

**Long Term and Annual
Plan Committee
28 May 2019**

**Additional Issues and
Options pack**

**Long Term Plan
Amendment /
Annual Plan
2019-2020**

Kerbside rubbish and recycling

- Kerbside waste services
- Kerbside waste services - service design
- Other matters
- Rural recycling drop-off points
- Interim actions

Annual Plan

- Debt management
- Uniform Annual Targeted Rate (UATR)
- KiwiCamp
- Te Puke hot water showers
- Road Safety - No. 1 Road cycleway
- Rates affordability



*Western Bay of Plenty
District Council*



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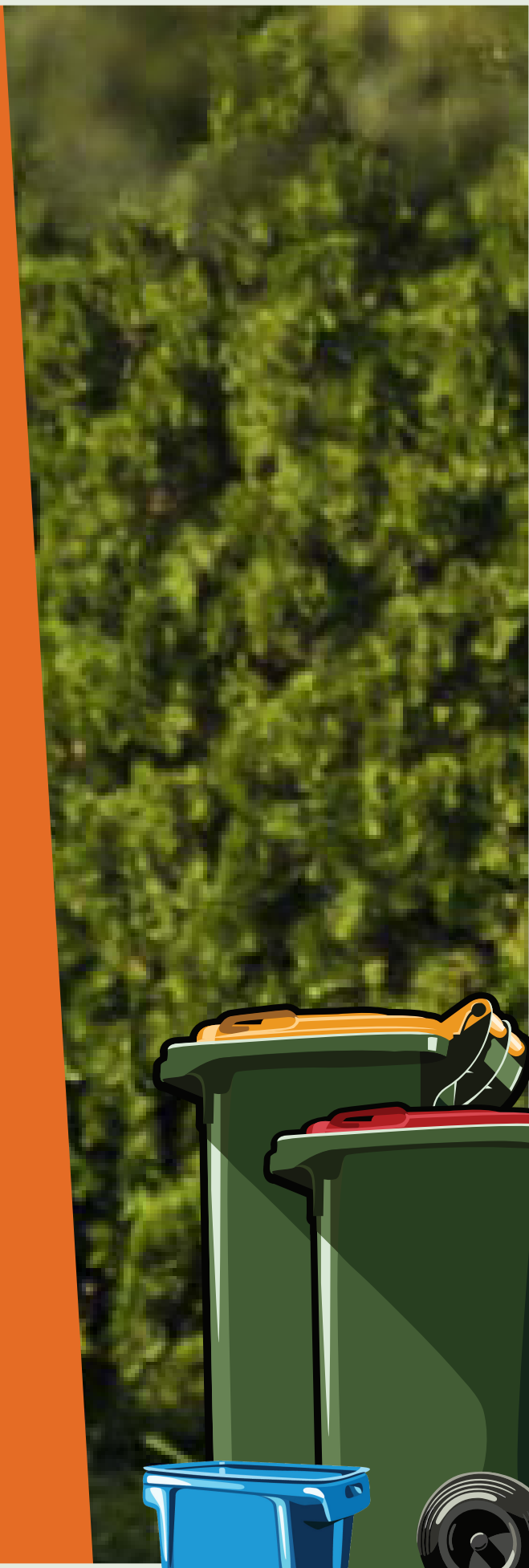
**Long Term and
Annual Plan
Committee
28 May 2019**

Long Term Plan Amendment

Kerbside rubbish & recycling



*Western Bay of Plenty
District Council*



Long Term Plan Amendment

Issues and Options Paper

Issues and Options Paper



Issue and Options (IOP)		
	Number	Description
Topic	LTP19	Solid Waste
Issue	01	Kerbside Waste Services
Related strategies		Solid Waste Strategy, Waste Management and Minimisation Plan

Staff Narrative

Purpose of the paper

This IOP focuses on the substantial decision facing Council. Should Council take a greater role in the delivery of kerbside waste services?

Additional IOPs consider service design elements in more detail, which would require consideration if Council proceeds with its proposed service offering. These include matters such as bin sizes, location of service, plastics 3-7, frequency of collection, consideration for baches/holiday homes, limited mobility, long driveways, farms, home composting, complexes/gated communities and other matters.

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.

Council has undertaken detailed investigations and modelling to determine its preferred approach.

Council has prepared a Long Term Plan Amendment and sought community input on the proposal.

Council's proposal

Everyone's waste habits are different. The options considered by Council aimed to address our overall impact on the district's household waste.

In the Consultation Document, Council's preferred option was Option 1: Council contracted recycling and glass and urban food scraps collections and Council contracted pay-per-pick-up rubbish collection.

For serviced households

01 – Preferred option

We do it all for you.

Urban households	Rural households	All households
\$105 targeted rates	\$53 targeted rates	\$3.50 Per pick up (You only pay when you choose to put it out. Weekly service available.)

This would be available to about 80% of households in the district. Businesses, in commercial/industrial zoned areas, would have the opportunity to opt-in to the service where they produce a similar amount of waste as a household.

Other options presented

Council also presented two other options.

- Option 2: Council contracted recycling and glass and urban food waste only. Leave rubbish collection with the private sector.

02 – Other option considered

We do some of it for you... You do the rest.

Urban households	Rural households	All households
\$103 targeted rates	\$49 targeted rates	\$191 average per year

- Option 3: Do nothing - status quo.

03 – Status quo (no change)

You do it all.

All residents

Recycling and general waste removal by a private operator

Regular trips to rubbish and recycling centres

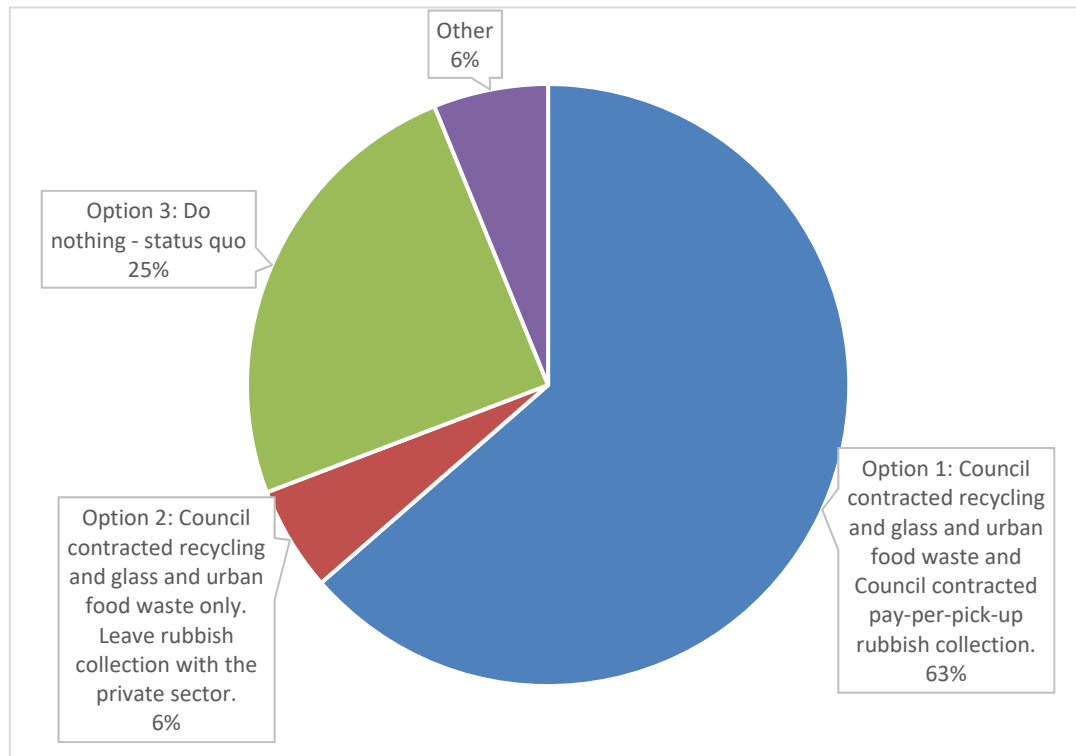
\$267 average household cost per year paid to private companies

Community consultation

Due to the significant change to the status quo and increase in Council levels of service proposed, substantial consultation was undertaken. Seven 'Have Your Say' events were held around the district with approximately 300 people attending in total. Two more formal opportunities were also provided to individuals and groups that wished to present their views to Council. There was the opportunity to submit feedback online, via emails, or in hardcopy. In total 609 submissions were received.

Community feedback

The submissions received indicate a strong level of support for Option 1.



Of the 552 submissions received, 351 (64%) supported Council's proposal (option 1), 31 (6%) supported option 2, and 136 (25%) supported option 3. A further 34 submitters (6%) selected 'Other'.

Specific feedback was also given on some of the proposed services. (Please note, service design considerations are made through a separate IOP).

Food scraps

Of those submitters that made specific comments there was 25 submitters who specifically opposed the food scraps service and 10 specifically support it. Opposition was primarily due to concerns around how useful it may be at an individual level (due to home composting) and potential smells. Support was primarily expressed due to recognising that food scraps was the biggest divertible waste in the average bin.

Recycling

Of the comments specifically made on the recycling service, 7 submitters opposed it. This was due to a number of reasons, including seeing it as duplicating the services offered by recycle centres, distrust in where the materials recovered will go, and fears it may generate problems.

Rubbish

The proposed rubbish collection service was widely supported. Several comments were made regarding the user pays principle and ability for householders to reduce costs through utilising the other services available to them. 6 submitters requested that Council only deliver the rubbish collection service and nothing else.

Glass

Some submitters (13) suggested that glass drop-off points may work better, at least in the interim. Interim solutions are explored further in a separate IOP.

Commercial/business

Limited feedback was received regarding the 'opt-in' commercial/business service. The one submission received supported the proposal but felt that commercial properties would only require rubbish and recycling services.

General comments regarding costs and funding options

Several submitters (60) made comments regarding the overall cost and funding of the proposals. Many feared that the increased burden on rates was unfair and would negatively impact individuals or sectors of the community, or raised concerns that Council could not guarantee that costs would not increase over time.

Several comments were raised around funding of the services. 8 submitters sought a change to the funding structure as a whole and sought to see rubbish collections included in rates, rather than a user pays system. Some (4) felt that all kerbside services (especially recycling) should be a pay per pick up system. Others (3) specifically supported the rates funded methodology for recycling. Other comments were received seeking clarity on how the pay per pickup rubbish collection service would work.

A fully rates funded option was considered through the option development and does reflect the approach some councils take, however it was not selected at the time as a preferred option as it did not incentivise diversion as much as inclusion of a pay-per-pick-up rubbish component.

