LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter four (page 300) of the existing Long Term Plan 2018-2028 - *Funding statement section*

WESTERN BAY OF PLENTY DISTRICT COUNCIL

SUMMARY FUNDING STATEMENT 2018 - 2028

FOR THE YEARS ENDED 30 JUNE	ANNUAL PLAN $'000	FORECAST $'000									
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
General rates											
General rate	20,098	23,609	24,637	25,569	24,954	25,637	27,960	29,359	30,334	32,596	34,786
Community Board rates	427	438	446	458	466	479	489	503	513	528	540
Targeted rates											
Roading rate	13,978	13,209	13,917	14,269	14,597	15,041	15,320	15,691	16,356	16,530	16,989
Environmental protection rate	936	732	956	976	997	1,019	1,042	1,067	1,092	1,118	1,146
District library rate	1,651	1,600	1,682	1,771	1,856	1,936	2,023	2,087	2,156	2,269	2,371
Service charges	22,574	23,018	24,083	25,216	28,145	29,084	29,956	30,964	31,737	33,012	33,549
Capital contributions											
Financial contributions	10,020	8,786	9,806	10,471	10,477	10,722	10,671	10,933	11,217	11,518	11,833
Subsidies	12,818	9,487	9,207	8,342	10,297	8,897	8,919	9,119	9,374	10,254	9,900
Vested assets	2,240	2,240	2,292	2,342	2,397	2,453	2,515	2,577	2,645	2,718	2,793
Other revenue											
Fees and charges	9,392	10,656	11,081	11,538	14,334	14,723	15,054	15,449	15,843	16,245	16,716
Penalty revenue	1,200	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Other revenue	3,847	3,213	3,366	3,221	2,981	3,279	3,242	3,714	3,633	3,961	3,957
Total operating revenue	**99,182**	**97,990**	**102,473**	**105,173**	**112,501**	**114,270**	**118,190**	**122,462**	**125,901**	**131,749**	**135,580**
Other funding sources											
Loans	125,000	120,000	120,000	120,000	115,000	110,000	105,000	105,000	95,000	80,000	80,000
Cash reserves and surpluses	(57,113)	(66,058)	(89,409)	(99,454)	(87,030)	(58,721)	(74,218)	(70,242)	(61,970)	(41,309)	(49,514)
Total other funding sources	**67,887**	**53,942**	**30,591**	**20,546**	**27,970**	**51,279**	**30,782**	**34,758**	**33,030**	**38,691**	**30,486**
Total sources of funds	**167,070**	**151,932**	**133,064**	**125,719**	**140,464**	**165,543**	**148,962**	**157,208**	**158,909**	**170,404**	**166,014**
Less operating expenditure											
Operating costs	54,378	58,823	59,296	61,011	65,966	67,517	69,660	71,568	72,904	75,090	79,015
Interest	7,800	8,000	8,000	7,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Depreciation	20,174	20,807	22,189	23,319	24,527	25,761	27,016	28,712	30,203	31,889	33,321
Total operating expenditure	**82,352**	**87,630**	**89,485**	**91,330**	**96,494**	**99,278**	**102,676**	**106,280**	**109,106**	**112,978**	**118,336**
Other expenditure											
Capital expenditure	39,718	39,301	43,579	34,390	33,971	31,266	36,286	40,927	34,803	32,426	47,678
Debt repayment	45,000	25,000	-	-	10,000	35,000	10,000	10,000	15,000	25,000	-
Total other expenditure	**84,718**	**64,301**	**43,579**	**34,390**	**43,971**	**66,266**	**46,286**	**50,927**	**49,803**	**57,426**	**47,678**
Total expenditure	**167,070**	**151,932**	**133,064**	**125,719**	**140,464**	**165,543**	**148,962**	**157,208**	**158,909**	**170,404**	**166,014**
Operating surplus/(deficit)	**16,832**	**10,359**	**12,988**	**13,844**	**16,008**	**14,993**	**15,514**	**16,182**	**16,794**	**18,771**	**17,244**

LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter four (page 301) of the existing Long Term Plan 2018-2028 - *Funding statement section*

WESTERN BAY OF PLENTY DISTRICT COUNCIL

RECONCILIATION OF SUMMARY FUNDING IMPACT STATEMENT TO PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

FOR THE YEARS ENDED 30 JUNE	ACTUAL $'000	ANNUAL PLAN $'000	FORECAST $'000									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Operating funding per funding impact statement	85,029	80,912	82,838	85,875	87,758	95,819	97,197	101,012	104,858	107,839	113,199	116,523
Add: Subsidies and grants for capital expenditure	476	6,011	4,125	4,500	4,603	3,808	3,897	3,993	4,093	4,200	4,314	4,432
Swap revaluation movement	-	-	-	-	-	-	-	-	-	-	-	-
Financial contributions	10,993	10,020	8,786	9,806	10,471	10,477	10,722	10,671	10,933	11,217	11,518	11,833
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation adjustments	7,648	-	-	-	-	-	-	-	-	-	-	-
Total	**104,145**	**96,943**	**95,750**	**100,181**	**102,831**	**110,104**	**111,816**	**115,676**	**119,885**	**123,256**	**129,032**	**132,787**
Total revenue per statement of revenue and expense	107,728	99,182	97,990	102,473	105,173	112,501	114,270	118,190	122,462	125,901	131,749	135,580
Less: Loss on shares adjustment	(76)	-	-	-	-	-	-	-	-	-	-	-
Less: vested assets	3,658	2,240	2,240	2,292	2,342	2,397	2,453	2,515	2,577	2,645	2,718	2,793
Total	**104,145**	**96,942**	**95,750**	**100,181**	**102,831**	**110,104**	**111,816**	**115,676**	**119,885**	**123,256**	**129,032**	**132,787**
Variance	-	-	-	-	-	-	-	-	-	-	-	-
Application of operating funding per funding impact statement	**61,016**	**62,178**	**66,823**	**67,296**	**68,011**	**71,966**	**73,516**	**75,659**	**77,567**	**78,902**	**81,087**	**85,012**
Total expenditure per statement of revenue and expense	75,312	82,351	87,630	89,485	91,330	96,494	99,278	102,676	106,280	109,106	112,978	118,336
Less: depreciation and amortisation	19,413	20,174	20,807	22,189	23,319	24,527	25,761	27,016	28,712	30,203	31,889	33,321
Less: other adjustments	(5,117)	-	-	-	-	-	-	-	-	-	-	-
Total	**61,016**	**62,178**	**66,823**	**67,296**	**68,011**	**71,966**	**73,516**	**75,659**	**77,567**	**78,902**	**81,087**	**85,012**
Variance	-	-	-	-	-	-	-	-	-	-	-	-

LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter four (page 329) of the existing Long Term Plan 2018-2028 - *Prospective financial statements section*

WESTERN BAY OF PLENTY DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF FINANCIAL POSITION

FOR THE YEARS ENDED 30 JUNE	ANNUAL PLAN $'000	FORECAST $'000									
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Current assets											
Cash and cash equivalents	16,505	1,720	2,244	2,621	1,655	3,925	2,779	4,148	3,832	4,467	4,884
Trade and other receivables	10,912	10,872	11,516	11,726	11,924	12,066	12,326	12,715	12,941	13,484	13,754
Total current assets	**27,417**	**12,592**	**13,760**	**14,347**	**13,580**	**15,991**	**15,105**	**16,862**	**16,773**	**17,951**	**18,638**
Non-current assets											
Property, plant and equipment	1,296,228	1,347,641	1,405,152	1,452,254	1,501,163	1,549,401	1,605,503	1,668,662	1,728,136	1,789,766	1,871,029
Intangible assets	2,899	2,377	2,172	2,098	2,198	2,118	2,214	2,131	2,224	2,139	2,231
Investments	22,129	22,416	10,559	10,559	10,479	10,399	10,319	10,319	10,159	9,919	9,919
Total non-current assets	**1,321,256**	**1,372,433**	**1,417,883**	**1,464,911**	**1,513,840**	**1,561,917**	**1,618,036**	**1,681,112**	**1,740,520**	**1,801,824**	**1,883,179**
Total assets	**1,348,674**	**1,385,025**	**1,431,643**	**1,479,258**	**1,527,420**	**1,577,908**	**1,633,140**	**1,697,974**	**1,757,293**	**1,819,775**	**1,901,816**
Current liabilities											
Trade and other payables	13,614	14,295	14,353	14,455	14,458	14,671	14,970	15,234	15,412	15,715	16,271
Employee accruals	2,725	2,575	2,575	2,575	2,575	2,575	2,575	2,575	2,575	2,575	2,575
Other current liabilities	9,655	9,655	9,655	9,655	9,655	9,655	9,655	9,655	9,655	9,655	9,655
Provisions	312	312	312	312	312	312	312	312	312	312	312
Borrowings	25,000	-	-	10,000	35,000	10,000	10,000	15,000	25,000	-	25,000
Total current liabilities	**51,306**	**26,837**	**26,896**	**36,997**	**62,000**	**37,213**	**37,512**	**42,776**	**52,955**	**28,257**	**53,813**
Non-current liabilities											
Borrowings	100,000	120,000	120,000	110,000	80,000	100,000	95,000	90,000	70,000	80,000	55,000
Employee benefit liabilities	150	150	150	150	150	150	150	150	150	150	150
Provisions	208	350	342	334	326	318	310	302	294	286	278
Total non-current liabilities	**100,358**	**120,500**	**120,492**	**110,484**	**80,476**	**100,468**	**95,460**	**90,452**	**70,444**	**80,436**	**55,428**
Total liabilities	**151,664**	**147,337**	**147,388**	**147,481**	**142,476**	**137,681**	**132,972**	**133,228**	**123,398**	**108,693**	**109,241**
Net assets	**1,197,010**	**1,237,688**	**1,284,255**	**1,331,777**	**1,384,943**	**1,440,227**	**1,500,169**	**1,564,746**	**1,633,895**	**1,711,082**	**1,792,575**
Represented by											
Retained earnings	803,817	814,328	826,967	839,018	853,132	865,096	876,658	890,466	904,724	918,662	936,512
Restricted reserves	266	266	266	266	266	266	266	266	266	266	266
Council-created reserves	26,755	26,603	26,952	28,745	30,638	33,667	37,619	39,993	42,530	47,362	46,757
Asset revaluation reserve	366,172	396,491	430,071	463,749	500,907	541,198	585,626	634,021	686,375	744,792	809,041
Total public equity	**1,197,010**	**1,237,688**	**1,284,255**	**1,331,777**	**1,384,943**	**1,440,227**	**1,500,169**	**1,564,746**	**1,633,895**	**1,711,082**	**1,792,575**

LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter four (page 330) of the existing Long Term Plan 2018-2028 - *Prospective financial statements section*

WESTERN BAY OF PLENTY DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE 2018-2028

FOR THE YEARS ENDED 30 JUNE	ANNUAL PLAN $'000	FORECAST $'000									
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Revenue from non-exchange transactions											
Fees and charges from activities	5,439	6,170	6,501	6,615	9,199	9,513	9,715	9,965	10,299	10,601	10,966
Rate income	64,670	67,998	71,258	74,247	76,948	79,422	83,157	86,552	89,016	93,243	96,596
Fines	245	253	283	342	348	372	333	341	302	307	314
Vested assets	2,240	2,240	2,292	2,342	2,397	2,453	2,515	2,577	2,645	2,718	2,793
Financial contributions	10,020	8,786	9,806	10,471	10,477	10,722	10,671	10,933	11,217	11,518	11,833
Subsidies and grants	12,818	9,487	9,207	8,342	10,297	8,897	8,919	9,119	9,374	10,254	9,900
Other revenue	617	360	368	375	383	392	401	410	420	430	441
Gains	-	-	-	-	-	-	-	-	-	-	-
Total revenue from non-exchange transactions	**96,049**	**95,294**	**99,715**	**102,735**	**110,049**	**111,771**	**115,711**	**119,897**	**123,273**	**129,071**	**132,843**
Revenue from exchanged transactions											
Finance income	1,280	779	792	413	413	413	413	413	413	413	413
Dividends	100	-	-	-	-	-	-	-	-	-	-
Rental Income	1,053	858	885	904	892	911	903	959	982	1,005	1,031
Other exchange revenue	700	1,058	1,082	1,121	1,148	1,176	1,165	1,193	1,233	1,260	1,294
Total operating revenue	**99,182**	**97,990**	**102,473**	**105,173**	**112,501**	**114,270**	**118,190**	**122,462**	**125,901**	**131,749**	**135,580**
Expenditure											
Other expenses	34,986	38,162	38,161	39,434	43,914	44,984	46,608	47,974	48,744	50,342	53,637
Personnel costs	19,390	20,662	21,135	21,576	22,052	22,533	23,052	23,594	24,159	24,747	25,378
Depreciation	19,926	20,375	21,763	22,918	24,126	25,381	26,632	28,344	29,829	31,530	32,954
Amortisation	248	432	426	401	401	380	384	368	374	359	367
Impairment expense	-	-	-	-	-	-	-	-	-	-	-
Finance costs	7,800	8,000	8,000	7,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Total operating expenditure	**82,351**	**87,630**	**89,485**	**91,330**	**96,494**	**99,278**	**102,676**	**106,280**	**109,106**	**112,978**	**118,336**
Share of associates retained surplus	-	-	-	-	-	-	-	-	-	-	-
Net surplus / (deficit)	**16,832**	**10,359**	**12,988**	**13,843**	**16,008**	**14,993**	**15,514**	**16,182**	**16,794**	**18,771**	**17,244**
Gains/(losses) on asset revaluations	24,893	30,319	33,580	33,678	37,151	40,284	44,420	48,389	52,347	58,410	64,243
Other assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income for the year	**24,893**	**30,319**	**33,580**	**33,678**	**37,151**	**40,284**	**44,420**	**48,389**	**52,347**	**58,410**	**64,243**
Total comprehensive income for the year	**41,725**	**40,679**	**46,567**	**47,522**	**53,159**	**55,277**	**59,935**	**64,571**	**69,142**	**77,181**	**81,487**

LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter four (page 331) of the existing Long Term Plan 2018-2028 - *Prospective financial statements section*

WESTERN BAY OF PLENTY DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF CASH FLOWS 2018 - 2028

FOR THE YEARS ENDED 30 JUNE	ANNUAL PLAN $'000	FORECAST $'000									
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Cash flow from operating activities											
Cash will be provided from:											
Rates and services charges	59,433	63,906	66,463	69,419	71,853	74,337	77,712	80,916	83,334	87,210	90,622
Other revenue	2,214	1,886	2,059	2,028	2,041	2,174	2,135	2,228	2,299	2,362	2,429
Financial contributions	10,020	8,786	9,806	10,471	10,477	10,722	10,671	10,933	11,217	11,518	11,833
Sundry revenue	500	360	368	375	383	392	401	410	420	430	441
User fees	9,392	10,656	11,081	11,538	14,334	14,733	15,077	15,485	15,897	16,320	16,814
Subsidies and grants	12,818	9,487	9,207	8,342	10,297	8,897	8,919	9,119	9,374	10,254	9,900
Interest revenue - external	413	413	413	413	413	413	413	413	413	413	413
Regional Council rates	6,293	6,538	6,708	6,890	7,096	7,323	7,572	7,860	8,174	8,534	8,935
Total operating cash provided	**101,083**	**102,032**	**106,105**	**109,477**	**116,894**	**118,990**	**122,899**	**127,364**	**131,127**	**137,041**	**141,386**
Cash was applied to:											
Suppliers and employees	55,311	58,143	59,237	60,909	65,964	67,304	69,362	71,304	72,725	74,787	78,459
Interest on public debt	7,800	8,000	8,000	7,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Regional Council rates	6,293	6,538	6,708	6,890	7,096	7,323	7,572	7,860	8,174	8,534	8,935
Total operating cash applied	**69,404**	**72,681**	**73,946**	**74,798**	**79,060**	**80,627**	**82,934**	**85,164**	**86,900**	**89,322**	**93,394**
Net cashflows from operating activities	**31,679**	**29,351**	**32,159**	**34,678**	**37,834**	**38,363**	**39,965**	**42,199**	**44,228**	**47,719**	**47,992**
Cash flow from investing activities											
Cash will be provided from:											
Proceeds from sale of property, plant and equipment	85	85	87	89	91	92	95	97	99	101	104
Proceeds from sale of investments	35,000	80	11,857	-	80	80	80	-	160	240	-
Total investing cash provided	**35,085**	**165**	**11,944**	**89**	**171**	**172**	**175**	**97**	**259**	**341**	**104**
Cash will be spent on:											
Purchase of property, plant and equipment	39,718	39,301	43,579	34,390	33,971	31,266	36,286	40,927	34,803	32,426	47,678
Purchase of investments	320	-	-	-	-	-	-	-	-	-	-
Total investing cash applied	**40,038**	**39,301**	**43,579**	**34,390**	**33,971**	**31,266**	**36,286**	**40,927**	**34,803**	**32,426**	**47,678**
Net cashflows from investing activities	**(4,953)**	**(39,136)**	**(31,635)**	**(34,301)**	**(33,800)**	**(31,093)**	**(36,112)**	**(40,831)**	**(34,544)**	**(32,085)**	**(47,574)**
Cash flow from financing activities											
Cash will be provided from:											
Loans raised	20,000	20,000	-	-	5,000	30,000	5,000	10,000	5,000	10,000	-
Total financing cash provided	**20,000**	**20,000**	**-**	**-**	**5,000**	**30,000**	**5,000**	**10,000**	**5,000**	**10,000**	**-**
Cash will be spent on:											
Repayment of public debt	45,000	25,000	-	-	10,000	35,000	10,000	10,000	15,000	25,000	-
Total financing cash applied	**45,000**	**25,000**	**-**	**-**	**10,000**	**35,000**	**10,000**	**10,000**	**15,000**	**25,000**	**-**
Net cashflows from financing activities	**(25,000)**	**(5,000)**	**-**	**-**	**(5,000)**	**(5,000)**	**(5,000)**	**-**	**(10,000)**	**(15,000)**	**-**
Net increase/(decrease) in cash held	**1,726**	**(14,785)**	**524**	**377**	**(966)**	**2,270**	**(1,146)**	**1,369**	**(316)**	**634**	**417**
Plus opening cash balance	14,779	16,505	1,720	2,244	2,621	1,655	3,925	2,778	4,147	3,832	4,466
Closing cash position	**16,505**	**1,720**	**2,244**	**2,621**	**1,655**	**3,925**	**2,778**	**4,147**	**3,832**	**4,466**	**4,883**

LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter four (page 332) of the existing Long Term Plan 2018-2028 - *Prospective financial statements section*

WESTERN BAY OF PLENTY DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF CHANGES IN NET ASSETS/EQUITY 2018 - 2028

FOR THE YEARS ENDED 30 JUNE	ANNUAL PLAN $'000	FORECAST $'000									
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Accumulated funds at the start of the year	784,185	803,817	814,328	826,967	839,017	853,132	865,096	876,657	890,465	904,723	918,662
Net surplus for the year	19,632	10,511	12,639	12,050.42	14,114.30	11,964.18	11,561.50	13,807.87	14,257.82	13,938.82	17,849.34
Accumulated funds at the end of the year	**803,817**	**814,328**	**826,967**	**839,017**	**853,132**	**865,096**	**876,657**	**890,465**	**904,723**	**918,662**	**936,511**
Asset revaluation reserves at the start of the year	341,279	366,172	396,491	430,071	463,749	500,908	541,199	585,626	634,022	686,376	744,792
Revaluation of infrastructural assets	24,893	30,319	33,580	33,678	37,159	40,291	44,427	48,396	52,354	58,416	64,249
Asset revaluation reserves at the end of the year	**366,172**	**396,491**	**430,071**	**463,749**	**500,908**	**541,199**	**585,626**	**634,022**	**686,376**	**744,792**	**809,041**
Council reserves at the start of the year	29,822	27,021	26,869	27,218	29,011	30,904	33,932	37,885	40,259	42,796	47,628
Movements during the year	(2,802)	(152)	349	1,793	1,893	3,028	3,953	2,374	2,536	4,832	(605)
Council reserves at the end of the year	**27,021**	**26,869**	**27,218**	**29,011**	**30,904**	**33,932**	**37,885**	**40,259**	**42,796**	**47,628**	**47,023**
Equity at the end of the year	**1,197,009**	**1,237,688**	**1,284,255**	**1,331,777**	**1,384,943**	**1,440,227**	**1,500,169**	**1,564,746**	**1,633,894**	**1,711,082**	**1,792,575**

LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter four (page 333) of the existing Long Term Plan 2018-2028 - *Prospective financial statements section*

WESTERN BAY OF PLENTY DISTRICT COUNCIL

RECONCILIATION BETWEEN SUMMARY FINANCIAL FORECASTS AND PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

FOR THE YEARS ENDED 30 JUNE	ANNUAL PLAN $'000	FORECAST $'000									
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Total operating revenue											
Activity summary financial forecast statements											
Representation	419	430	514	449	457	551	479	493	503	518	529
Planning for the future	13	13	13	13	13	14	14	14	15	15	15
Communities	3,013	2,390	2,455	2,505	2,646	2,742	2,824	2,985	3,010	3,140	3,253
Recreation and leisure	2,312	3,234	3,125	3,120	3,156	3,226	3,099	3,210	3,293	3,975	3,466
Regulatory services	5,306	6,033	6,260	6,510	6,731	6,913	7,021	7,195	7,400	7,608	7,880
Transportation	27,350	25,040	26,850	27,663	27,326	28,070	28,757	29,441	30,465	31,057	31,890
Water supply	12,130	11,891	12,721	13,281	13,830	14,244	14,450	14,894	15,255	15,624	16,000
Stormwater	5,552	5,686	6,123	6,403	6,685	6,887	7,074	7,287	7,508	8,101	7,967
Natural environment	533	645	687	706	488	500	512	525	539	554	570
Wastewater	16,123	13,313	13,124	13,751	14,393	14,875	15,377	15,816	16,218	16,683	17,156
Solid waste	1,316	1,407	1,487	729	7,483	6,043	5,993	6,168	6,361	6,548	6,741
Economic	297	324	332	340	349	358	368	379	390	401	413
Support services	4,367	4,133	4,030	4,154	2,856	3,329	3,778	4,406	4,588	5,600	6,775
Total operating revenue	**78,731**	**74,539**	**77,722**	**79,624**	**86,413**	**87,753**	**89,746**	**92,811**	**95,545**	**99,824**	**102,658**
Total operating revenue per prospective statement of comprehensive revenue and expense	**99,182**	**97,990**	**102,473**	**105,173**	**112,501**	**114,270**	**118,190**	**122,462**	**125,901**	**131,749**	**135,580**
Variance	**(20,451)**	**(23,451)**	**(24,751)**	**(25,549)**	**(26,088)**	**(26,517)**	**(28,444)**	**(29,651)**	**(30,356)**	**(31,925)**	**(32,922)**
General rate allocated to activities	(19,362)	(22,261)	(23,517)	(24,241)	(24,695)	(25,074)	(26,936)	(28,094)	(28,719)	(30,211)	(31,146)
Environmental protection rate allocated to activities	(1,089)	(1,190)	(1,234)	(1,308)	(1,393)	(1,443)	(1,508)	(1,557)	(1,636)	(1,714)	(1,776)
Total allocations	**(20,451)**	**(23,451)**	**(24,751)**	**(25,549)**	**(26,088)**	**(26,517)**	**(28,444)**	**(29,651)**	**(30,356)**	**(31,925)**	**(32,922)**

LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter four (page 333) of the existing Long Term Plan 2018-2028 - *Prospective financial statements section*

WESTERN BAY OF PLENTY DISTRICT COUNCIL

RECONCILIATION BETWEEN SUMMARY FINANCIAL FORECASTS AND PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

FOR THE YEARS ENDED 30 JUNE	ANNUAL PLAN $'000	FORECAST $'000									
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Total operating expenditure											
Activity summary financial forecast statements											
Representation	3,031	3,773	3,491	3,578	4,056	3,808	3,943	4,347	4,033	4,146	4,734
Planning for the future	2,060	2,479	2,395	2,433	2,323	2,496	2,531	2,538	2,655	2,769	2,706
Communities	6,540	7,297	7,419	7,607	7,941	8,176	8,483	8,802	9,082	9,445	9,818
Recreation and leisure	6,320	7,179	7,832	8,960	8,797	9,322	9,824	10,932	11,492	12,304	13,083
Regulatory services	7,449	8,711	8,880	9,034	9,328	9,528	9,904	10,119	10,409	10,758	11,118
Transportation	20,794	19,365	19,999	20,521	20,783	21,403	21,765	22,031	22,930	23,430	23,982
Water supply	11,158	12,416	12,851	13,576	14,039	14,488	15,134	15,678	16,199	16,700	16,815
Stormwater	3,963	4,358	4,524	4,738	5,021	5,053	5,290	5,542	5,477	5,563	5,441
Natural environment	791	900	909	940	958	979	1,015	1,035	1,041	1,082	1,106
Wastewater	13,337	12,998	13,180	13,594	13,714	13,938	13,992	14,039	13,927	13,869	15,109
Solid waste	2,042	1,919	2,039	2,120	6,202	6,330	6,496	6,618	6,800	6,978	7,124
Economic	648	708	733	752	777	819	878	922	985	1,041	1,122
Support services	4,218	5,528	5,232	3,477	2,556	2,936	3,423	3,676	4,075	4,895	6,178
Total operating expenditure	**82,351**	**87,630**	**89,485**	**91,330**	**96,494**	**99,278**	**102,676**	**106,280**	**109,106**	**112,978**	**118,336**
Total operating expenditure per prospective statement of comprehensive revenue and expense	**82,351**	**87,630**	**89,485**	**91,330**	**96,494**	**99,278**	**102,676**	**106,280**	**109,106**	**112,978**	**118,336**
Variance	-	-	-	-	-	-	-	-	-	-	-
Net surplus per prospective statement of comprehensive revenue and expense	**16,831**	**10,359**	**12,988**	**13,844**	**16,008**	**14,993**	**15,514**	**16,182**	**16,794**	**18,771**	**17,244**
Other comprehensive revenue and expense											
Gains/(losses) on asset revaluation	24,893	30,319	33,580	33,678	37,151	40,284	44,420	48,389	52,347	58,410	64,243
Total other comprehensive revenue and expense for the year	**24,893**	**30,319**	**33,580**	**33,678**	**37,151**	**40,284**	**44,420**	**48,389**	**52,347**	**58,410**	**64,243**
Total comprehensive revenue and expense for the year	**41,724**	**40,679**	**46,567**	**47,522**	**53,159**	**55,277**	**59,935**	**64,571**	**69,142**	**77,181**	**81,487**

LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter five (page 417) of the existing Long Term Plan 2018-2028 - *Revenue and financing policy section*

SOLID WASTE

COMMUNITY OUTCOME

Effective waste management practices that minimise waste to landfill and encourage efficient use of resources to reduce environmental harm.

GOALS

- Reduce and recover more waste
- To create benefit for our community
- Apply the latest proven and cost effective waste management and minimisation approaches
- To collect information to enable decision making.

