics collection and organics treatment included provision for the implementation of FOGO.

During the consultation period for the draft Infrastructure Delivery Program 2018-2022 and Operational Plan 2020-2021, Council received overwhelming support for a Local Government Area (LGA) wide FOGO roll-out.

Grant funding for organics collections is currently available through the NSW Environmental Trust's Organic Collections Grant Program. The eligibility criteria and funding pool have significantly changed from previous years and under this round of funding, a total pool of \$16M is available:

- \$12.5M is allocated to Councils transitioning away from Mixed Waste Organics Outputs; and
- \$3.5M to allocated to other Councils for garden and food organics collections;
- Unavailable for Projects that would reasonably be expected to proceed without grant assistance.

PROPOSAL

Due to the overwhelming community support for FOGO and the limited availability of grant funding it is recommended to implement FOGO to existing properties with existing garden organics collection from November 2020 funded from the Domestic Waste Reserve and develop a grant funding application for a trial for MUDs.

It is recommended that Council support the implementation of a weekly FOGO service across households with a current garden organics service across the Local Government Area from November 2020 due to the:

- Overwhelming community support for a FOGO service;
- Improved environmental outcomes to leachate production, odour and greenhouse gas emissions;
- Increased life of the landfill;
- No proposed change to waste fees and charges for households;
- Limited availability of grant funding

The rollout is proposed to be conducted in partnership with Remondis and Soilco across the Local Government Area for households currently receiving the Garden Organics Service between November 2020 and February 2021. Upon receipt of their FOGO starter kit, residents will be able to commence the weekly collection of their FOGO (green-lidded) bin. It is proposed to fund the implementation, collection and processing costs associated with FOGO without additional charge until June 2022.

If the FOGO proposal is approved, it will allow our partners to order and purchase plant that will be required for a November FOGO implementation.

FOGO collection in MUDs is recognised as a challenging part of any FOGO rollout and was raised as a concern from some of our Councillors and the Community. A scope for a MUDs trial will be developed as part of the grant application process, to focus on large apartment complexes in the CBD and complexes with transient residents, such as university students targeted. Targeting these MUDs is expected to be favourable to the funding selectors.

A second proposal for the implementation of a FOGO and / or food organics service will be reported back to Council once the findings of a MUD trial are available.

A Council Report will also be prepared to report on the effectiveness of the overall waste management service and recommend future waste management services prior to June 2022.

CONSULTATION AND COMMUNICATION

Quality community engagement, communication and education is essential in ensuring the successful implementation of the MUDs FOGO collection trial. A Community Engagement and Communication Strategy (the Strategy) will be drafted in consultation with:

- Staff from Waste Services, Environment and Conservation Services, Community Engagement, Soilco and Remondis;
- Community waste champions identified during the FOGO trial; and
- Councillors.

The Strategy will incorporate project branding, development of messaging for inclusion in starter kits, media releases and social and paid media and the identification of appropriate interventions with the community such as community events and meetings (assuming controls around COVID-19 continue).

The Strategy will target parts of the community that will require additional attention and specific messaging such as families, residents aged 65 and over and culturally and linguistically diverse (CALD) communities.

Implementation of the Strategy will occur in the months leading up to and continue after the rollout to reinforce correct usage of the FOGO bins and provide feedback to the trial participants. Information regarding the transition to fortnightly general waste collection will commence approximately six months prior to the service change.

Councillor Briefings and Info Notes will be prepared to advise the progress of funding applications, FOGO collection rollout and FOGO MUDs trial, pending a successful grant application.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goals:

| Community Strategic Plan | Delivery Program 2018-2022 | Operational Plan 2019-20 |
|--|--|---|
| Strategy | Revised 4 Year Program | Operational Plan Actions |
| 1.2 We practice sustainable living and reduce our ecological footprint | | |
| 1.2.1 Reduce our ecological footprint, working together to minimise the impacts of climate change and reduce waste going to landfill | 1.2.1.1 Develop and implement a range of programs that encourage community participation in reducing Wollongong’s ecological footprint | 1.2.1.1.2 Deliver waste minimisation programs in accordance with the Waste Strategy |
| | | 1.2.1.1.9 Continue to progress options to implement a Food Organics Garden Organics (FOGO) program across the LGA |
| | 1.2.1.3 Methods to reduce emissions are investigated and utilised | 1.2.1.3.1 Continue to deploy Council’s Waste and Resource Recovery Strategy |