A fully pay as you go system would be administratively costly to operate and would not give a potential Council-contractor certainty as to the expected number of users or quantities to be collected. It could be seen to make recycling less easy to complete, rather than incentivise it.

Impact on local/current waste operators

12 submitters raised the matter of how the proposal may impact on current waste operators. The majority of these expressed their satisfaction with their current collections and did not want to see businesses lose out.

Timing

Seven submitters raised comments around the timing of the proposal and sought to see services (either combined or individually) introduced quicker. The current timeframes are discussed below under the title 'Next Steps'.

The current time frames are based on best practice guidance and would better allow Council to cost-effectively oversee the contracting and implementation of any services as a package. This removes the duplication that would otherwise be needed in tender preparation, communications and education, and potential subsequent confusion.

Delivering services quicker maybe an option Council wishes to explore, however this would require an increase in budget.

Please see Attachment A for further detail of submissions received. IOP LTP19-03 considers service design considerations in more detail. IOP LTP19-04 considers interim options.

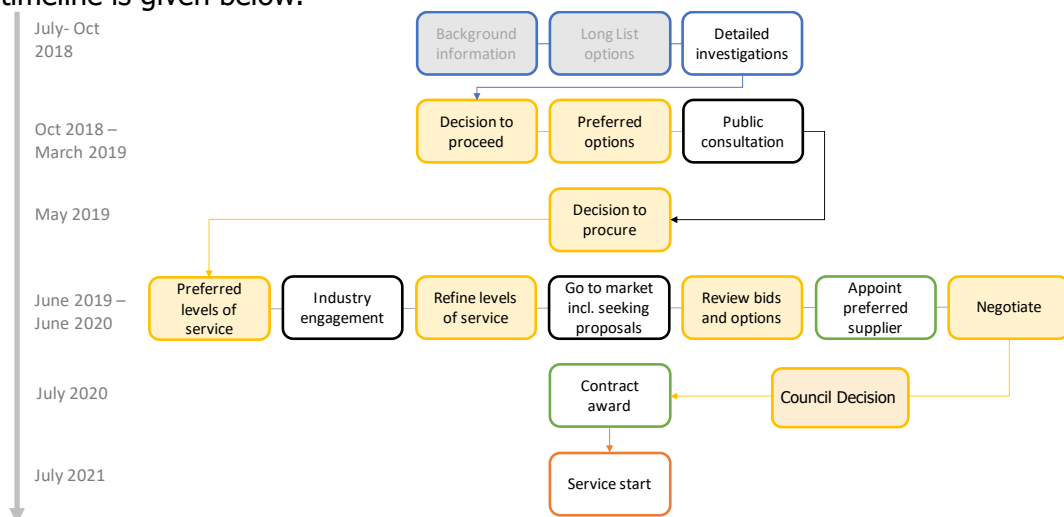
Revenue and Financing Policy changes

As part of the proposed Long Term Plan Amendment, changes were made to the Revenue and Financing Policy for public consultation (see attachment B). These changes reflect the proposals and enabled the proposed funding mechanisms.

No direct feedback was received on the changes to the policy, however the comments raised above regarding funding are relevant.

Next steps

Should Council adopt an amendment to the LTP 2018-28, and look to establish a Council-contracted service, a procurement process will begin. An indicative timeline is given below.



The cost of the procurement process has increased by \$30,000 in year one, on the advice of Council’s procurement team.

There would be a two year lead in time before a service is delivered allowing for a robust tender process and forward preparation. There are multiple opportunities for decision making and expert industry input.

Council would be involved through the process with regular updates and feedback provided.

Council would formally be presented the outcome of tendering and negotiations for approval in approximately 12 months time. This would be Council’s key decision point.

Options

<p>1 Council led recycling and rubbish (pay per pickup)</p>	<p><i>THAT Council takes an increased role in kerbside waste services; 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 scraps 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; AND</i></p>
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	<p><i>THAT the LTP 2018-28 is amended to reflect these changes; AND THAT the budget included in the Annual Plan 2019/20 is increased by \$30,000; AND THAT the proposed changes to the Revenue and Financing Policy, as set out in attachment B, be approved.</i></p>
<p><i>2 Council led recycling</i></p>	<p><i>THAT Council takes an increased role in kerbside waste services; 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; AND THAT the LTP 2018-28 is amended to reflect these changes; AND THAT the budget included in the Annual Plan 2019/20 is increased by \$20,000; AND THAT the proposed changes to the Revenue and Financing Policy, as set out in attachment B, be approved, subject to relevant amendments.</i></p>
<p><i>3 Status Quo</i></p>	<p><i>THAT Council does not take an increased role in kerbside waste services; AND THAT Council looks to revise the current WMMP and its targets in 2019/20; AND THAT the LTP 2018-28 is amended to reflect these changes; AND THAT the budget included in the Annual Plan 2019/20 is increased by \$50,000 to cover rework required to the WMMP; AND THAT the proposed changes to the Revenue and Financing Policy not be approved.</i></p>

Option 1:

THAT Council takes an increased role in kerbside waste services;

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;

AND

THAT the LTP 2018-28 is amended to reflect these changes;

AND

THAT the budget included in the Annual Plan 2019/20 is increased by \$30,000.

AND

THAT the proposed changes to the Revenue and Financing Policy, as set out in attachment B, be approved.

Council led recycling and rubbish (pay per pickup) (Note: Preferred Option in the Council Consultation Document)

This option comprises:

- A Council-contracted user-pays weekly 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 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)

<i>Targeted rates</i>	<i>Targeted rates</i>	<i>Targeted rates</i>	<i>Council provided bin. Pre-paid tags or pre-paid RFID account (user pays)</i>
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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 average of \$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 average of \$160 for rubbish collection (pre-paid tags/RFID system).

Advantages

- Aligns with public consultation.
- 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 is still relatively unproven in NZ, although increasingly used.

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 <i>e.g. Asset</i>										
Capex funding										
• Rates										
• Fin Contribution										
• External										
• Other <i>(specify)</i>										
Opex cost	100	80	4,009	4,107	4,211	4,316	4,432	4,555	4,682	<i>Costs for tender work, pre-implementation</i>

<i>e.g. grants, service delivery, maintenance</i>											<i>education, in 2019-2021 have increased by \$30,000 on the advice of Council's procurement team. Costs of service delivery from 2021/22 onwards. Inflation and growth included.</i>
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Opex funding											
• Rates	<i>100</i>	<i>80</i>	<i>1,652</i>	<i>1,692</i>	<i>1,735</i>	<i>1,778</i>	<i>1,826</i>	<i>1,876</i>	<i>1,929</i>		<i>Service provision funded through targeted rates. One for glass and recycling collection. One for urban food waste collections. Inflation and growth included.</i>
• External											
• Other – User fees			<i>2,358</i>	<i>2,415</i>	<i>2,476</i>	<i>2,538</i>	<i>2,606</i>	<i>2,679</i>	<i>2,753</i>		<i>User fees charged for per pick-up rubbish collection. Inflation and growth included.</i>

Option 2:

THAT Council takes an increased role in kerbside waste services;

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;

AND

THAT the LTP 2018-28 is amended to reflect these changes;

AND

THAT the budget included in the Annual Plan 2019/20 is increased by \$20,000.

AND

THAT the proposed changes to the Revenue and Financing Policy, as set out in attachment B, be approved, subject to relevant amendments.

Council led recycling

This option comprises:

- Retaining the private sector rubbish collection service (Council has no direct role apart from regulation);
- A Council-contracted 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 Council-contracted 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
<i>Targeted rates</i>	<i>Targeted rates</i>	<i>Targeted rates</i>	<i>Private funding arrangement</i>

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 average of \$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 average of \$191 for private rubbish collection.

Advantages					Disadvantages					
<ul style="list-style-type: none"> 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. 					<ul style="list-style-type: none"> Does not align with the outcomes of community consultation. Recycling capacity for households is limited. Health and safety risks with manual handling need to be managed Relatively high cost to households in comparison to other options. Wind blown recyclables could increase litter in District 					
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 <i>e.g. Asset</i>										
Capex funding										
• Rates										
• Fin Contribution										
• External										
• Other <i>(specify)</i>										
Opex cost <i>e.g. grants, service delivery, maintenance</i>	90	80	1,652	1,692	1,735	1,778	1,826	1,876	1,929	<i>Costs for tender work, pre-implementation education, in 2019-2021 have increased by \$20,000 on the advice of Council's procurement team. Costs of service delivery from 2021/22 onwards. Inflation and growth included.</i>
Opex funding										
• Rates	90	80	1,652	1,692	1,735	1,778	1,826	1,876	1,929	<i>Service provision funded through targeted rates. One for glass and recycling collection.</i>

<ul style="list-style-type: none"> External Other <i>(specify)</i> 										<i>One for urban food waste collections. Inflation and growth included.</i>

Option 3: (Status quo)

THAT Council does not take an increased role in kerbside waste services;

AND

THAT Council looks to revise the current WMMP and its targets in 2019/20;

AND

THAT the LTP 2018-28 is amended to reflect these changes;

AND

THAT the budget included in the Annual Plan 2019/20 is increased by \$50,000 to cover rework required to the WMMP.

AND

THAT the proposed changes to the Revenue and Financing Policy not be approved.

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.			
<i>Private funding arrangement</i>			

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

Advantages

Disadvantages

- Does not align with the outcomes of community consultation.

- 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.

- 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 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 <i>e.g. Asset</i>										
Capex funding										
• Rates										
• Fin Contribution										
• External										
• Other <i>(specify)</i>										
Opex cost <i>e.g. grants, service delivery, maintenance</i>	50									<i>Cost to rework WMMP.</i>
Opex funding										
• Rates										
• External										
• Other <i>(specify)</i>										

Recommended Decision

Option 1

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;

AND

THAT the LTP 2018-28 is amended to reflect these changes;

AND

THAT the budget included in the Annual Plan 2019/20 is increased by \$30,000.

AND

THAT the proposed changes to the Revenue and Financing Policy, as set out in attachment B, be approved.

Decision
<i>(To be completed in the decision making meeting)</i>
Reason
<i>(To be completed in the decision making meeting)</i>

Long Term Plan Amendment

Issues and Options Paper

Issues and Options Paper



Issue and Options (IOP)		
	Number	Description
Topic	LTP19	Solid Waste
Issue	03	Kerbside Waste Services – Service Design
Related strategies		Solid Waste Strategy, Waste Management and Minimisation Plan

Staff Narrative

Purpose of the paper

This IOP focuses on questions around the design of a Council contracted kerbside service, and identifies areas that could be explored further through any procurement process.

IOP01 – addresses the primary decision as to the level of Council involvement in kerbside service delivery. This paper is relevant for consideration if Council chooses to proceed (in general terms) with its proposal.