DISCUSSION / RATIONALE

Education, promotion of waste minimisation benefits, planning for and monitoring waste benefits our district as a whole. When individuals make use of education and information on waste and hazardous waste issues the community benefits as a result.

If the remediation and monitoring of closed landfills were not undertaken it would affect the community as a whole, through downstream effects on the environment.

The existence of greenwaste and recycling facilities will benefit those in the local area.

If convenient facilities are not provided to dispose of greenwaste it may be more likely that it will be illegally dumped and may result in increased enforcement and regulatory costs for the whole community.

It is sometimes possible to identify individuals who are illegally dumping cars and other rubbish. They may be prosecuted.

Individuals using greenwaste and recycling facilities can be identified and charged for the service.

Council wishes to encourage recycling and therefore chooses not to charge gate fees at its recycling drop off facilities.

Council also wishes to consolidate its revenue collection for this activity by geographical area of benefit and has chosen to combine targeted rates for greenwaste and recycling with targeted rates for landfill remediation and monitoring where facilities are available.

The life of greenwaste and recycling assets is estimated at 25 years. Achieving a cleaner environment benefits future generations through not leaving a legacy of waste.

Illegal dumping and littering requires cleaning up which increases costs. Offenders often cannot be identified.

We have a responsibility to ensure that remediation and monitoring of closed landfills continues.

As of 2020/21 year onwards:

Council's increased role in kerbside service delivery through the Council contracted collection of rubbish, recycling, glass and food scraps (urban areas) (2021/2022 onwards) and through the provision of unmanned rural recycling drop-off points (2020/2021 onwards). These services benefit those households using the service. A targeted rate on the geographic area of benefit where the services are available, reflects the access to services. For rubbish collection user fees and charges are more appropriate, as those that create more waste are clearly identifiable and can be directly charged. Using fees and charges for rubbish collections also helps to encourage the reduction of waste to landfill and the utilisation of recycling options.

FUNDING APPROACH

Capital expenditure excluding renewals

Initially financed by loans and serviced from solid waste targeted rates (uniform annual charges).

over the applicable area of benefit (currently Eastern, Western and Omokoroa).

Waste minimisation levy received from the Ministry of the Environment to fund waste minimisation activities.

Operational, maintenance and renewals expenditure

Provided from:

- Environmental protection rate to fund District-wide operational expenditure
- Area of benefit targeted rates uniform annual charges (Eastern and Western) and user fees to fund renewals and all operating, maintenance and financing costs of closed landfills, green waste and recycling centres
- Waste Minimisation levy to fund waste minimisation activities
- User fees, area of benefit targeted rates to fund renewals of capital and all operational, maintenance and financing costs of Omokoroa greenwaste facility.
- User fees for kerbside rubbish collections.
- Area of benefit targeted rates for service availability, for kerbside recycling, glass, and food scraps (urban areas) collections and rural recycling drop-off services.

LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter five (page 464) of the existing Long Term Plan 2018-2028 - *Activity funding impact statement section*

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT 2018-2028 (WHOLE OF COUNCIL)

All information from 2020-2028 includes an adjustment for inflation and the annual plan figures have been revised for all group of activities.

FOR THE YEARS ENDED 30 JUNE		ANNUAL PLAN $'000	FORECAST $'000								
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Sources of operating funding												
General rates, uniform annual charges, rates penalties		22,066	25,556	26,507	27,779	26,977	27,847	30,179	31,974	32,803	35,336	37,444
Targeted rates		42,586	42,425	44,735	46,452	49,947	51,562	52,975	54,585	56,229	57,930	59,181
Subsidies and grants for operating purposes		6,807	5,362	4,706	3,739	6,490	5,000	4,926	5,026	5,174	5,940	5,468
Fees and charges		5,458	6,470	6,708	6,971	9,562	9,804	9,974	10,211	10,479	10,753	11,095
Interest and dividends from investments		100	-	-	-	-	-	-	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts		3,895	3,025	3,219	2,816	2,837	2,978	2,949	3,050	3,131	3,204	3,282
Total operating funding	**(A)**	**80,912**	**82,838**	**85,875**	**87,757**	**95,813**	**97,192**	**101,002**	**104,846**	**107,816**	**113,163**	**116,471**
Applications of operating funding												
Payments to staff and suppliers		54,346	58,416	59,295	61,010	65,569	67,472	69,576	71,174	72,902	75,087	78,529
Finance costs		7,800	8,000	8,000	7,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Other operating funding applications		32	408	-	-	397	44	83	393	-	-	483
Total applications of operating funding	**(B)**	**62,178**	**66,823**	**67,295**	**68,010**	**71,966**	**73,516**	**75,659**	**77,567**	**78,902**	**81,087**	**85,012**
Operating funding - surplus/(deficit)	**(A-B)**	**18,734**	**16,015**	**18,579**	**19,747**	**23,848**	**23,676**	**25,343**	**27,280**	**28,914**	**32,076**	**31,458**
Sources of capital funding												
Subsidies and grants for capital expenditure		6,011	4,125	4,500	4,603	3,808	3,897	3,993	4,093	4,200	4,314	4,432
Development and financial contributions		10,020	8,786	9,806	10,471	10,477	10,722	10,671	10,933	11,217	11,518	11,833
Increase/(decrease) in debt		2,066	10,138	10,956	1,273	(2,358)	(4,092)	139	900	(7,089)	(10,749)	(751)
Gross proceeds from sale of assets		85	85	87	89	91	92	95	97	99	101	104
Lump sum contributions		-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-	-	-	-	-	-	-
Total Sources of capital funding	**(C)**	**18,182**	**23,135**	**25,349**	**16,436**	**12,017**	**10,619**	**14,898**	**16,023**	**8,427**	**5,185**	**15,618**
Applications of capital funding												
Capital Expenditure												
• to meet additional demand		11,988	17,444	20,913	12,134	14,369	8,433	11,738	22,966	12,616	11,962	24,933
• to improve the level of service		13,665	9,112	9,333	9,691	9,403	11,874	15,596	8,671	9,519	8,634	6,551
• to replace existing assets.		14,064	12,746	13,333	12,564	10,199	10,958	8,952	9,291	12,667	11,831	16,194
Increase/(decrease) in reserves		(2,802)	(152)	349	1,793	1,893	3,028	3,953	2,374	2,536	4,832	(605)
Increase/(decrease) in investments		-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	**(D)**	**36,916**	**39,150**	**43,928**	**36,183**	**35,864**	**34,294**	**40,239**	**43,301**	**37,339**	**37,258**	**47,073**
Capital funding - surplus/(deficit)	**(C-D)**	**(18,734)**	**(16,015)**	**(18,579)**	**(19,747)**	**(23,848)**	**(23,676)**	**(25,343)**	**(27,280)**	**(28,914)**	**(32,076)**	**(31,458)**
Funding balance	**((A-B) + (C-D))**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter five (page 475) of the existing Long Term Plan 2018-2028 - *Activity funding impact statement section*

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT 2018-2028 - SOLID WASTE

All information from 2020-2028 includes an adjustment for inflation.

FOR THE YEARS ENDED 30 JUNE		ANNUAL PLAN $'000	FORECAST $'000									
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Sources of operating funding												
General rates, uniform annual charges, rates penalties		632	708	708	745	769	785	816	830	874	910	929
Targeted rates		1,024	1,110	1,232	1,305	2,977	3,083	3,194	3,308	3,427	3,549	3,676
Subsidies and grants for operating purposes		130	173	126	(709)	2,010	410	195	200	217	223	230
Fees and charges		82	90	94	99	2,461	2,513	2,566	2,621	2,677	2,735	2,794
Internal charges and overheads costs recovered		-	-	-	-	-	-	-	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts		80	33	34	35	35	36	37	38	39	40	41
Total operating funding	**(A)**	**1,948**	**2,115**	**2,194**	**1,475**	**8,252**	**6,827**	**6,809**	**6,998**	**7,234**	**7,458**	**7,671**
Applications of operating funding												
Payments to staff and suppliers		1,479	1,315	1,436	1,487	5,473	5,633	5,777	5,915	6,109	6,279	6,454
Finance costs		6	(8)	(18)	(25)	35	(31)	(51)	(76)	(106)	(141)	(182)
Internal charges and overheads applied		521	584	597	624	637	654	684	696	716	750	766
Other operating funding applications		-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	**(B)**	**2,006**	**1,892**	**2,015**	**2,087**	**6,146**	**6,256**	**6,409**	**6,535**	**6,719**	**6,888**	**7,038**
Operating funding - surplus/(deficit)	**(A-B)**	**(58)**	**223**	**180**	**(612)**	**2,106**	**571**	**400**	**463**	**515**	**571**	**633**
Sources of capital funding												
Subsidies and grants for capital expenditure		-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions		-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt		59	(215)	(174)	956	(1,078)	(346)	(387)	(454)	(509)	(556)	(623)
Gross proceeds from sale of assets		-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions		-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-	-	-	-	-	-	-
Total Sources of capital funding	**(C)**	**59**	**(215)**	**(174)**	**956**	**(1,078)**	**(346)**	**(387)**	**(454)**	**(509)**	**(556)**	**(623)**
Applications of capital funding												
Capital Expenditure												
• to meet additional demand		-	-	-	52	1,019	220	-	-	-	-	-
• to improve the level of service		-	-	-	279	-	-	-	-	-	-	-
• to replace existing assets		-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in reserves		2	9	6	13	9	6	13	9	6	14	10
Increase/(decrease) in investments		-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	**(D)**	**2**	**9**	**6**	**344**	**1,028**	**226**	**13**	**9**	**6**	**14**	**10**
Capital funding - surplus/(deficit)	**(C-D)**	**58**	**(223)**	**(180)**	**612**	**(2,106)**	**(571)**	**(400)**	**(463)**	**(515)**	**(571)**	**(633)**
Funding balance	**((A-B) + (C-D))**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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DISTRICT
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Western Bay of Plenty
District Council

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Te Kaunihera a rohe mai i nga Kuri-a-Wharei ki Otamarakau ki te Uru

Western Bay of Plenty District Council

Policy Committee

Waste Management and Minimisation Investigations

Purpose

This report presents the findings of modelling of kerbside waste and recycling options and seeks Committee approval to progress a preferred option for public consultation alongside the Annual Plan process in March/April 2019.

