

MEETING — AGENDA —

Ngā Take

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LONG TERM AND ANNUAL PLAN COMMITTEE

Komiti Kaupapa Tiro Whakamua

LTAP7

Thursday, 7 March 2019

Council Chambers

Barkes Corner, Tauranga

1.00pm

Notice of Meeting No LTAP7 Te Karere

Long Term and Annual Plan Committee Komiti Kaupapa Tiro Whakamua

Thursday, 7 March 2019
Council Chambers
Barkes Corner
1.00pm

His Worship the Mayor

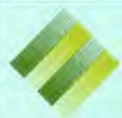
G J Webber

Councillors:

J Scrimgeour (Chairperson)
P Mackay (Deputy Chairperson)
G Dally
M Dean
M Lally
K Marsh
D Marshall
M Murray-Benge
J Palmer
D Thwaites
G Webber
M Williams

Media
Staff

Miriam Taris
Chief Executive Officer
Western Bay of Plenty District Council



Western Bay of Plenty
District Council

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

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Long Term and Annual Plan Committee Delegations Mangai o Te Kaunihera

Quorum:

The quorum for this meeting is six members.

Role

Subject to compliance with legislation to develop the Long Term and Annual Plans and associated strategies for the future direction of Council and its communities.

Delegations

To undertake on behalf of Council all processes and actions precedent to the final adoption of Long Term and Annual Plans including the development of consultation documents, community engagement and associated special consultative processes, policies, and strategies required to be adopted and consulted on under the Local Government Act 2002.

Subject to compliance with legislation and the Long Term Plan to resolve all matters of strategic policy which does not require, under the Local Government Act 2002, a resolution of Council. Strategic policy is defined as any matter relating but not limited to, the following:

- Overall Infrastructure Strategies and financial Planning/Action Plans
- Policy direction for asset management planning
- To set service standards including levels of service.
- Utilities services/ infrastructure policy and planning
- Road / Transport policy and planning

Other

Pursuant to clause 32(1) of Schedule 7 of the Local Government Act 2002, each of the Mayor and Councillors, whether individually or collectively, the power to listen to and receive the presentation of views by people and to engage in spoken interaction with people pursuant to section 83(1)(d) of the Local Government Act 2002 in relation to any processes Council undertakes to consult on under the Special Consultative Procedure as required by the Local Government Act 2002 or any other Act.

The Committee may without confirmation by Council exercise or perform any function, power or duty relating to those matters delegated by Council in like manner, and with the same effect, as the Council could itself have exercised or performed them.

The Committee may delegate any of its functions, duties or powers to a subcommittee subject to the restrictions on its delegations and provided that any sub-delegation to subcommittees includes a statement of purpose and specification of task.

The Committee may make recommendations to Council or its Committees on any matters to achieve the outcomes required in the role of the Committee but outside its delegated authorities.

Agenda for Meeting No. LTAP7

Pages

**Present
In Attendance
Apologies**

Public Excluded Items

The Council may by resolution require any item of business contained in the public excluded section of the agenda to be dealt with while the public are present.

Public Forum

A period of up to 30 minutes is set aside for a public forum. Members of the public may attend to address the Committee for up to three minutes on items that fall within the delegations of the Committee provided the matters are not subject to legal proceedings, or to a process providing for the hearing of submissions. Speakers may be questioned through the Chairperson by members, but questions must be confined to obtaining information or clarification on matters raised by the speaker. The Chairperson has discretion in regard to time extensions.

Such presentations do not form part of the formal business of the meeting, a brief record will be kept of matters raised during any public forum section of the meeting with matters for action to be referred through the customer contact centre request system, while those requiring further investigation will be referred to the Chief Executive.

LTAP7.1 **Recommendatory Report from the Waihi Beach Community Board - Draft 2019/2020 Annual Operating Budget** 7-9

Attached is a report from the Democracy Advisor dated 17 October 2018.