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.

Council has undertaken detailed investigations and modelling to determine its preferred approach.

Council has prepared a Long Term Plan Amendment and sought community input on the proposal.

Council's proposal







Everyone's waste habits are different. The options considered by Council aimed to address our overall impact on the district's household waste.

In the Consultation Document, Council's preferred option was Option 1: Council contracted recycling and glass and urban food scraps collections and Council contracted pay-per-pick-up rubbish collection.

For serviced households

01 – Preferred option

We do it all for you.

Urban households	Rural households	All households
 Recycling  Glass  Food scraps	 Recycling  Glass	 General waste
\$105 targeted rates	\$53 targeted rates	\$3.50 Per pick up (You only pay when you choose to put it out. Weekly service available.)

The service proposed included:

- Recycling – Fortnightly – 240L wheeled bin
- Glass – Fortnightly – 45L crate
- Food scraps (urban areas only) – Weekly – 23L locking bin
- General Waste – Available weekly, pay per pick up – 140L wheeled bin.

Community consultation

Due to the significant change to the status quo and increase in Council levels of service proposed, substantial consultation was untaken. Seven 'Have Your Say' events were held around the district with approximately 300 people attending in total. Two more formal opportunities were also provided to individuals and groups that wished to present their views to Council. There was the opportunity to submit feedback online, via emails, or in hardcopy.

Community feedback – Service Design

A large number of submitters raised no comments or issues.

Some submitters raised a number of matters for Council to consider further in finalising a service design.

a. *Bin sizes*

41 submitters raised issues related to bin sizes. Several sought the ability to choose a smaller or bigger bin, particularly for recyclables (8) and rubbish (8). 4 submitters raised the need of increased glass capacity.

The 240L bin for recyclables was selected for the proposal as it offers a suitable size for the 'average' household and can mean that operational collections run smoother (recycling is less likely to get stuck in it).

The use of 45L or 60L crates for glass collections may be another point for discussion with any potential contractors. The greater volume offered does come at an increased size and potentially increased weight. It is proposed that households would be able to 'purchase' an additional crate and annual service, should increased capacity be required. This is consistent with the approach used by other councils, including TCC.

Other comments were raised regarding how the moving of crates could be made easier for elderly (potentially through a trundler), that glass shouldn't be separated, if bags would still be available, if bags could be used for recycling, and the number of bins involved.

It may be advisable to have consistent bin sizes rolled out for simplicity and then this is reviewed after two years to see if changes would be beneficial. This makes the system administratively simpler to operate and allows an evidence based review.

Further capacity could be made available to those that require it (for any service) through the purchase and subsequent charging of additional containers, such as a second glass crate.

b. Location of service

Some submitters raised points about where any future kerbside service may be available. The actual number of households unable to receive a service will depend on what operators are able to service. This can be explored further through the tender process.

Three submitters sought an extension of the proposed food scrap collection service to additional areas (generally rural areas and small rural residential estates such Fairview Golf Estate). Expanding the food scrap collection service to areas of less volume and density of housing is generally not cost effective but should be explored further and discussed further through the tender process.

c. Plastics 3-7

Nine submitters requested that a Council recycling service take an expanded range of plastics, above the plastics 1 and 2 proposed. This demonstrates a strong desire in the community to see more recycling carried out.

Plastics 3-7 have not been included due to the uncertain markets these commodities represent. Although it is publicly popular to collect these items, in reality it can often be an expensive way to the landfill for these products. It is recommended that the markets be explored further through a tender process and the industry provide guidance on what markets they have access to. Should the markets for 3-7 grow following an introduction of a service, then these could be added to collections at a later point. This may also be a matter where Council wishes to consider including in advocacy to central government, both in relation to product stewardship but also seeking markets for a broader range of plastics.

d. Frequency of collections

A small number of submitters (4) wanted to see either an increased or decreased frequency of collections. Suggestions were made that recycling should be collected weekly, or monthly, and that general rubbish be collected fortnightly. Points were also raised around the need for additional pick-ups in the Christmas period.

Collection frequency impacts costs. Increased frequency is unlikely to be economically sensible, but could be considered in liaison with potential contractors. Decreased frequency may be beneficial in some circumstances but may not meet the needs of the 'average' household in the district. It is worth noting that the proposed pay per pick up rubbish collection offers a weekly service, but the households chooses how frequently they wish to put the bin out.

Special considerations

Multiple submitters (52) raised points around areas where special consideration was required. These are set out in the following points below.

e. Baches/holiday homes

22 submitters sought special consideration be given to the treatment of baches. Some proposed either that bach owners could 'opt-out' from paying the rates funded portion and not have a recycling, glass or food scraps service. Others raised the issue of bach owners being able to return bins to the property, from the kerbside, when away. The need for additional collections during the peak Christmas period, was also raised.

Council may wish to offer an opt-out system. However, much like a water main, the service must pass the property and is available, therefore it could be considered fair that they pay for the availability. The user pays element for rubbish collection, much like water usage, captures actual usage.

There are other parts of New Zealand that face similar challenges with concentrated areas of holiday homes. Thames Coromandel District Council, Hauraki District Council and Matamata Piako District Council have a joint contractor that offers a 'put back' scheme using pre-paid stickers and online booking (<http://www.kerbside.co.nz>). This may be a concept that could work in our district. It is also known that a young entrepreneur offers a similar service.

Council may wish to consider potential solutions to these issues further and discuss with potential contractors through any tender process.

f. Limited mobility

Some concern was raised by 2 submitters that those with limited mobility may find it difficult to use the wheeled bins or crates. An opt-out and use of bags was suggested by one.

This is acknowledged as a concern. New Plymouth District Council offer an additional service that removes rubbish directly from properties, at an annual fee, where there is a genuine need – demonstrated through a doctor's certificate (<https://www.newplymouthnz.com/en/Residents/Your-Property/Rubbish-and-Recycling/Residential-Rubbish-and-Recycling>).

Council may wish to explore a similar solution with any potential contractors.

g. Long driveways

Similar concern was raised by some submitters (8) regarding the length of driveways. This is of particular concern to those in the rural areas that may have steep and/or long driveways. Some sought a specific opt-out for people with long driveways or sought the provision of an additional 'paid for' service to pickup from the doorstep.

There are several possible solutions in place elsewhere, such as tow hooks or leaving bins closer to the gate (rather than keeping them at the house), as well as possible opt-out criteria. An additional 'door step' service may be worth exploring further as well, or left to the private sector to address.



This may be a matter for future examination and discussion through any procurement process.

h. Farms

Another consideration raised through submissions by Federated Farmers, was the issue of farms. An opt-out was sought for farms and/or the provision of on property collection at an additional charge.

The service proposed is for households and to address household waste. Farms are a business, however due to their nature, both household and farm are innately linked and may currently share waste solutions.

The current proposal aims to address the average household waste and encourage diversion. The Council's current proposal would see a rural household pay a targeted rate for glass and recyclables collections. The pay per pick up model for general waste collection does not force people to use the Council rubbish service, this would therefore mean that a farm can either continue its current waste practices with a private contractor, or use the Council service

Any service would be charged only on households where a service was available and not on vacant land, or across multiple titles.

Council would continue to support the work of AgRecovery and other initiatives aimed at dealing with farm specific waste streams (silage wrap, agrichemicals, etc.)

i. Home composter

Six submissions were received seeking the ability for households that compost at home to opt-out from the food scraps collection.

Encouraging home composting is a focus of Council and is supported through the provision of 'Worm Farm' workshops.

There are administrative difficulties with overseeing such an opt-out, as it is difficult to know who is actually composting and how much, and does not

provided certainty to any potential contractor on volumes. Commercial scale composting can process food scraps that are often unlikely to be easily composted at home (such as cooked food, meat, citrus, bones, etc.).

j. Complexes, gated communities and multi unit dwellings

Two submissions made comments on the need to have special regard to retirement complexes or sites with multiple small units. Due to their nature a full service per household may be unsuitable.

It is suggested that Council consider this further through tender and contracting work, and liaise with complexes directly to identify the most practical solution for these circumstances.

k. Other

10 submitters sought the ability for a general opt-out, whether through limited need of services or on general principle. Other comments received sought consideration of tourists, potential inorganic collections and the treatment of Marae.

A general opt-out was discounted in developing the options for consultation, due to the uncertainty it introduces into quantities, service levels and therefore costs. Further consideration of matters is suggested to be progressed through the procurement process.

Community feedback – Greenwaste collection

Some submitters (13) made comments regarding a potential greenwaste service. The majority of these sought that Council also introduce a greenwaste collection for garden waste, lawn clippings, etc. potentially as a pay per pick up system.

Introduction of a greenwaste collection was discounted at an early stage in the development of the options for Council's proposal. The full rationale is outlined in the earlier Eunomia reports, but in brief, generally these collections saw a significant increase in material to be collected and processed and no corresponding increase in diversion from general rubbish.

Council may wish to reconsider and explore a greenwaste collection further. A separate project would be required to explore this option, additional modelling and costings would be necessary, and implementation alongside any other services in July 2021 may be unlikely.

Please see Attachment A for further detail of submissions received. IOP LTP19-01 considers the main decision regarding kerbside services. IOP LTP19-04 considers interim options.

Next steps

Should Council adopt an amendment to the LTP 2018-28, and look to establish a Council-contracted service, a procurement process will begin. As part of the tender and contracting process, Council has the opportunity to discuss any service design elements with the industry and potential contractors.

Options	
<p>1 Council explores issues further and raises matters through the procurement process</p>	<p>THAT Council explores further service design options and raises the following issues as part of any potential future procurement process:</p> <ul style="list-style-type: none"> a. Bin sizes b. Location of service c. Plastics 3-7 d. Frequency of collections e. Baches/holiday homes f. Limited mobility g. Long driveways h. Farms i. Home composter j. Complexes, gated communities and multi unit dwellings k. Other
<p>AND/OR</p>	
<p>2 No Council led greenwaste collection service</p>	<p>THAT Council does not look to establish a Council contracted kerbside greenwaste collection service.</p>
<p>3 Council led greenwaste collection service</p>	<p>THAT Council look to establish a Council contracted kerbside greenwaste collection service.</p>

Option 1:

THAT Council explores further service design options and raises the following issues as part of any potential future procurement process:

- a. Bin sizes*
- b. Location of service*
- c. Plastics 3-7*
- d. Frequency of collections*
- e. Baches*
- f. Limited mobility*
- g. Long driveways*
- h. Farms*
- i. Home composter*
- j. Retirement complexes*

This option comprises:

- Council undertaking further initial research on the matters raised
- Council discussing these matters with industry, through any potential procurement process.