It specifically delivers on core business activities as detailed in the Waste and Resource Recovery Strategy 2022 and Waste and Resource Recovery Strategy 2022 Action Plan.

SUSTAINABILITY IMPLICATIONS

The FOGO collection service will assist Council to meet the following key strategic targets:

- the Waste Avoidance and Resource Recovery Strategy 2014-2021 (WARR Strategy) target that by 2021–22 the recycling rates for municipal solid waste will increase from 52% (in 2010–11) to 70%.
- meet the target of net zero emissions of carbon dioxide equivalents by 2030 for Council and net zero emissions of carbon dioxide equivalents by 2050 for the community as per Council’s commitments following the declaration of a Climate Emergency and alliance with the Global Covenant of Mayors.

The implementation of FOGO will assist Council to meet other environmental outcomes including:

- Increase the landfill life by approximately 2 years for every year of FOGO;
- Reduce odour and leachate production due to the decomposition of food waste.

RISK MANAGEMENT

The initial FOGO Trial identified several community concerns that will be addressed in the Community Engagement and Communication Strategy for the rollout, these include:

- Additional cost for collection;
- Smell and pests in FOGO bin;
- Disposal of pet wastes;
- Nappies;
- Crowded footpaths due to additional bin;
- Room to store the bins on the property
- Impact to residual waste bin (red) if modified from weekly to fortnightly service.

FINANCIAL IMPLICATIONS AND PROPOSED GRANT FUNDING

Grant funding for organics collections is currently available through the NSW Environmental Trust's Organic Collections Grant Program. It was initially anticipated in Council's Operating Plan that this funding could provide significant support to assist in the introduction of FOGO in 2020/21. Unfortunately, the eligibility criteria and funding pool have significantly changed from previous years and under this round of funding, while a total pool of \$16M remains available, the allocation of funds is limited as follows:

- \$12.5M allocated to Councils transitioning away from Mixed Waste Organics Outputs; and
- \$3.5M to allocated to other Councils for garden and food organics collections;

In addition, funding is no longer available for Projects that would reasonably be expected to proceed without grant assistance, which would likely apply to Wollongong due to the strong support for the progressive rollout of FOGO.

Based upon the current application process and previous successful grant applications, the recalculated estimate for potential grant funding available to Council for one or both of the following scenarios:

| | Grant Scenario 1 Households that currently have access to the Garden Organics Service | Grant Scenario 2 Households that do not currently have access to the Garden Organics Service Multi-unit dwellings Trial (1500) |
|---------------------------------|--|--|
| Estimated maximum grant funding | \$515,000 | \$366,250 |

While it is possible to progress with a grant funding application for both the scenarios above, this would result in the earliest implementation of FOGO from May / June 2021 as:

- successful applicants will not be notified until November 2020;
- agreements signed in December 2020; and
- funding likely available from January 2021.

If the implementation of FOGO to households that have a current garden organics service was delayed until the grant application outcomes were known, Council would:

- Miss the opportunity to divert 3,000 tonnes of food organics from landfill and the associated benefits to landfill life;
- Pay an additional \$440k in EPA Waste Levy;

- Delay the reduction to odour, leachate and greenhouse gas production;
- Maintain current levels of compost produced.

Alternatively, it is proposed that implementation and provision of an ongoing FOGO service could be funded from the existing charges associated with the provision of Domestic Waste Management Services and be supplemented in the formative years by funding from the Domestic Waste Management restricted asset. Under this proposal, Organics Collections grant funding for a trial across Multi-use dwellings from the NSW Environmental Trust may prove more advantageous.