Recommendation

1. ***THAT the Senior Policy Analyst's report dated 29 November 2018 and titled 'Waste Management and Minimisation Investigations' be received.***

2. ***THAT the report relates to an issue that is considered to be of high significance in terms of Council's Significance and Engagement Policy.***

Kerbside Waste Services

3. ***THAT in relation to Issues and Options Paper – Kerbside Waste Services (Attachment B), the Committee resolves its preferred option as Option [1,2,3, or 4], being:...***

Commercial Services

4. ***THAT in relation to Issues and Options Paper – Commercial Services (Attachment C), the Committee resolves its preferred option as Option [1 or 2], being:....***

Rural Recycling Drop-off Points

5. ***THAT in relation to Issues and Options Paper – Rural Recycling Drop-off Points (Attachment D), the Committee resolves its preferred option as Option [1 or 2], being:....***

Construction and Demolition Waste

6. ***THAT in relation to Issues and Options Paper – Construction and Demolition Waste (Attachment E), the Committee resolves its preferred option as Option [1 or 2], being:....***

7. THAT the Committee directs staff to prepare a Long Term Plan Amendment and consultation document that is consistent with resolutions 3, 4, 5, and 6, and undertake a Special Consultative Procedure alongside the 2019/20 Annual Plan.

.....
Matt Leighton
Senior Policy Analyst

1. Background

Council's Waste Management and Minimisation Plan (WMMP) was formally adopted on 5 December 2017. The Plan provides Council with a framework for the effective and efficient management of the District's waste. The Council's vision, as stated in the WMMP, is: 'Minimising waste to landfill'. The WMMP set a target of increasing the quantity of diverted materials by 80% by 2022. One of the key decisions made through the WMMP was that Council would actively investigate alternative recycling and rubbish collection models to achieve better oversight and management of solid waste and recycling throughout the District.

Currently, Council takes a relatively hands-off approach to waste collection. Rubbish and recycling collections are carried out by private contractors on a pre-paid basis, and Council provides recycling and green waste centres in our larger urban communities (Te Puke, Katikati, Waihi Beach and Omokoroa (greenwaste only)). Waste audits have shown that approximately 70% of waste collected as general waste could have been diverted or recycled.

Investigations have been undertaken to provide detailed information to allow decisions to be made on the future of waste collection in the district.

Timeline
Council has been considering its approach to waste management in some detail over the past two and half years, initially through the development of the Waste Management and Minimisation Plan. Attachment A sets out the key steps already taken and the indicative key dates going forward.

The project
The investigations provide a detailed consideration of collection services and models to make progress towards Council's vision to increase the quantity of diverted materials from landfill. The purpose of the investigations has been to enable Council to determine the best mix of services required and the level of Council involvement that may be beneficial. Council will seek community views on its proposal.

The investigations have progressed through three key phases.

- **Phase 1: Research and options development** – including initial engagement with industry
- **Phase 2: Collection Modelling** – high level modelling of six options
- **Phase 3: Detailed investigations of preferred options** – modelling of two preferred options and additional services.

Eunomia Consulting were selected to undertake the modelling and investigatory work. They are a specialist waste and resource consultancy and have worked with a range of government and industry organisations.

The three reports produced by Eunomia will be publicly available on our website, and have directly informed the development of the preferred options. These reports provide substantial background and supporting detail.

Next steps
If the Committee resolves to progress with the preferred options, this would be progressed as a Long Term Plan Amendment alongside the Annual Plan 2019/20.

Seeking the community's views and input is essential and community consultation will be undertaken through March/April as part of a formal consultation process. This will include the opportunity for interested people/organisations to speak to elected members.

2. Significance and Engagement

The Local Government Act 2002 requires a formal assessment of the significance of matters and decisions in this report against Council's Significance and Engagement Policy. In making this formal assessment there is no intention to assess the importance of this item to individuals, groups, or agencies within the community and it is acknowledged that all reports have a high degree of importance to those affected by Council decisions.

The Policy requires Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions, and activities.

In terms of the Significance and Engagement Policy this decision is considered to be of high significance.

If Council resolves to become more involved in the delivery of kerbside services, this would represent significant change to levels of service, it would affect a large part of the community, and it is a matter of high community interest. Any such decision would have to be progressed through a LTP Amendment with the special consultative procedure followed. This could be progressed alongside the Annual Plan process.

3. Engagement, Consultation and Communication

Interested/Affected Parties	Completed/Planned Engagement/Consultation/Communication
Waste service providers	Current waste operators in the District have been contacted to ensure their views and experience were considered through the options development and modelling. Copies of the reports have been made available. The views of current waste operators will be directly sought through the consultation phase alongside the Annual Plan 2019/20.
Wider community	Information pieces and media release will be issued to make the community aware of Council's work in this area. Formal consultation is proposed to occur alongside the Annual Plan 2019/20 and would meet the requirements of the Special Consultative Procedure as set out in the Local Government Act

	2002. An engagement plan will be developed for this consultation alongside the Annual Plan.
Western Bay of Plenty District Council Staff	Relevant Council Staff will be notified accordingly.

4. Issues and Options Assessment

The relevant issues and options papers are included in attachments B - E.

Option A ***THAT the Policy Committee approves the identified preferred options for public consultation***	
Benefits in terms of the present and future interests of the District taking a sustainable development approach	The costs and benefits of the preferred options are set out in the attached Issues and Options Papers. The preferred options have been selected due to delivering multiple benefits. These include achieving better environmental outcomes through waste diversion and recycling, improved levels of service for the wider community, and reduced average costs for households.
Costs (including present and future costs, direct, indirect and contingent costs)	The costs of the preferred options are set out in the attached Issues and Options Papers, as well as their intended funding sources.
Assessment of cost effectiveness for households and businesses	The analysis of the options and accompanying reports specifically considers which options provide the best value for households. The preferred options reduce the average household cost of waste management and delivers a higher level of service.
Other financial implications	As part of preparing proposed Long Term Plan amendment, staff will undertake a review of the Financial Strategy, Infrastructure Strategy and Solid Waste Strategy and prepare any consequential amendments required for inclusion as supporting information, alongside the adoption of the Consultation Document in March 2019.
Option B ***THAT the Policy Committee does not approve the identified preferred options for public consultation.***	

Benefits in terms of the present and future interests of the District taking a sustainable development approach	The Committee may wish to make another option the preferred option for public consultation. The costs and benefits of alternative options are set out in the attached Issues and Options Papers.
Costs (including present and future costs, direct, indirect and contingent costs)	The costs of the alternative options are set out in the attached Issues and Options Papers.
Assessment of cost effectiveness for households and businesses	The analysis of the options and accompanying reports specifically considers which options provide the best value for households.
Other financial implications	-

5. Statutory Compliance

The recommendations of this report meet the requirements of:

- WBOPDC Waste Management and Minimisation Plan 2017 and s.42 of the Waste Minimisation Act 2008.
- Local Government Act 2002

6. Funding/Budget Implications

The development of content for a Long Term Plan Amendment will require staff time and incur additional costs above those expected for the Annual Plan, due to additional audit requirements of a Long Term Plan Amendment. These costs will be met from within current budgets.

Funding and budget implications for future years, of a change to the status quo, are set out in the attached Issues and Options papers in Attachments B-E.

Attachment A

Timeline

WBOPDC's consideration of waste has been ongoing for sometime, including several phases of community engagement. The below provides an outline of the key steps over the past two and a half years and the potential key dates going forward.

2016

- WMMP – vision and goals developed collaboratively with TCC.
- Joint community engagement – awareness raising, surveys undertaken
- Joint waste audit and scenario modelling
- Joint WBOPDC-TCC Waste Assessment

TCC and WBOPDC agree to separate processes.