This matters are considered necessary to work through with industry and can be covered through the procurement costs set out in IOP1.

Advantages

- Allows greater time for the identification of the scale of issues and initial staff analysis.
- Allows for industry comment and input. This means that it can reflect market and operational realities.
- Reflects community concerns.
- Allows for Council decision at a later point, when industry positions are better understood.

Disadvantages

- May increase the required staff and elected member time necessary for the procurement process.
- May add complications to the procurement process.

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 <i>e.g. Asset</i>										
Capex funding										
• Rates										
• Fin Contribution										
• External										
• Other <i>(specify)</i>										
Opex cost <i>e.g. grants, service delivery, maintenance</i>										
Opex funding										
• Rates										
• External										
• Other <i>(specify)</i>										

Option 2:

THAT Council does not look to establish a Council contracted kerbside greenwaste collection service.

This option means:

- Council does not look to establish a Council-contracted kerbside greenwaste collection service.
- Greenwaste collection services are left in the private sector.
- Council continue to run greenwaste drop-off points.

Advantages

- Aligns with advice and decision made early in the investigatory process.
- Additional project to investigate the viability of a Council contracted greenwaste service is not required.
- Savings made in staff time, consultancy and procurement costs.
- Council contracted greenwaste collection services do not offer a significant opportunity for increased diversion.
- Council contracted greenwaste collection services often come at a large cost.
- Council may decide to revisit the issue at a later point, once an assessment of how any other changes have performed.

Disadvantages

- Does not directly respond to a community desire.
- There will continue to be greenwaste sent to landfill.

Option 2: Implications for Work Programme/Budgets

No implications for Council budgets

Option 3:

THAT Council looks to establish a Council contracted kerbside greenwaste collection service.

This option means:

- Council looks to establish a Council-contracted kerbside greenwaste collection service.
- Council undertakes investigations and modelling to assess service viability and design.
- Council undertakes a procurement process to secure a preferred supplier.
- Council continue to run greenwaste drop-off points.

Advantages

- Responds to a community desire.
- May decrease the amount of greenwaste sent to landfill.

Disadvantages

- Does not align with advice and decision made early in the investigatory process.
- Additional project to investigate the viability of a Council contracted greenwaste service is required.
- Funding required to cover the cost of investigations, modelling, procurement and subsequent roll-out costs.
- Council contracted greenwaste collection services do not offer a significant opportunity for increased diversion.
- Council contracted greenwaste collection services often come at a large cost.

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 <i>e.g. Asset</i>										
Capex funding										
• Rates										
• Fin Contribution										
• External										
• Other (<i>specify</i>)										
Opex cost <i>e.g. grants, service delivery, maintenance</i>	25	30	50	tbc						<i>Cost for investigations and modelling, procurement process, and district wide communications alongside roll-out. Actual service costs are not known until design and modelling are carried out.</i>
Opex funding										
• Rates	25	30	50	tbc						<i>Rates recovery for investigations, modelling, procurement and communications.</i>
• External										
• Other – User fees										

Recommended Decision
<p>Option 1: <i>That Council explores further service design options and raises the following issues as part of any potential future procurement process:</i></p> <ul style="list-style-type: none"> <i>a. Bin sizes</i> <i>b. Location of service</i> <i>c. Plastics 3-7</i> <i>d. Frequency of collections</i> <i>e. Baches</i> <i>f. Limited mobility</i> <i>g. Long driveways</i> <i>h. Farms</i> <i>i. Home composter</i> <i>j. Retirement complexes</i> <p><i>AND</i></p> <p>Option 2: <i>That Council does not look to establish a Council contracted kerbside greenwaste collection service.</i></p>
Decision
<i>(To be completed in the decision making meeting)</i>
Reason
<i>(To be completed in the decision making meeting)</i>

Long Term Plan Amendment

Issues and Options Paper

Issues and Options Paper



Issue and Options (IOP)		
	Number	Description
Topic	LTP19	Solid Waste
Issue	02	Rural Recycling drop-off points
Related strategies	Solid Waste Strategy, Waste Management and Minimisation Plan	

Staff Narrative

Purpose of the paper

This IOP focuses on Council provision of rural recycling drop-off points.

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.

Council has undertaken detailed investigations and modelling to determine its preferred approach.

Council has prepared a Long Term Plan Amendment and sought community input on the proposal.

Council's proposal

It is not proposed that a Council led kerbside collection service extend to remote rural households. The current modelling suggests approximately 17% of households would be unable to receive the proposed kerbside services.

In order to make recycling easy for remote rural households, Council is proposing to provide additional small recycling drop off sites in strategic locations. These would be unattended, converted shipping containers.

Three sites are proposed to cover strategic locations where services would otherwise be unavailable or substantial distance.

Possible locations would be determined in consultation with the specific local communities over the coming year.

It is proposed that the households that would be unable to access a Council contracted kerbside service would be eligible for a targeted rate to fund the recycling drop-off points. Approximately 3,500 households have been modelled as being eligible for this rate. This would mean the average cost is about \$16 per household.

O1 – Preferred option

Council oversees the installation and operation of rural recycling drop-off points.

Other options presented

Council also presented the Community with the option of retaining the status quo.

O2 – Status quo. Do nothing

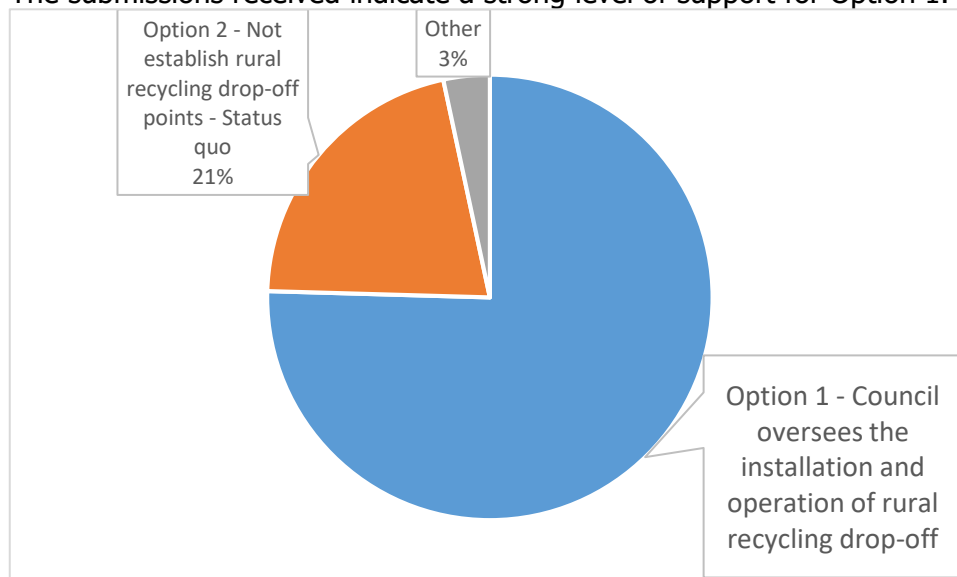
Households can use a private contractor or community recycling centres at Te Puke, Athenree, Katikati, or those in Tauranga City.

Community consultation

Due to the significant change to the status quo and increase in Council levels of service proposed, substantial consultation was undertaken. Seven 'Have Your Say' events were held around the district with approximately 300 people attending in total. Two more formal opportunities were also provided to individuals and groups that wished to present their views to Council. There was the opportunity to submit feedback online, via emails, or in hardcopy.

Community feedback

The submissions received indicate a strong level of support for Option 1.



Of the 387 submissions received, 292 (76%) supported Council's proposal, and 82 (21%) supported option 2. A further 13 (3%), selected 'Other'.

Dumping

A number of submitters (11) raised concerns about the potential for illegal dumping of rubbish and other non-recyclables at sites.

This is recognised as a risk. Identifying suitable locations and community champions is important to reduce this risk. This would be an important conversation with those communities over the coming year, should option 1 be selected.

Costs

Four submitters made comments on costs. Two submitters requested that the costs be revised to consider manning the drop-off points. Federated Farmers stated that the sector would be prepared to pay the rate, depending on how the rate is levied on multiple titles.

The proposed rating methodology is that the rate be targeted by households and not per title.

Location

A number of submitters (18) made comments regarding locations. Some comments raised that this is a matter best discussed with the rural communities impacted, sought clarity on where kerbside services may not be available, or raised the need to find suitable locations. Federated Farmers raised their interest to be part of any future conversations on potential locations. Several submitters suggested locations such as Paengaroa (1), Te Puna (1), Maketu (2) and Waihi Beach (6).

There was some demand from Waihi Beach to have such a site close to the town. Although not remote-rural and well within currently serviced areas, and close to Athenree Community Recycling Centre, it was felt that it could make rubbish and recycling easier, in particular for bach owners.

Other

Several other comments were raised including questioning the need for these, particularly when people could incorporate a trip to the Community Recycling Centre as part of their weekly/fortnightly trip to town. Other comments received also including questioned what products would be accepted through the drop-off points and suggestions on how the containers could be designed.

Please see Attachment A for further detail of submissions received.

Next steps

Should option 1 be adopted Council will begin identifying potential locations and discussing these with the community, and will initiate the procurement process to build and install these drop off points.

It is expected that these sites will be built and become operational in the 2020/21 year.

Under option 3, a single trial site could be established quicker and be in place in 2019/20.

Options	
<i>1 Rural Recycling Drop-off Points</i>	<i>THAT Council includes \$298,156 in the 2020/2021 year to establish three rural recycling drop-off points; AND THAT the Council include \$19,388 in operational costs for the 2020/2021 year onwards (plus inflation); AND THAT Council recover the expenditure through a targeted rate of approximately \$16 per property in the area of benefit from the 2020/21 year; AND THAT Council consult with the relevant communities to determine suitable locations in the 2019/20 year;</i>

	<p><i>AND</i></p> <p><i>THAT Council include an additional \$30,000 expenditure in the Annual Plan 2019/20 for necessary pre-work, to be funded from the Waste Minimisation Levy.</i></p>
<p><i>2</i></p> <p><i>Status Quo</i></p>	<p><i>THAT Council does not budget for rural recycling drop-off points.</i></p>
<p><i>3</i></p> <p><i>Trial One Rural Recycling Drop-off Point</i></p>	<p><i>THAT Council includes \$93,000 in the 2019/2020 year to establish one trial rural recycling drop-off points, and that this be loan funded;</i></p> <p><i>AND</i></p> <p><i>THAT the Council include \$16,300 for setup and operational costs for the 2019/2020 year, and \$6,500 in operational costs for the 2020/2021 year, to be funded from the Waste Minimisation Levy;</i></p> <p><i>AND</i></p> <p><i>THAT Council investigate locations in the Eastern Area and consult with the relevant community to determine suitable locations;</i></p> <p><i>AND</i></p> <p><i>THAT review the project to determine if it should be expanded, through the development of the Long Term Plan 2021-2031.</i></p>

Option 1:

THAT Council includes \$298,156 in the 2020/2021 year to establish three rural recycling drop-off points;

AND

THAT the Council include \$19,388 in operational costs for the 2020/2021 year onwards (plus inflation);

AND

THAT Council recover the expenditure through a targeted rate of approximately \$16 per property in the area of benefit from the 2020/21 year;

AND

THAT Council consult with the relevant communities to determine suitable locations in the 2019/20 year;

AND

THAT Council include an additional \$30,000 expenditure in the Annual Plan 2019/20 for necessary pre-work, to be funded from the Waste Minimisation Levy.