LTAP7.2 **Recommendatory Report from the Omokoroa Community Board - Draft 2019/2020 Annual Operating Budget** 10-11

Attached is a report from the Democracy Advisor dated 18 October 2018.

- LTAP7.3 **Recommendatory Report from the Katikati Community Board - Draft 2019/2020 Annual Operating Budget** 12-14
- Attached is a report from the Democracy Advisor dated 29 October 2018.
- LTAP7.4 **Recommendatory Report from the Maketu Community Board - Draft 2019/2020 Annual Operating Budget** 15-17
- Attached is a report from the Democracy Advisor dated 29 October 2018.
- LTAP7.5 **Recommendatory Report from the Te Puke Community Board - Draft 2019/2020 Annual Operating Budget** 18-20
- Attached is a report from the Democracy Advisor dated 29 October 2018.
- LTAP7.6 **Adoption of the Draft Annual Plan 2019-20 and Long Term Plan Amendment Consultation Document and Supporting Information** 21-338
- Attached is a report from the Finance Manager dated 21 February 2019.
- LTAP7.7 **Adoption of the Draft Schedule of Fees and Charges 2019-2020** 339-387
- Attached is a report from the Customer Experience Manager dated 21 February 2019.

Western Bay of Plenty District Council
Long Term and Annual Plan Committee
Recommendatory Report from the Waihi Beach
Community Board – Draft 2019/2020 Annual
Operating Budget

Summary

The Long Term and Annual Plan Committee is required to consider the recommendations and resolve accordingly. The following options are available to the Long Term and Annual Plan Committee and where appropriate the preferred option has been recommended.

Please note the following is a recommendation only.

The Long Term and Annual Plan Committee to resolve to:

- a. adopt as recommended
- b. to modify
- c. refer to another Committee
- d. to decline (giving reasons) and refer back to the Waihi Beach Community Board

Recommendation from the Waihi Beach Community Board - 8 October 2018

WB16.10 Draft 2019 / 2020 Annual Operating Budget - October 2018

The Board considered a report from the Democracy Advisor dated 19 September 2018 as circulated with the agenda.

Resolved: Members Hepenstall / Sole

1. *THAT the report from the Democracy Advisor dated 19 September 2018 titled Draft 2019/2020 Annual Operating Budget be received.*
2. *THAT it be recommended to the Long Term and Annual Plan Committee that the Waihi Beach Community Board Draft 2019/2020 Annual Operating Budget be:*

Operating Costs	2020	
CBD Road Closure	1,000	
Conference/Training	2,000	
Extra Rubbish Collection	2,000	
Contingency	2,000	
Grants	5,000	
Mileage Allowance	5,000	
Salaries	<i>Determined by Remuneration Authority</i>	
Inter Department Charges	<i>Determined by Overhead Cost Allocation</i>	
TOTAL OPERATING COST		

3. *THAT this report relates to issues which are not considered significant in terms of Council's Policy on Significance*

Staff Comments – Finance Manager

Community Board Member salaries are set by the Remuneration Committee and the total budgeted cost of the 2018 – 28 Long Term Plan for each Community Board will be funded via each Community Board targeted area of benefit. Community Board operational budgets for 2018/19 do not trigger the significance policy.

Recommendation

1. ***THAT the Long Term and Annual Plan Committee adopt the Waihi Beach Community Board Operating Budget for 2019/20 subject to consideration through decisions from the Annual Plan 2019/20.***

Operating Costs	2020	
CBD Road Closure	1,000	
Conference / Training	2,000	
Extra Rubbish Collect	2,000	
Contingency	2,000	
Grants	5,000	
Mileage Allowance	5,000	
Salaries		
Inter Departmental Charges		
TOTAL OPERATING COSTS		

Determined by Remuneration Authority
Determined by Overhead Cost Allocation

Date 17 October 2018

Open Session

Subject Recommendatory Report from Waihi Beach Community Board – Draft 2019/2020
Annual Operating Budget

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


Aileen Alty
Democracy Advisor

Western Bay of Plenty District Council

Long Term and Annual Plan Committee

Recommendatory Report from the Omokoroa Community Board – Draft 2019/2020 Annual Operating Budget

Summary

The Long Term and Annual Plan Committee is required to consider the recommendations and resolve accordingly. The following options are available to the Long Term and Annual Plan Committee and where appropriate the preferred option has been recommended.