Council’s Domestic Waste Management operation is required to be managed at breakeven over time, meaning that Council cannot profit from the Domestic Waste Management Charge or subsidise the operations from other revenue sources. The balance of financial results is maintained in the Domestic Waste Management restricted asset. In accordance with the Local Government Act 1993 these funds can only be used for costs of operations and projects associated with the collection and treatment of domestic waste collected from properties. Due to improved performance against budget in prior periods the Domestic Waste Management restricted asset currently contains enough balance to:

- fund the implementation of a FOGO service to households with a current garden organics service for FY21 and FY22; and
- retain a buffer required for potential variations in domestic waste collection and treatment costs.

Based on current forecasts the Domestic Waste Management restricted asset would retain a \$7M contingency, which remains above current requirements, and would be used to minimise increases in future Domestic Waste Management charges.

In developing the revised estimates, the following assumptions have been used based upon the FOGO trial outcomes:

- Initial roll-out to households with a current garden organics service;
- Additional 500 households each year on top of existing service;
- Caddies and compostable liners provided in FY21 and FY22;
- 50% of food waste will be diverted from landfill;
- EPA Waste Levy reduction will be realised;
- Weekly collection and treatment of FOGO (green-lidded bin);
- Current weekly collection and treatment of Residual waste (red-lidded bin) continues;
- Fortnightly collection and recycling of co-mingles recyclables (yellow-lidded bin) will continue;
- Education, marketing and materials for all waste types;
- Waste Audits across all waste bins to determine effectiveness, hotspots and areas for additional education.

| | FY21 (Nov20 to Jun21) | FY22 |
|--|-----------------------|-------------|
| Net additional cost funded from Restricted Asset | \$3,117,164 | \$2,861,215 |
| Proposed cost per household | \$0 * | \$0 * |

* No proposed change to Waste Fees and Charges

While annual costs will reduce year on year following introduction, it is anticipated the additional annual cost in the third year without adjustment to services would be in the vicinity of \$1.8M. While a breakeven position at no extra cost could be achieved with a reduction to the Residual waste (Red-lidded bin) services to fortnightly and self-purchased liners, it is considered more reasonable that an additional cost in the order of \$40 per annum offset by any other efficiencies achieved could be applied from year three. Based on Council's currently low pricing compared to neighbouring councils and a superior service this is considered a reasonable outcome.

CONCLUSION

Introducing a FOGO service will have major environmental benefits for the City including meeting Council's proposed commitments under the draft Climate Mitigation Strategy.

Given the changes to the availability and criteria for the Organics Collections Grants Program and the potential consequences of delaying FOGO, it is recommended that:

- FOGO is implemented across households with a current garden organics service from November 2020;
- A trial of 1,500 households across different Multi-unit Dwellings (MUDs) is undertaken, pending a successful grant application under the NSW Environment Trust Organics Collections Grant Program.

FOGO TRIAL RESULTS

Participants achieved the following:

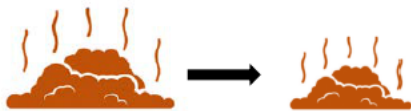
 **310T** of organic waste diverted away from landfill over 12 weeks



That's equal to **10** humpback whales of waste turned into **compost**



56% to 65% increase in diversion so less landfilling needed



Low contamination rate of **0.3%** during trial compared to **4%** before trial

As a result of the trial, participants said they:

- were more conscious about waste and recycling (95%)
- were aware of diverting organic waste from landfill (97%)
- were more conscious about recycling (88%)
- had adopted environmentally friendly practices (91%)
- more aware about the type of rubbish that goes in the bin (92%)
- were choosing recyclable packing over single use (68%)



agreed (82%) that "FOGO is an effective way for Wollongong City Council residents to reduce waste going to landfill".

In the future participants want:



Green-lidded FOGO bins collected weekly (**69%**)

To use bench caddies and liners (**94%**)



Information to be clear and messages consistent