Rural Recycling Drop-off Points (note: Council preferred option)

This option comprises:

- Three rural recycling drop off points (including concrete pad and platform and 20ft container units);
- Funded through a targeted rate on households unable to access a Council led kerbside service (approximately 3,500 households);
- Sites to be determined with the relevant communities.

This would amount to an additional \$16 on rates for those households impacted.

Advantages

- Aligns with the feedback received through community consultation.
- Improves access to recycling.
- Encourages local community input and involvement.
- Little post collection processing of recycling needed.

Disadvantages

- Recycling made more easily available for remote rural households.
- Risk of illegal dumping.
- Increased cost to households.

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 <i>e.g. Asset</i>		279								<i>Cost of site works and four pairs of containers</i>
Capex funding										
• Rates			36.1	36.1	36.1	36.1	36.1	36.1	36.1	<i>Annualised capex (10 years)</i>
• Fin Contribution										
• External										
• Other <i>(specify)</i>										
Opex cost <i>e.g. grants, service delivery, maintenance</i>	30	19.4	19.9	20.3	20.9	21.4	21.9	22.6	23.2	<i>Addition of additional \$30,000 in 2019/20 year to undertake necessary pre-work. Inflation and growth included.</i>
Opex funding										
• Rates		19.4	19.9	20.3	20.9	21.4	21.9	22.6	23.2	<i>Operating costs including income from sale of recyclables. Inflation and growth included.</i>
• External										
• Other <i>(specify)</i>	30									<i>Funding of pre-work through the waste minimisation levy</i>

Option 2: *THAT Council does not budget for rural recycling drop-off points.*

Status Quo

Council takes no further action regarding rural recycling drop-off points.

Advantages

- Does not add increased costs to rates.

Disadvantages

- Does not align with the feedback received through community consultation.
- Remote rural households will continue to dispose of recycling as they currently do (this may be burning, burying, or collecting to take to one of Council's existing recycling points).
- Does not encourage recycling.

Option 1: No implications for Work Programme/Budgets

Capital cost <i>e.g. Asset</i>	93									<i>Cost of site works and containers.</i>
Capex funding										
• Rates		19.7	19.7	19.7	19.7	19.7				<i>Funding source to be determined by Council. Potential for rates impact.</i>
• Fin Contribution										
• External										
• Other <i>(specify)</i>										
Opex cost <i>e.g. grants, service delivery, maintenance</i>	16.3	6.5								<i>Operating costs including income from sale of recyclables. Inflation and growth included.</i>
Opex funding										
• Rates										
• External										
• Other <i>(specify)</i>	16.3	6.5								<i>Funding through the waste minimisation levy.</i>

Recommended Decision

Option 3:

<i>THAT Council includes \$93,000 in the 2019/2020 year to establish one trial rural recycling drop-off points, and that this be loan funded;</i>

<i>AND</i>

<i>THAT the Council include \$16,300 for setup and operational costs for the 2019/2020 year, and \$6,500 in operational costs for the 2020/2021 year, to be funded from the Waste Minimisation Levy;</i>
--

<i>AND</i>

<i>THAT Council investigate locations in the Eastern Area and consult with the relevant community to determine suitable locations;</i>
--

<i>AND</i>

<i>THAT review the project to determine if it should be expanded, through the development of the Long Term Plan 2021-2031.</i>
--

Decision

<i>(To be completed in the decision making meeting)</i>

Reason

<i>(To be completed in the decision making meeting)</i>

Long Term Plan Amendment

Issues and Options Paper

Issues and Options Paper



Issue and Options (IOP)		
	Number	Description
Topic	LTP19	Solid Waste
Issue	04	Community Reuse Facility, Central Government Advocacy Other
Related strategies		Solid Waste Strategy, Waste Management and Minimisation Plan

Staff Narrative

Purpose of the paper

This IOP focuses on other matters raised through submissions and suitable routes to address these.

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.

Council has undertaken detailed investigations and modelling to determine its preferred approach.

Council has prepared a Long Term Plan Amendment and sought community input on the proposal.

Council's proposal

As part of the proposal outlined in the consultation document, Council signalled a desire to work with interested community groups to explore the establishment of community re-use centres. The intention would be to reduce construction and demolition waste going to landfill and that any facility would be community-led and become self-funding.

Community consultation

Substantial consultation was undertaken. Seven 'Have Your Say' events were held around the district with approximately 300 people attending in total. Two more formal opportunities were also provided to individuals and groups that wished to present their views to Council. There was the opportunity to submit feedback online, via emails, or in hardcopy.

Community feedback

Feedback was received from submitters regarding a range of matters around waste. Several of these regard how operations are currently conducted, some respond directly to the idea of a community re-use facility and others raise issues that are better addressed at a central government level.

Community Reuse Facility

The concept of a community reuse facility was strongly supported by those that made comment on it. 13 submitters suggested Council explore the establishment of Resource Recovery and Reuse Centres further.

Several submitters pointed to similar existing centres that could be mirrored, such as in Thames and Raglan.

Two groups signalled to Council their interest in operating such a facility (Envirohub and a group in Waihi Beach).

Council may wish to explore with these groups and other interested parties what a community reuse facility could look like and the operating model it could take. Any financial impacts could then be included as part of the preparation of the next Annual Plan or the Long Term Plan 2021-2031.

Central Government

Multiple submitters (18) raised the need for stronger controls on the type of packaging used/imported and how products are reprocessed. Comments were made around the need for retailers and government to take a stronger stance on types of packaging and making them responsible for their recycling. There was general support from some for a Container Deposit Scheme, increased producer responsibility and a move to more domestic recycling capabilities.

These matters are better addressed at the national level through a Central Government response.

Council may wish to take on an increased advocacy role and lobby Central Government for change in this area. Advocacy to central government is included as an action in the WMMP.

Community Feedback – Other MattersCurrent operations

Community Recycling Centres – 29 submissions were received. These generally expressed support for the Community Recycle Centres. Some requested that Council extend the items it receives at the centres to include soft plastics, plastics 3-7 and electrical items. A few submissions (5) sought to see extended hours for these centres, to improve accessibility.

Illegal dumping – 6 submissions raised specific concerns at current illegal dumping happening in the district and sought increased Council action.

Current waste operators – 17 submitters raised matters regarding current waste operators. Several of these suggested that addressing the inefficient duplication of services currently provide would be beneficial. Other points raised operational matters.

Education – 13 submissions raised matters relating to education. Some submitters saw an increase in education as a potential alternative to any kerbside system. Several sought that Council continue its commitment to waste related education in schools, through worm-farming workshops and support for the delivery waste minimisation programmes (including Para Kore).

Street Bins – 4 Submissions made recommendations on potential changes to our street bins. One submitter sought a rubbish bin at the NZCMA Park. Two submitters sought the introduction of colour coded bins, currently trialled in other districts.



Other

Several other comments were made by submitters. These comments cover a wide range of matters. Several pointed to examples used by other Councils, both nationally and internationally. Some raised the potential future need for energy from waste plants to burn residual waste. Others suggested Council deliver kerbside services in-house, rather than trusting on external contractors.

Please see Attachment A for further detail of submissions received.

Next steps

Should Option 1 be selected, staff will begin a project to explore and progress a community-led reuse facility, and will begin organising meetings with interested parties over the coming year.

Should Option 2 be selected, staff will prepare pro-active submissions to Central Government and support elected members in raising community concerns through different forum.

Should Option 3 be selected, comments will be considered further by the relevant manager/s or as part of related topics/projects.

Options

<p>1 Community Resource Recovery and Reuse Centres</p>	<p><i>THAT Council explore the establishment of a community led – reuse facility with interested parties;</i> <i>AND</i> <i>THAT Council approve expenditure of \$25,000 for the 2019/20 year and \$15,000 for the 2020/21 year to undertake initial work;</i> <i>AND</i> <i>THAT Council fund this through the Waste Minimisation Levy.</i></p>
--	--

AND/OR

<i>2 Council led recycling</i>	<i>THAT Council take an increased advocacy role with regards to rubbish and recycling matters at a Central Government level.</i>
<i>AND/OR</i>	
<i>3 Current operations</i>	<i>THAT Council defers comments on other matters to another process to be addressed as required.</i>

Option 1:

THAT Council explore the establishment of a community led – reuse facility with interested parties;

AND

THAT Council approve expenditure of \$25,000 for the 2019/20 year and \$15,000 for the 2020/21 year to undertake initial work;

AND

THAT Council fund this through the Waste Minimisation Levy.

This option comprises:

- Investigations into potential volumes of waste that could be reused.
- Investigations into similar models that may be transferable.
- Work with interested parties on potential models.
- Work with neighbouring Councils on potential cooperative approach.
- Preparation of business case and budgets.

Advantages

- Supports cooperation between Councils and community groups.
- Encourages recovery of construction and demolition waste for reuse or recycling.
- Potentially enables the provision of cheap materials for the community.

Disadvantages

- Requires staff time.
- Requires funding for this work.
- Requires suitable land for development.
- May require a larger Council investment at a future point.