2017

- Pre-engagement May-July
- Draft WMMP adopted for consultation 7 September 2017
- 22 Sept-23 Oct 2017 - Consultation on draft WMMP
- 31 October – Hearings
- 30 November - Deliberations
- 5 December – WMMP adopted

2018

- March- April – Waste investigations project signalled through LTP consultation document
- March – Waste Management stop kerbside glass collections
- May – Investigations project scoped
- July – Background report considered and outcomes and options identified
- August – High-level modelling of six options and these refined to two options
- October – Detailed investigations and consideration of the two preferred options
- December – Decision on preferred option for public consultation

2019

- March – Public consultation on the preferred option
- June – Council decision on proposal
- July – Prepare for tender process

2020

- Tender process
- Service set-up and establishment

2021

- Service goes live

Attachment B
Annual Plan 2019-20 - Issues and Options Paper - Kerbside Waste services

Attachment C
Annual Plan 2019-20 - Issues and Options Paper - Commercial services

Attachment D
Annual Plan 2019-20 - Issues and Options Paper - Rural recycling drop off services

Attachment E
Annual Plan 2019-20 - Issues and Options Paper - Construction and demolition waste

Annual Plan 2019-20

Issues and Options Paper

Issues and Options Paper ✓

Project Re-budget ☐ (Also complete detail in Appendix A)

Issue and Options (IOP)		
	Number	**Description**
Topic	AP14	Solid Waste
Issue	01	Kerbside Waste Services
Related strategies		Solid Waste Strategy, Waste Management and Minimisation Plan

Staff Narrative

Background

Council has been investigating alternative recycling and rubbish collection models to achieve better oversight and management of solid waste and recycling throughout the District. This aligns with the direction provided by Council through the Waste Management and Minimisation Plan (WMMP) 2017 and the Long Term Plan 2018-2028.

The WMMP sets the vision of "Minimise waste to landfill" and the target of increasing the quantity of diverted material by 80% by 2022.

In order to make progress towards achieving this target, Council will need to consider which steps it may be prepared to take in order to change the status quo. The WMMP identified a Council kerbside collection as the biggest potential contributor to reduce waste landfill.

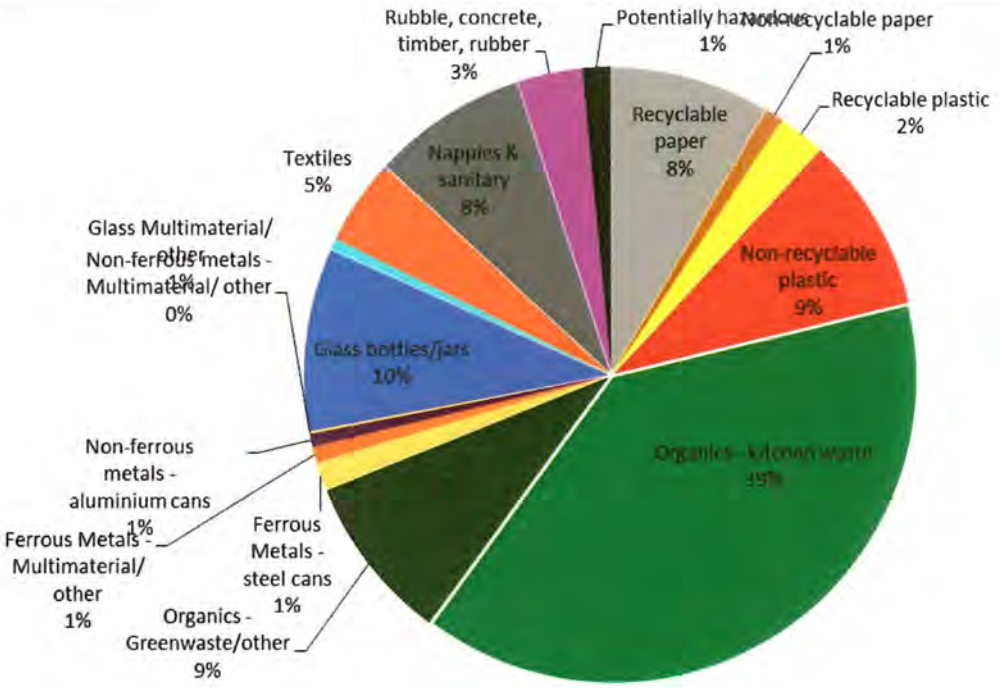
The Council committed through its Long Term Plan 2018-28 to undertake investigations in 2018/19 before consulting on options with the community. Consequently, Council has been engaged in investigations to compare different options to ensure the best outcomes are delivered for our community.

Issue and Trends

What do we throw away?

SWAP shows residential kerbside waste contains about 70% of material that could be diverted or recycled. The biggest component of this is kitchen food waste which makes up about 40% of waste collected. The other biggest components that could be recycled are glass bottles and jars and recyclable paper.

Composition of kerbside bags and wheelie bins over all four waste audits



Why is this a problem?

What we throw away and how we dispose of it can have big impacts on our environment.

Due to the way in which biodegradable (food) waste breaks down in a landfill, it produces methane (approximately 25 times more powerful as a greenhouse gas compared to CO^2) and leachate. Composting food waste separately reduces the environmental footprint (producing CO^2 rather than methane) and provides a useful composting product.

Glass is easily reused (when collected correctly and colour sorted). As a material it can be reprocessed an infinite number of times, melted down and turned into something new, without any loss of material. Our glass is reprocessed here in New Zealand. Sending a useful commodity to landfill is a waste, and costly.

Paper and plastics (1 and 2) are usually two of the most valuable kerbside commodities, as these can more easily be reused. Collecting paper and plastics and recycling these thoughtfully means that we need less resources to produce future products. This reduces our environmental impact and helps us get the most amount of value from limited resources.

What are people saying?

There has been a clear push from the community at large and also Central Government for the nation to take a more active and considerate role in addressing environmental issues. Be this banning single use shopping bags, acknowledging the vast swathes of plastic filling the oceans, increasing awareness on the importance of removing food waste from the landfill or taking action on climate change.

This is something that has been reflected in community views expressed to Council through previous engagement around our WMMP, the LTP and in response to private companies' changes to glass collections. It can also be seen in the latest Vital Signs survey which found that the number one thing people loved most about living here is our natural environment, climate and air quality (91%), with promoting and improving waste management, including recycling, as one of the top priorities for environmental sustainability.

The process so far
Council has been considering its approach to waste management in some detail over the past two and half years, through the commissioning of the Waste Assessment and development of the WMMP.

The investigations have progressed through three key phases.

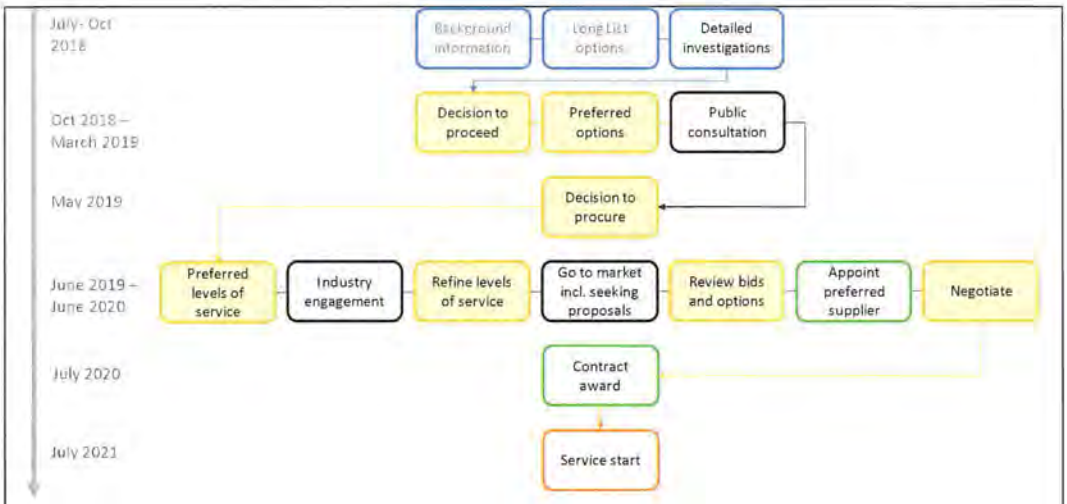
- **Phase 1: Research and options development** – including initial engagement with industry
- **Phase 2: Collection Modelling** – high level modelling of six options
- **Phase 3: Detailed investigations of preferred options** – modelling of two preferred options and additional services.

The Committee identified five key outcomes which have driven this work:

- **Low total community cost:**
  - the new system should cost the community as a whole less than the current system.
- **Diversion from landfill:**
  - reduction in the amount of solid waste sent to landfill (or other residual disposal).
- **Flexibility:**
  - this encompasses a number of issues such as customer choice, appropriate services for various customer groups, convenience for various customers.
- **User-pays**:
  - this encompasses a range of ideas around waste producers paying more if they produce larger quantities of waste and minimising the 'cross-subsidisation' of waste services.
- **Improved environmental outcomes:**
  - the new services should reduce the community's overall impact on the environment.

Direction is necessary as to which option is to be considered the preferred option to take forward to community consultation and feedback.

The process going forward
Should Council formally identify option 3 (5A) as its preferred option for community consultation, this is not the final decision on how a service would look. It would be able to take into account submissions from the consultation process. Additionally, there would be a two year lead in time before a service is delivered allowing for a robust tender process and forward preparation, prior to a service being put in place. There are multiple opportunities for decision making and expert industry input.