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 <i>e.g. Asset</i>										
Capex funding										
• Rates										
• Fin Contribution										
• External										
• Other <i>(specify)</i>										

Opex cost <i>e.g. grants, service delivery, maintenance</i>	25	15									<i>Cost of investigations and business case development</i>
Opex funding											
• Rates											
• External											
• Other (specify)	25	15									<i>Cost of investigations and business case development funded by waste minimisation levy.</i>

Option 2:	
<i>THAT Council take an increased advocacy role with regards to rubbish and recycling matters at a Central Government level.</i>	
This option comprises:	
<ul style="list-style-type: none"> • Council actively engaging with Central Government on rubbish and recycling and associated issues. • Council raising these matters through Local Government New Zealand and other suitable bodies. 	
Advantages <ul style="list-style-type: none"> • Council can give a larger voice to community matters. • Central Government considers these views in the development of national policies and projects. • Consistent with WMMP. 	Disadvantages <ul style="list-style-type: none"> • Requires staff and elected member time. • May not reflect the opinions of all residents.
Option 2: Implications for Work Programme/Budgets	
Staff time	
Option 3:	
<i>THAT Council defers comments on other matters to another process to be addressed as required.</i>	
This option means:	
<ul style="list-style-type: none"> • Comments are considered further by the relevant manager/s or as part of related topics/projects • Develop closer relationships with existing specialists who already provide education/support in their area. • For illegal dumping and littering an increased targeted approach (education) be implemented within current budgets. 	
It should be noted that certain activities listed in 'other matters' are currently undertaken, such as worm composting, business waste minimisation, zero and waste education to all WBOPDC schools.	
Advantages <ul style="list-style-type: none"> • Comments are considered at the relevant point 	Disadvantages <ul style="list-style-type: none"> • Submitters may not get a direct response as part of this process
Option 2: Implications for Work Programme/Budgets	
No cost	

Recommended Decision

Option 1

THAT Council explore the establishment of a community led – reuse facility with interested parties;

AND

THAT Council approve expenditure of \$25,000 for the 2019/20 year and \$15,000 for the 2020/21 year to undertake initial work;

AND

THAT Council fund this through the Waste Minimisation Levy.

AND

Option 2

That Council take an increased advocacy role with regards to rubbish and recycling matters at a Central Government level.

AND

Option 3

That Council defers comments on other matters to another process to be addressed as required.

Decision
<i>(To be completed in the decision making meeting)</i>
Reason
<i>(To be completed in the decision making meeting)</i>

Long Term Plan Amendment

Issues and Options Paper

Issues and Options Paper



Issue and Options (IOP)		
	Number	Description
Topic	LTP19	Solid Waste
Issue	05	Interim actions
Related strategies	Solid Waste Strategy, Waste Management and Minimisation Plan	

Staff Narrative

Purpose of the paper

This IOP considers interim steps to address immediate issues and community desires. This includes consideration of glass collections points and increased hours for the Community Recycling Centres.

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.

Council has undertaken detailed investigations and modelling to determine its preferred approach.

Council has prepared a Long Term Plan Amendment and sought community input on the proposal.

Council's proposal

Council's proposed kerbside services are not expected to become operational until July 2021.

No interim services, apart from those currently undertaken through Council's Community Recycling Centres, are proposed.

Community consultation

Substantial consultation was undertaken. Seven 'Have Your Say' events were held around the district with approximately 300 people attending in total. Two more formal opportunities were also provided to individuals and groups that wished to present their views to Council. There was the opportunity to submit feedback online, via emails, or in hardcopy.

Community feedback – Interim glass solutions

Drop off Points

A number of submitters (13) raised concerns about glass recycling, and the need for drop off points immediately. Submitters sought to see glass drop-off points installed in several areas: in Te Puna, Te Puke, Waihi Beach, Maketu, Paengaroa, Aongatete and Pongakawa. It is also known that this has been an issue previously

raised in Omokoroa. The intention would be to make diverting glass easy and convenient for locals in the area, until a kerbside service became available.

Council may wish to set up some interim glass drop-off points and pay for their servicing. This would require additional funding, liaison with suitable site owners and identifying a suitable contractor.

Funding has been assumed to come from the Environmental Protection Rate. This would be an approximate 0.5% rates increase.

Interim Kerbside Glass Collections

An alternative may be to introduce an interim glass collection service to all or specific parts of the District. Although there was some general desire to see services delivered sooner, an interim service was not raised by submitters through the written feedback received.

Apart from the Te Puna/Minden area, Omokoroa, Pongakawa/Paengaroa/Pukehina area and Maketu, most other areas have access to a recycle centre to dispose of glass.

The current time frames included in the kerbside proposal are based on best practice guidance and would better allow Council to cost-effectively oversee the contracting and implementation of any services as a package. This removes the duplication that would otherwise be needed in tender preparation, communications and education, and potential subsequent confusion.

Determining the area where an interim service should be available, before a district wide rollout may provoke some discussion in the community. It is unlikely that a kerbside service could be rolled out to part of the district under a year.

Please see Attachment A for further detail of submissions received.

Community feedback – Increased Community Recycling Centre accessibility

Additional to this, some submitters (5) also sought for Council to extend the operating times for the Community Recycling Centres.

Te Puke and Katikati recycle centres have recently increased opening hours. Some residents want access on most days, which is not cost effective.

It could be beneficial for Athenree to open on the Monday of long weekends to cater for the increased demand from holiday makers and residents.

Please see attachment A – Summary Report Community Recycling Centres for IOP04 (Community Reuse Facility, Central Government Advocacy and Other Matters), for further detail of submissions received.

Options	
1 <i>Council glass collection points</i>	<i>THAT Council include \$260,000 a year to install and service a glass drop-off point in the Te Puna/Minden area , Omokoroa, Maketu and Pongakawa/Paengaroa/Pukehina areas, for the 2019/20 and 2020/21 years; AND THAT this be funded through the district wide Environmental Protection Rate.</i>
2 <i>Status Quo</i>	<i>THAT Council does not Council include \$260,000 a year to install and service a glass drop-off point in the Te Puna/Minden area , Omokoroa, Maketu and Pongakawa/Paengaroa/Pukehina areas, for the 2019/20 and 2020/21 years.</i>
<i>And/or</i>	
3 <i>Extend Community Recycling Centre Hours</i>	<i>That Council extend the Athenree Community Recycling Centre hours to open on the Monday of long weekends, and that \$15,000 is budgeted to deliver this to be recovered through the Western Solid Waste Targeted Rate.</i>

Option 1:

THAT Council include \$260,000 a year to install and service a glass drop-off point in the Te Puna/Minden area , Omokoroa, Maketu and Pongakawa/Paengaroa/Pukehina areas, for the 2019/20 and 2020/21 years;

AND

THAT this be funded through the district wide Environmental Protection Rate.

This option comprises:

- Council identifies 4 suitable sites in areas where access to community recycling centres is limited.
- Council liaises with site owners and contractors to establish a drop off point and servicing.
- Cost recovered through the Environmental Protection Rate.

Advantages

- Glass recycling is made more accessible to the wider community.
- Responds to community demand.
- May increase diversion from landfill.

Disadvantages

- Requires an increase in rates to service (0.5% rates increase and approximately \$12 increase for the average rating unit).
- Council's Community Recycling Centres currently provide a similar service.
- Possibility for increased illegal dumping at glass collection sites.

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 <i>e.g. Asset</i>										
Capex funding										
• Rates										
• Fin Contribution										
• External										
• Other <i>(specify)</i>										
Opex cost <i>e.g. grants, service delivery, maintenance</i>	260	260								<i>Cost to install and service 4 glass collection points</i>

Option 2: (Status Quo)

THAT Council does not Council include \$260,000 a year to install and service a glass drop-off point in the Te Puna/Minden area , Omokoroa, Maketu and Pongakawa/Paengaroa/Pukehina areas, for the 2019/20 and 2020/21 years.

Council led recycling

This option comprises:

- Council takes no additional action regarding glass recycling drop-off points.

Advantages

- No cost to rates.
- Encourages usage of Council's Community Recycling Centres.

Disadvantages

- Glass recycling is not made more accessible to the wider community.
- Does not responds to a community demand.
- Would not increase diversion from landfill.

Option 2: Implications for Work Programme/Budgets

No cost

Recommended Decision

<p><i>Option 2 (Status quo)</i></p>
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<p><i>THAT Council does not Council include \$260,000 a year to install and service a glass drop-off point in the Te Puna/Minden area , Omokoroa, Maketu and Pongakawa/Paengaroa/Pukehina areas, for the 2019/20 and 2020/21 years.</i></p>

<p><i>AND</i></p>

<p><i>Option 3:</i></p>

<p><i>That Council extend the Athenree Community Recycling Centre hours to open on the Monday of long weekends, and that \$15,000 is budgeted to deliver this to be recovered through the Western Solid Waste Targeted Rate.</i></p>
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Decision

<p><i>(To be completed in the decision making meeting)</i></p>
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Reason

<p><i>(To be completed in the decision making meeting)</i></p>
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Long Term and Annual Plan Committee

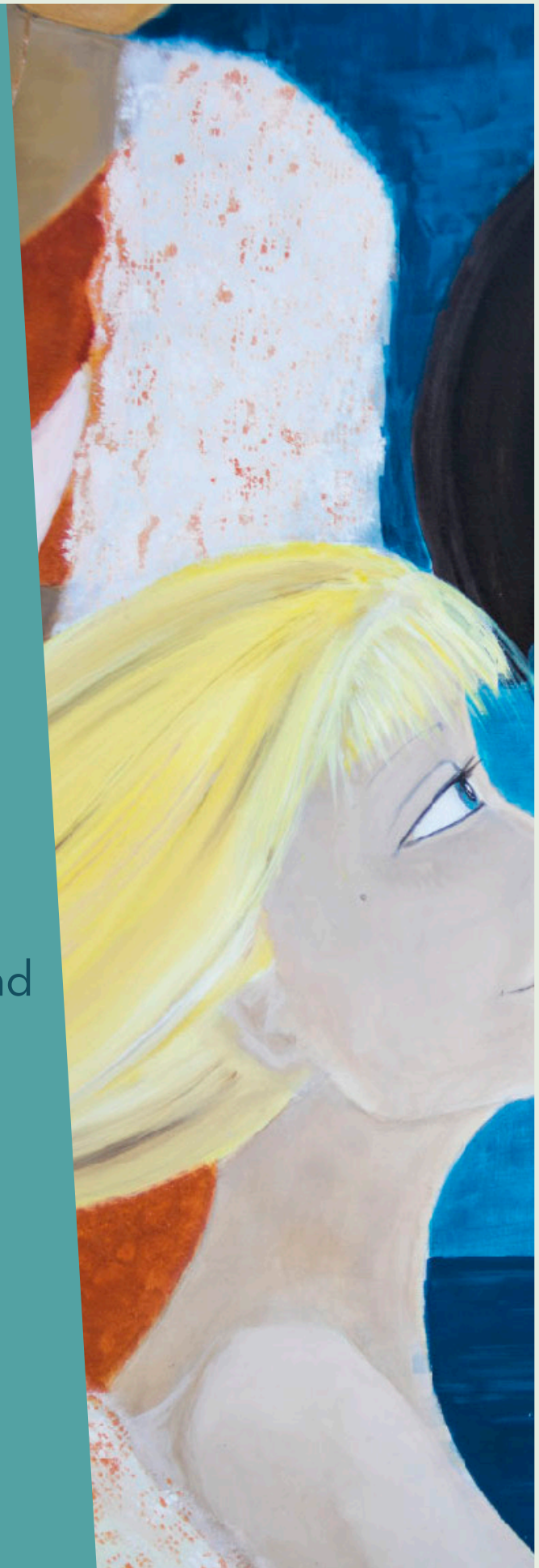
28 May 2019

Annual Plan 2019-2020

- Debt management
- Uniform Annual Targeted Rate (UATR)
- KiwiCamp
- Te Puke hot water showers
- Road safety - No.1 Road walkway/cycleway
- Rates affordability



Western Bay of Plenty
District Council



Annual Plan 2019-20

Issues and Options Paper

Issues and Options Paper



Issue and Options (IOP)		
	Number	Description
Topic	AP19-04	Debt Management
Issue	01	Council's Debt Management Approach
Related strategies		Financial Strategy

Staff Narrative

Background

Annual Plan Statistics

30 submissions were received on this topic through the annual plan process. 52% wanted Option 1 (contribution of \$1m of rates) and 48% Option 2 (contribution of \$2.5m).

Background

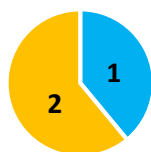
As a rapidly growing district in the early 2000s, Council made significant loan-funded investments in infrastructure for wastewater, water and roading to cope with the forecast growth and to stimulate further growth. The global financial crisis between 2007 and 2011 significantly slowed growth, and while Council adopted a 'just in time' infrastructure upgrade policy, the significantly reduced income from development resulted in a shortfall of paying back loan interest alone of \$2.5 million.

Through the 2015-25 Long Term Plan process, Council resolved to contribute \$2.5 million per year from a combination of general rates (\$0.1m), Roading Rates (\$0.9m), and the Uniform Annual General Charge (\$1.5m) to fund a \$2.5 million shortfall per year on growth-related loan interest repayments.

Submissions on the Long Term Plan

The LTP 2018-28 Consultation Document (and consequently the 2019/20 Annual Plan) sought feedback on two options:

1. Continue with current approach of contributing \$2.5m a year from rates to interest and debt repayments.
2. Change the debt management approach to contribute \$1m of rates to interest and debt repayments for year one, AND continue with the current approach of contributing \$2.5m a year from rates to interest and debt repayments from year two onwards.



Of the 233 submissions made in the LTP on this topic, 142 (61%) supported Option 2 (\$1m contribution for year 1 only), and the remaining 91 (39%) supported Option 1 (continue with \$2.5m contribution)

Other responses

Additional comments received are summarised as follows:

- Pay off debt as quickly as possible, to use rates for essential services and repairs
- Need to focus on maintaining existing infrastructure and be more prudent in our spending/rates take
- Should have spent \$4.2 million on debt repayment instead of Katikati library
- Money just going to finance Omokoroa
- Need to state how much is debt reduction and how much is interest repayment
- Difficult to see how debt was reduced from \$144m to \$100m in 3 years
- Option 2 reduces impact of rates rises
- Obtain advice on managing debt
- Paying debt should take priority over new buildings
- Use any surplus to pay back debt
- Pay debt sooner while interest rates are low
- Fixed net debt limit should be reduced to 140%.

Overall, many submitters commented that Council's debt is too high, and is a key factor in high rates – therefore reduce debt to reduce rates. However, the majority of submitters, who did not make further comments on debt, supported to reduce the debt contribution to \$1m for year 1 of the LTP.

Issue and Trends

Council is now in a stronger financial position, and as such has proposed in the Annual Plan Consultation Document to lower this contribution for the 2019/20 year only to \$1 million. This would save ratepayers in the order of \$38.18 for a \$505,000 property, or \$138.36 for a \$1.83 million property for that year.

Given the volatile nature of growth, the proposal only relates to the 2019/20 financial year. The \$2.5 million debt repayment figure for the following financial years could be adjusted through each Annual Plan process, if appropriate.

Matters Arising from the 2019/20 Annual Plan Workshop 16 May 2019

Following discussions held by Elected Members during the 2019/20 Annual Plan workshop, staff were directed to investigate the impact of reducing the rate contribution to interest and debt repayments by a further \$500,000. This option was not part of the public consultation on the draft Annual Plan 2019/20.

Should Council decide to reduce the rates contribution to \$500,000, the overall rates increase for 2019/20 would reduce by approximately 0.82%. This option also further negatively impacts on Council's net debt to revenue ratio.

Options

1	<i>THAT Council contributes \$2.5 million per year from rates to interest and debt repayments as forecast in the 2018-28 LTP.</i>
2	<i>THAT Council change the debt management approach to contribute \$1 million of rates to interest and debt repayments for 2019/20.</i>
3	<i>THAT Council change the debt management approach to contribute \$500,000 of rates to interest and debt repayments for 2019/20.</i>

Option 1: THAT Council contributes \$2.5 million per year from rates to interest and debt repayments as forecast in the 2018-28 LTP.

Advantages

- Debt will be paid down faster than Options 2 and 3.
- Council will spend less on debt interest in the long term.
- Financially stronger position than Options 2 and 3, in terms of a lower net debt to revenue ratio.

Disadvantages

- Higher rates through the Uniform Annual General Charges than Options 2 and 3 in 2019/20 year.
- Average rates would increase, instead of the projected 3.45% as per the Consultation Document.

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
Net Debt repayments	1,500									

Option 2: (Preferred Option) THAT Council change the debt management approach to contribute \$1 million of rates to interest and debt repayments for 2019/20.

Advantages

- Lower rates through the Uniform Annual General Charges than Option 1 in 2019/20 year.

Disadvantages

- Debt will be paid down slower than Option 1, and cost more in debt interest over time.
- Financially weaker position than Option 1, in terms of a marginally higher net debt to revenue ratio.

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
Net Debt repayments										<i>No change to Draft Annual Plan</i>

Recommended Decision***Option 2***

THAT Council change the debt management approach to contribute \$1 million of rates to interest and debt repayments in 2019/20.

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



Issue and Options (IOP)		
	Number	Description
Topic		Investigation looking at the impact of reducing the planned Uniform Annual Targeted Rate increase from 3% to either a smaller increase, or a freeze in the increase.
Issue		<p>During the course of the Annual Plan Workshop on 16 May 2019 Elected Members were presented with Issues and Options Papers stemming from community submissions on the 2019/20 Annual Plan, as well as staff internal submissions and project re-budgets in relation to the 2019/20 budget. Many of these sought additional rates funding, which brought the planned rates increase to 4.01% (excluding growth).</p> <p>Council has a Financial Strategy which states that rates increases should not exceed 4% (excluding growth). Elected Members expressed a desire to explore options that would bring the 2019/20 rates increase % within Council's Financial Strategy.</p>
Related strategies		Financial Strategy

Staff Narrative
<p>Background</p> <p>The Uniform Annual Targeted Rate (UATR) is a fixed service charge across the district to fund Council's water supply, wastewater and storm water schemes.</p> <p>During the preparation of the 2018-28 Long Term Plan, Council decided to increase the UATR by 3% per annum from the 2019/20 year through to the 2021/22 year. From the 2022/23 year onwards the UATR is budgeted to increase by 1% per annum.</p> <p>During the 2019/20 Annual Plan Workshop on the 16th May 2019, Council sought to investigate reducing the planned increase in the UATR in order to achieve a rates increase % that was in line with Council's Financial Strategy. Staff were directed to calculate the impact of reducing the increase in the UATR and report back to Council at the subsequent Annual Plan Workshop on the 23 May 2019.</p> <p>Financial Impacts</p> <p>This Issues and Options Paper shows the impact of reducing the planned 3% increase in the UATR on the overall rates increase for the 2019/20 Annual Plan. By reducing the increase in the UATR from 3% to 2% in the 2019/20 Annual Plan, there would be a reduction in the rates requirement of \$208,955, which would reduce the overall rates increase from 4.01% to 3.67%.</p>

By reducing the increase in the UATR from 3% to 1% in the 2019/20 Annual Plan, there would be a reduction in the rates requirement of \$417,916, which would reduce the overall rates increase from 4.01% to 3.33%.

By reducing the increase in the UATR from 3% to 0% in the 2019/20 Annual Plan, there would be a reduction in the rates requirement of \$623,975, which would reduce the overall rates increase from 4.01% to 2.99%.

It should be noted that decisions to reduce the planned increase in the UATR may result in Council activities not being funded to a level which allows Council to respond to unforeseen events that may arise during the 2019/20 year.

Options	
<i>1</i>	<i>THAT Council maintains the Uniform Annual Targeted Rate at a 3% increase for the 2019/20 Annual Plan.</i>
<i>2</i>	<i>THAT Council reduces the increase in the Uniform Annual Targeted Rate from 3% to 2%.</i>
<i>3</i>	<i>THAT Council reduces the increase in the Uniform Annual Targeted Rate from 3% to 1%.</i>
<i>4</i>	<i>THAT Council reduces the increase in the Uniform Annual Targeted Rate from 3% to 0%.</i>

Recommended Decision
Option 3 <i>THAT Council reduces the increase in the Uniform Annual Targeted Rate from 3% to 1%.</i>

Decision
<i>(To be completed in the decision making meeting)</i>
Reason
<i>(To be completed in the decision making meeting)</i>

Annual Plan 2019-20

Issues Arising from Council/Committee Recommendations

Internal Submission Paper



Internal submission	
	Number Description
Activity	Reserves and Facilities
Issue	KiwiCamp – Potential Costs for an Alternative Site
Project No	348201
Related strategies	Recreation and Leisure Strategy

Staff Narrative

Background

Council has an agreement in place with MBIE for the installation of a KiwiCamp facility at Waihi Beach.

Council had originally agreed to locate the facility at the Waihi Beach Community Centre car park; however, there was significant community opposition to this site.

Following a public meeting, Council subsequently agreed to put the project on hold whilst it undertook further community engagement on alternative sites at Waihi Beach.

Feedback on three site options closes on Friday, 17 May 2019. In reviewing the feedback received to date, there is significant support for the large car park site along Seaforth Road, near Bowentown. On this basis, Council needs to include funding in the 2019/20 budget for the connection of the required services, e.g. sewer, water and power etc., and any necessary consents, should this site, or the Island Reserve site, proceed.

Alternatively, Council could consider placing the facility at the Waihi Beach Community Centre car park where service connections have already been installed, however, this would go against the community wishes.

The estimated cost for service connections and consents at Seaforth Road car park site are approximately \$80,000 - \$90,000.

If the Community Centre site is selected, then \$30,000 as a contingency sum, will be required to establish a power supply independent from the Community Hall if agreement from the Hall Committee to remain connected to the hall is withdrawn.