Service development

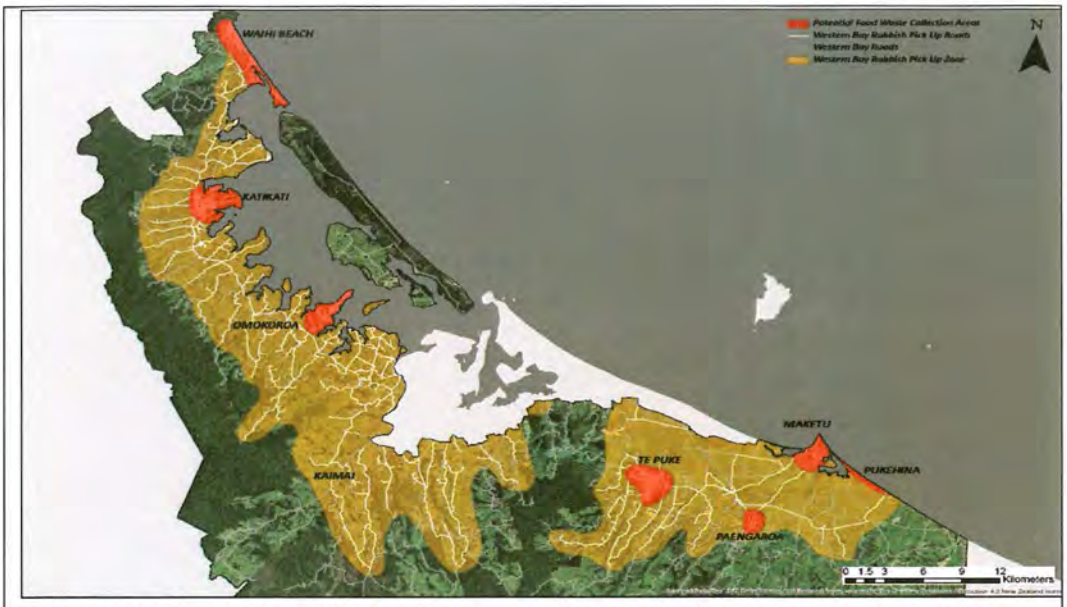
Everyone's waste habits are different. Some of us do the right thing and divert or compost as much as we can; some of us think we are doing the right thing but maybe are missing opportunities; some of us take the easiest route and don't necessarily think about what happens to our waste. The options presented consider our overall impact on the district's household waste.

The four key options below represent the range of Council involvement in kerbside waste services.

The options, the costs, the performance and the underlying assumptions have all been prepared and modelled by Eunomia and presented to the Committee.

Service Range

An indicative map of serviced areas is provided below. It is not cost effective to carry out kerbside collections for every road in our District. The roads highlighted in white have been included as part of the modelled service options to receive only the glass, recycling and rubbish kerbside collections through existing private operators. The areas in red are considered urban and have been included in the food waste collection service, alongside glass, recycling and rubbish kerbside collections. The serviced area for glass, recycling and kerbside rubbish represents over 80% of households. Approximately 3,500 households have been modelled as not being eligible for any service, this would be refined through a tender process.



Opting out of any Council led rubbish, recycling or food waste service would be very limited. This means that everyone has to have a service and do their part to reduce waste to landfill. It also provides certainty for Council and any operator as to how many households would need to be serviced. Examples of where opting out may be considered include gated communities, multi-unit dwellings (such as apartments), retirement homes, or where access is an issue (such as a very long driveway).

Further details are available in the three Eunomia Reports: Kerbside Waste and Recycling Services – Background Information (July 2018); Solid Waste Services Options – Modelling Report (August 2018); Solid Waste Services Options – Detailed Investigations Report (October 2018).

Options	
1 *Status Quo*	*That Council does not take an increased role in waste management, AND That Council looks to revise the current WMMP and its targets in 2019/20.*
2 Council led recycling	*That Council takes an increased role in waste management AND That Council delivers a kerbside collection service for glass and recyclables, to become operational in 2021 funded through a targeted rate; AND That Council deliver a kerbside collection service of food waste in urban areas, to become operational in 2021 funded through a targeted rate. (Note: Option 2 in Eunomia report)*
3 Council led recycling and rubbish	*That Council takes an increased role in waste management AND That Council delivers a kerbside collection service for glass and recyclables, to become operational in 2021 funded by a targeted rate; AND That Council delivers a kerbside collection service of food waste in urban areas, to become operational in 2021 funded by a targeted rate;*

(pay per pickup)	*AND* *That Council delivers a pay per pick-up kerbside rubbish collection service, to become operational in 2021.* *(Note: Option 5A in Eunomia report)*
4 Council led recycling and rubbish (pay per volume)	*That Council takes an increased role in waste management* *AND* *That Council delivers a kerbside collection service for glass and recyclables, to become operational in 2021 funded by a targeted rate;* *AND* *That Council delivers a kerbside collection service of food waste in urban areas, to become operational in 2021 funded by a targeted rate;* *AND* *That Council delivers a kerbside rubbish collection service, and that this be charged as a subscription on a volume basis, to become operational in 2021.* *(Note: option 5B in Eunomia report)*

Option 1: (Status quo)
That Council does not take an increased role in waste management,
AND
That Council looks to revise the current WMMP and its targets in 2019/20.

This option comprises:

- Retaining the private sector rubbish collection service (Council has no direct role apart from regulation); and
- Retaining the private sector recycling collection service (Council has no direct role apart from regulation and provision of community recycling centres).
- Council would revisit its WMMP and look at alternative targets or actions.

Food Waste	Glass	Recycling	Rubbish
Individual households make arrangements with private companies or deal with their waste themselves.			
Private funding arrangement			

The average household cost is $267 p.a. (including gst), paid to a private company.

Advantages

- Flexible and customisable – households can opt to receive the service they want, from the private operator of their choice
- Some price incentive to reduce waste
- Council does not incur costs relating to procurement and administration.

Disadvantages

- Significant quantities of divertible waste going to landfill, which has environmental and financial implications.
- Does not make progress on our WMMP targets and requires Council to reconsider its WMMP.
- Comparatively high average cost to households than other options.

Option 1: Implications for Work Programme/Budgets

y/e June	2019/20 $000	2020/21 $000	2021/22 $000	2022/23 $000	2023/24 $000	2024/25 $000	2025/26 $000	2026/27 $000	2027/28 $000	Comments
Capital cost *e.g. Asset*										
Capex funding										
• Rates										

• Fin Contribution										
• External										
• Other *(specify)*										
Opex cost *e.g. grants, service delivery, maintenance*	*50*									*Cost to rework WMMP.*
Opex funding										
• Rates										
• External										
• Other *(specify)*										

Option 2:
That Council takes an increased role in waste management
AND
That Council delivers a kerbside collection service for glass and recyclables, to become operational in 2021 funded through a targeted rate;
AND
That Council deliver a kerbside collection service of food waste in urban areas, to become operational in 2021 funded through a targeted rate.
(Note: Option 2 in Eunomia report)

Council led recycling (Note: Option 2 in Eunomia report)
This option comprises:

- Retaining the private sector rubbish collection service (Council has no direct role apart from regulation);
- A council-provided weekly kerbside sort based recycling service using two recycling crates (one for glass and one for other recyclables) covering the area serviced by existing private operators – urban and rural; and
- A weekly kerbside food waste collection from urban areas only.

Food Waste	**Glass**	**Recycling**	**Rubbish**
Council led urban collection.	Council led collection	Council led collection	Led by private companies as per status quo
Targeted rates	*Targeted rates*	*Targeted rates*	*Private funding arrangement*

The average household cost is $294 p.a. (including GST) where they are eligible for a food waste collection (urban). This is split between $103 on rates and $191 for private rubbish collection.
The average household cost is $240 p.a. (including GST) where they are not eligible for a food waste collection (rural). This is split between $49 on rates and $191 for private rubbish collection.

Advantages	**Disadvantages**
	• Recycling capacity for households is limited.

• Improves diversion of recyclable or compostable waste from landfill, aligning to overarching WMMP vision • Delivers good recyclable quality • Little post collection processing of recycling needed • Flexible and customisable rubbish collection • Some price incentive to reduce waste • Increased Level of Service to the community	• Health and safety risks with manual handling need to be managed • Relatively high cost to households in comparison to other options

Option 2: Implications for Work Programme/Budgets

y/e June	2019/20 $000	2020/21 $000	2021/22 $000	2022/23 $000	2023/24 $000	2024/25 $000	2025/26 $000	2026/27 $000	2027/28 $000	Comments
Capital cost *e.g. Asset*										
Capex funding										
• Rates										
• Fin Contribution										
• External										
• Other *(specify)*										
Opex cost *e.g. grants, service delivery, maintenance*	*70*	*70*	*1,329*	*1,329*	*1,329*	*1,329*	*1,329*	*1,329*	*1,329*	*Costs for tender work, pre-implementation education, and then service delivery from 2021/22 onwards. Not accounted for growth or inflation.*
Opex funding										
• Rates	*70*	*70*	*1,329*	*1,329*	*1,329*	*1,329*	*1,329*	*1,329*	*1,329*	*Service provision funded through targeted rates. One for glass and recycling collection. One for urban food waste*

										collections. Not accounted for growth or inflation.
• External										
• Other *(specify)*										

Option 3: *(Note: Option 5A in Eunomia report, previously identified as preferred option)*

That Council takes an increased role in waste management
AND
That Council delivers a kerbside collection service for glass and recyclables, to become operational in 2021 funded by a targeted rate;
AND
That Council delivers a kerbside collection service of food waste in urban areas, to become operational in 2021 funded by a targeted rate;
AND
That Council delivers a pay per pick-up kerbside rubbish collection service, to become operational in 2021.