The facility has been paid for and is currently held in storage at a secure site near Waihi Beach. It is important that funding is made available to enable the facility to be installed in time for the 2019/20 summer season and to satisfy Council's obligations under the funding agreement with MBIE. There are a number of statutory consents required to be in place before the facility can be installed e.g. archaeological authority and building consent etc.

Options	
1	<i>THAT Council include \$90,000 in the 2019/20 Annual Plan for the required consents and connection of services for the KiwiCamp facility, funded from the General Rate Reserve and \$10,000 opex funded from general rate.</i>
2	<i>THAT Council declines to include \$90,000 in the 2019/20 Annual Plan for the required consents and connection of services for the KiwiCamp facility and negotiates an exit agreement from the agreement with MBIE, noting that this may incur a compensation payment.</i>

Recommended Decision**Option 1:**

THAT Council include \$90,000 in the 2019/20 Annual Plan for the required consents and connection of services for the KiwiCamp facility, funded from the General Rate Reserve and \$10,000 opex funded from general rate.

Decision**Reason**

Annual Plan 2019-20

Internal Submission

Internal Submission Paper



Internal submission	
	Number Description
Activity	<i>Recreation and Leisure</i>
Issue	<i>Te Puke Hot Water Showers – Commerce Lane</i>
Project No	<i>Proposed new project</i>
Related strategies	Recreation and Leisure Strategy

Staff Narrative
<p>Council has requested that consideration be given to establishing several hot water showers adjacent to the public toilets in Commerce Lane, Te Puke, to help cater for freedom campers and seasonal workers.</p> <p>It is proposed that two shower cubicles be retrofitted with 'Kiwi Cash' 'pay as you go' technology, as a means of cost recovery.</p> <p>To provide several modular shower units is estimated to cost \$100,000.</p> <p>The provision of hot water showers is a level of service that Council has not traditionally provided. The implications of providing a new level of service have yet to be fully determined. The proposed Kiwicamp facility for Waihi Beach will have hot water showers within the facility.</p> <p>If the units proceed there will be a requirement for a maintenance budget of \$10,000 per annum to be set aside for daily cleaning and wastewater UACs.</p>

Options	
1	<i>THAT \$100,000 be included in the 2019/20 Annual Plan for the construction of two modular hot water shower units, adjacent to the Commerce Lane toilets, Te Puke; AND THAT \$10,000 be included in the 2019/20 and future Annual Plans for the day to day maintenance of the shower units, funded from general rates.</i>
2	<i>THAT \$100,000 is not included in the 2019/20 Annual Plan for the construction of two modular hot water shower units, adjacent to the Commerce Lane toilets, Te Puke; AND THAT \$10,000 is not included in the 2019/20 and future annual plans for the day to day maintenance of the shower units.</i>

Recommended Decision

Option 1:

<i>THAT \$100,000 be included in the 2019/20 Annual Plan for the construction of two modular hot water shower units, adjacent to the Commerce Lane toilets, Te Puke;</i>
--

<i>AND</i>

<i>THAT \$10,000 be included in the 2019/20 and future Annual Plans for the day to day maintenance of the shower units funded from general rates.</i>

Decision

<i>(To be completed in the decision making meeting)</i>

Reason

<i>(To be completed in the decision making meeting)</i>

Annual Plan 2019-20

Issues and Options Paper

Issues and Options Paper



Issue and Options (IOP)		
	Number	Description
Topic	AP19-02	<i>Walking and cycling facilities</i>
Issue	2 Road safety	<i>No 1 Road cycleway</i>
Related strategies	Transportation Strategy, walking and Cycling Strategy, NZTA Funding and Investment Rules	

Staff Narrative

Issue and Trends

4 submitters commented that Council needed to improve walking and cycling facilities in and around Te Puke in particular No 1 Road to Trevelyan's Pack House.

No 1 Road, Te Puke runs from the urban environment into the rural area south of the township. Based on the Council's Development Code standards, it is currently under width for the traffic volume using it at its northern end adjoining the township. There is also limited shoulder safety space for walkers and cyclist who may choose to use the road with higher speed traffic general traffic.

Sections of the road pavement are deteriorating and will require significant investment to renew. This will provide an opportunity to include improvements such as; seal widening, sight distance improvements, drainage and entranceway improvements.

Background

A potential 3.5km roadside 2.5m concrete surfaced cycleway has been investigated to run from the town boundary to the Trevelyan pack house facility. The rough order cost for this project was in the order to \$1.88 million. It included retaining wall sections, service relocation requirements and would result in the loss of roadside gardens and shelter belts. It would need to be located near the boundary so it isn't impacted by the road reconstruction and widening.

Staff have investigated the option of a metal surface cycleway following the land contour. It will require some board walking or retaining. Property owners will need to shift fences to the boundary on approximately half of the route. The indicative estimate for this option is \$600,000.

The Council's current walking and cycling priorities include the Omokoroa to Tauranga cycleway, Waihi to Waihi Beach cycleway link and the Tauranga Eastern Link cycleway to Maketu along Maketu Road.

The Walking and Cycling Strategy review currently underway is expected to include new prioritised projects for the Council's adoption. The No 1 Road cycleway project has been added to this list.

The cycleway is eligible for NZTA subsidy under the LCLR category, subject to available funding of both councils share and the NZTA subsidy.

The Low Cost Low Risk (LCLR) priority list for 2019/20 has been reviewed and this project can be included in the available subsidy for 2019/20. The Council share of \$294,000 still needs to be funded. As previously advised, the work programme has been advanced and the NZTA allocated LCLR subsidy is likely to be utilised in 2018/19 and 2019/20. The work programme in 2020/21 will be lower unless additional funding is allocated from NZTA. There is potential for a contribution from Trevelyans Pack House. This has not yet been included in the budget. There is also the potential that the Te Puke Community Board could contribute from its community roading fund.

The Te Puke Cycling Group is undertaking an assessment of the desired cycleways in the area. The link from Te Puke to Maketu is high on the priority list and would compete for funding with the No.1 Road cycleway.

Options	
1	<i>THAT Council continues to implement its prioritised cycle routes in partnership with central government, other local authorities and community funding trusts.</i>
2	<p><i>THAT the district walking and cycling budget be increased by \$600,000 in 2019/20 funded by:</i></p> <ul style="list-style-type: none"> • <i>NZTA Low Cost Low Risk work category \$306,000</i> • <i>Council loan of \$294,000 funded over ten years in order to progress the No 1 Road cycleway as a lower specification metal surface cycleway.</i> • <i>The annual loan cost of \$40,760 be funded from the existing district walking and cycling budget.</i> <p><i>THAT Council seeks a contribution from Trevelyans Pack House towards the project.</i></p> <p><i>THAT the Te Puke Community Board be requested to contribute to the construction of the project.</i></p>

Recommended Decision

Option 1 and 2

- | |
|--|
| <p>1. <i>THAT Council continues to implement its prioritised cycle routes in partnership with central government, other local authorities and community funding trusts.</i></p> <p>2. <i>THAT the district walking and cycling budget be increased by \$600,000 in 2019/20 funded by:</i></p> <ul style="list-style-type: none"> • <i>NZTA Low Cost Low Risk work category \$306,000</i> • <i>Council loan of \$294,000 funded over ten years in order to progress the No 1 Road cycleway as a lower specification metal surface cycleway.</i> • <i>The annual loan cost of \$40,760 be funded from the existing district walking and cycling budget.</i> |
|--|

<p><i>THAT Council seeks a contribution from Trevelyans Pack House towards the project.</i></p>

<p><i>THAT the Te Puke Community Board be requested to contribute to the construction of the project.</i></p>

Decision

<p><i>(To be completed in the decision making meeting)</i></p>
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Reason

<p><i>(To be completed in the decision making meeting)</i></p>
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Annual Plan 2019-20

Proposed Response

Proposed Response		
	Number	Description
Topic	AP19-04	Rates
Issue	03	Rates Affordability
Related strategies		Financial Strategy

Staff Narrative

Background

Annual Plan Submissions

There were 14 submissions on this topic. Seven submissions signalled rate rises be limited to the rate of inflation or CPI. Three requested a review of rates which were too high, one wanted the status quo to be maintained, one commented that Council is close to reaching the 75% (71%) rates as a proportion of total income threshold (per Council's financial strategy) and two stated the Te Puke wastewater targeted rate was too high.

Financial Strategy Benchmarks

Listed below are the financial benchmarks set out in Council's Financial Strategy included in the 2018-2028 Long Term Plan:

- Rates (Increases) Affordability Benchmark

Rate increases should not exceed 4% (excluding growth). For the purposes of this benchmark, rates income excludes rates penalties.

- Rates (Income) Affordability Benchmark

Total rates should not exceed 75% of total revenue. For this benchmark total revenue excludes revenue from non-cash sources e.g. vested assets and revaluation movements.

- Debt affordability benchmark

Debt should not exceed 180% of revenue (excluding financial contributions and vested assets) during 2019 – 2028.

- Balanced budget benchmark

Planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) should equal or be greater than its operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

- Essential services benchmark

Planned capital expenditure on network services (being; transportation, water, wastewater and stormwater) should equal or be greater than depreciation on network services.

- Debt servicing benchmark

Planned borrowing costs should equal or be less than 15% of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment).

Council's financial forecasts for each Annual Plan are set within these benchmark limits. Council's actual performance against these benchmarks is measured and reported in the Annual Report which subject to external audit.

Inflation is applied using the Local Government Cost Index (LGCI) – an inflation measure based on the cost structures of New Zealand's local authorities. The LGCI is different to the Consumer Price Index (CPI) as it includes goods which consumers would not normally purchase. These goods, such as bitumen or piping, often have different inflation pressures than goods included in the CPI basket. The Local Government Cost Index is sourced from Business Economic and Research Limited and is a more accurate measure of the cost changes that we are faced with. Using this measure will provide ratepayers with a more accurate picture of how these costs impact on rates.

Comment

Affordability is a key planning consideration for Council and involves finding a balance between the tensions around what communities' desire and what is required in the form of essential services.

As part of the 2019-20 Annual Plan preparation, the proposed capital and operational expenditure budgets were reviewed thoroughly by staff and elected members to ensure they were reasonable and represented value for money. Affordability for residents and ratepayers was a key consideration during the review.

The overall result does not breach any of the financial benchmarks set in the LTP 2018-28 financial strategy.

Proposed Response

THAT Council continue to manage rate increases so they do not exceed the 4% (excluding growth) limit as set out in the Financial Strategy of the 2018-2028 Long Term Plan.

Decision

(To be completed in the decision making meeting)

Reason

(To be completed in the decision making meeting)