Council led recycling and rubbish (pay per pickup) (Note: Option 5A in Eunomia report)

This option comprises:

- A Council-contracted user-pays rubbish collection service - households are charged on a pay per pickup basis covering the area serviced by existing private operators – urban and rural;
- A Council-provided kerbside recycling service, with a crate provided for a fortnightly glass collection service, and a 240L wheeled bin provided for fortnightly collection of other recyclables covering the area serviced by existing private operators – urban and rural; and
- A weekly kerbside food waste collection from urban areas.

Food Waste	Glass	Recycling	Rubbish
Council led urban collection	Council led collection (urban and rural)	Council led collection (urban and rural)	Council led collection. Users pay a charge only when the bin is collected. (urban and rural)

Targeted rates	*Targeted rates*	*Targeted rates*	*Council provided bin. Pre-paid tags or pre-paid RFID account (user pays)*

The average household cost is $265 p.a. (including GST) where they are eligible for a food waste collection (urban). This is split between $105 on rates and $160 for rubbish collection (pre-paid tags/RFID system).
The average household cost is $213 p.a. (including GST) where they are not eligible for a food waste collection (rural). This is split between $53 on rates and $160 for rubbish collection (pre-paid tags/RFID system).

Advantages

- Improves diversion of recyclable or compostable waste from landfill, aligning to overarching WMMP vision
- High quantity of recyclables can be collected
- Flexible rubbish collection – pick up available on a weekly basis, household pays per pick up as required
- Increased price incentive to reduce waste
- Perceived to be fair as those that make more rubbish pay more
- Cost savings for households and increased level of service.

Disadvantages

- Recycling contamination can be high
- Recycling requires a sorting plant
- Overhead costs of a tag system
- Uncertain market share
- Pay per pick-up are still relatively unproven in NZ, although increasingly used.

Option 2: Implications for Work Programme/Budgets

y/e June	2019/20 $000	2020/21 $000	2021/22 $000	2022/23 $000	2023/24 $000	2024/25 $000	2025/26 $000	2026/27 $000	2027/28 $000	Comments
Capital cost *e.g. Asset*										
Capex funding										
• Rates										
• Fin Contribution										
• External										

• Other *(specify)*										
Opex cost *e.g. grants, service delivery, maintenance*	*70*	*70*	*3,688*	*3,688*	*3,688*	*3,688*	*3,688*	*3,688*	*3,688*	*Costs for tender work, pre-implementation education, and then service delivery from 2021/22 onwards. Not accounted for growth or inflation.*
Opex funding										
• Rates	*70*	*70*	*1,513*	*1,513*	*1,513*	*1,513*	*1,513*	*1,513*	*1,513*	*Service provision funded through targeted rates. One for glass and recycling collection. One for urban food waste collections. Not accounted for growth or inflation.*
• External										
• Other – User fees			*2,175*	*2,175*	*2,175*	*2,175*	*2,175*	*2,175*	*2,175*	*User fees charged for per pick-up rubbish collection.*

Option 4: *(Note: option 5B in Eunomia report)*

That Council takes an increased role in waste management
AND
That Council delivers a kerbside collection service for glass and recyclables, to become operational in 2021 funded by a targeted rate;
AND
That Council delivers a kerbside collection service of food waste in urban areas, to become operational in 2021 funded by a targeted rate;
AND
That Council delivers a kerbside rubbish collection service, and that this be charged as a subscription on a volume basis, to become operational in 2021.

Council led recycling and rubbish (pay per volume) (Note: Option 5B in Eunomia report)

This option comprises:

- A Council-contracted user-pays rubbish collection service - households are charged on subscription fee based on the size of their bin, covering the area serviced by existing private operators – urban and rural;
- A Council-provided kerbside recycling service, with a crate provided for a fortnightly glass collection service, and a 240L wheeled bin provided for fortnightly collection of other recyclables, covering the area serviced by existing private operators – urban and rural; and
- A weekly kerbside food waste collection from urban areas.

Food Waste	**Glass**	**Recycling**	**Rubbish**
Council led urban collection	Council led collection (urban and rural)	Council led collection (urban and rural)	Council led collection. Users pay a subscription charge based on the volume of the bin selected. (urban and rural)
Targeted rates	*Targeted rates*	*Targeted rates*	*Pre-paid subscription to a service. Generally compulsory*

The average household cost is $236 p.a. (including GST) where they are eligible for a food waste collection (urban). This is split between $105 on rates and $131 for rubbish collection (pre-paid subscription to a 140L bin collection).
The average household cost is $184 p.a. (including GST) where they are not eligible for a food waste collection (rural). This is split between $53 on rates and $131 for rubbish collection (pre-paid subscription to a 140L bin collection).

Advantages

- Improves diversion of recyclable or compostable waste from landfill, aligning to overarching WMMP vision
- High quantity of recyclables can be collected
- Some flexibility in rubbish collection, as can opt for smaller or larger bin
- Administration and billing is simpler than for pay per pickup systems
- Cost savings for households and increased level of service.

Disadvantages

- Recycling contamination can be high
- Recycling requires a sorting plant
- Some market share uncertainty (less risk than pay per pickup)
- Once households have selected a bin size, does not encourage waste minimisation.

Option 3: Implications for Work Programme/Budgets

y/e June	2019/20 $000	2020/21 $000	2021/22 $000	2022/23 $000	2023/24 $000	2024/25 $000	2025/26 $000	2026/27 $000	2027/28 $000	Comments
Capital cost *e.g. Asset*										
Capex funding										
• Rates										
• Fin Contribution										
• External										
• Other *(specify)*										
Opex cost *e.g. grants, service*	*70*	*70*	*3,305*	*3,305*	*3,305*	*3,305*	*3,305*	*3,305*	*3,305*	*Costs for tender work, pre-implementation education, and then service delivery from 2021/22 onwards. Not*

delivery, maintenance										*accounted for growth or inflation.*
Opex funding										
• Rates	*70*	*70*	*1,373*	*1,373*	*1,373*	*1,373*	*1,373*	*1,373*	*1,373*	*Service provision funded through targeted rates. One for glass and recycling collection. One for urban food waste collections. Not accounted for growth or inflation.*
• External										
• Other – user fees			*1,932*	*1,932*	*1,932*	*1,932*	*1,932*	*1,932*	*1,932*	*User fees charged for volume based annual subscription.*

Recommended Decision *(to be completed by staff prior to decision-making meeting)*
Option 3 (option 5A in Eunomia report) *That Council take an increased role in waste management* *and* *That Council deliver a targeted-rate funded kerbside collection service for glass and recyclables, to become operational in 2021;* *and* *That Council deliver a targeted-rate funded kerbside collection service of food waste in urban areas, to become operational in 2021;* *and* *That Council deliver a pay per pick-up kerbside rubbish collection service, to become operational in 2021.*

Decision
(To be completed in the decision making meeting)
Reason
(To be completed in the decision making meeting)

Annual Plan 2019-20

Issues and Options Paper

Issues and Options Paper ✓

Project Re-budget ☐ (Also complete detail in Appendix A)

Issue and Options (IOP)		
	Number	**Description**
Topic	AP14	Solid Waste
Issue	02	Commercial services
Related strategies		Solid Waste Strategy, Waste Management and Minimisation Plan

Staff Narrative

Background

Council has been investigating alternative recycling and rubbish collection models to achieve better oversight and management of solid waste and recycling throughout the District. This aligns with the direction provided by Council through the Waste Management and Minimisation Plan 2017 and the Long Term Plan 2018-2028.

The WMMP sets the vision of "Minimise waste to landfill" and the target of increasing the quantity of diverted material by 80% by 2022.

In order to make progress towards achieving this target, Council will need to consider which steps it may be prepared to take in order to change the status quo. The WMMP identified a Council kerbside collection as the biggest potential contributor to reduce waste landfill.

The Council committed through its Long Term Plan 2018-28 to undertake investigations in 2018/19 before consulting on options with the community. Consequently, Council has been engaged in investigations to compare different options to ensure the best outcomes are delivered for our community.

Extending Council led services to commercial property

Businesses that generate recyclable material can access user-pays commercial services. Where there is any significant quantity of this material, commercial services are most appropriate. Commercial providers are able to supply different numbers and sizes of bins for different materials and collect these at whatever frequencies suit the business. They also can collect from pre-arranged areas. In these situations where the services each business receives is bespoke there is no advantage to using a council-contracted service.

However, for businesses that have household quantities of recyclables (such as from lunchrooms, small offices, or small shops) some councils offer the same service as households receive. The council services in this instance are not intended to suit specific business needs, but where these needs do align with the level of council service, then offering the service to businesses makes sense. In some instances, such as where there is a dense central business district, councils