Please note the following is a recommendation only.

The Long Term and Annual Plan Committee to resolve to:

- a. adopt as recommended
- b. to modify
- c. refer to another Committee
- d. to decline (giving reasons) and refer back to the Omokoroa Community Board

Recommendation from the Omokoroa Community Board - 9 October 2018

OM16.8 **Draft 2019 / 2020 Annual Operating Budget - October 2018**

The Board considered a report from the Democracy Advisor dated 19 September 2018 as circulated with the agenda.

Resolved: Members Grainger / Presland

1. *THAT the report from the Democracy Advisor dated 19 September 2018 titled Draft 2019/2020 Annual Operating Budget be received.*
2. *THAT it be recommended to the Long Term and Annual Plan Committee that the Omokoroa Community Board Draft 2019/2020 Annual Operating Budget be:*

Operating Costs	2020	
Conference/Training	500	
Contingency	3,500	
Grants	7,000	
Mileage Allowance	2,000	
Salaries	<i>Determined by Remuneration Authority</i>	
Inter Department Charges	<i>Determined by Overhead Cost Allocation</i>	
TOTAL OPERATING COST		

3. *THAT this report relates to issues which are not considered significant in terms of Council's Policy on Significance*

Staff Comments – Finance Manager

Community Board Member salaries are set by the Remuneration Committee and the total budgeted cost of the 2018 – 28 Long Term Plan for each Community Board will be funded via each Community Board targeted area of benefit. Community Board operational budgets for 2018/19 do not trigger the significance policy.

Recommendation

1. ***THAT the Long Term and Annual Plan Committee adopt the Omokoroa Community Board Operating Budget for 2019/20 subject to consideration through decisions from the Long Term Plan 2018/28***

Operating Costs	2020	
Conference / Training	500	
Contingency	3,500	
Grants	7,000	
Mileage Allowance	2,000	
Salaries	<i>Determined by Remuneration Authority</i>	
Inter Departmental Charges	<i>Determined by Overhead Cost Allocation</i>	
TOTAL OPERATING COSTS		

Determined by Remuneration Authority
Determined by Overhead Cost Allocation

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


Aileen Alty
Democracy Advisor

Western Bay of Plenty District Council

Long Term and Annual Plan Committee

Recommendatory Report from the Katikati Community Board – Draft 2019/2020 Annual Operating Budget

Summary

The Long Term and Annual Plan Committee is required to consider the recommendations and resolve accordingly. The following options are available to the Long Term and Annual Plan Committee and where appropriate the preferred option has been recommended.

Please note the following is a recommendation only.

The Long Term and Annual Plan Committee to resolve to:

- a. adopt as recommended
- b. to modify
- c. refer to another Committee
- d. to decline (giving reasons) and refer back to the Katikati Community Board

Recommendation from the Katikati Community Board - 10 October 2018

K16.10 **Draft 2019 / 2020 Annual Operating Budget - October 2018**

The Board considered a report from the Democracy Advisor dated 19 September 2018 as circulated with the agenda.

Resolved: Councillor Mackay / Member Hobbs

1. *THAT the report from the Democracy Advisor dated 19 September 2018 titled Draft 2019/2020 Annual Operating Budget be received.*
2. *THAT it be recommended to the Long Term and Annual Plan Committee that the Katikati Community Board Draft 2019/2020 Annual Operating Budget be:*

<i>Operating Costs</i>	<i>2020</i>	
<i>Conference/Training</i>	<i>2,000</i>	
<i>Contingency</i>	<i>2,000</i>	
<i>Grants</i>	<i>8,000</i>	
<i>Mileage Allowance</i>	<i>2,000</i>	
<i>Security</i>	<i>6,500</i>	
<i>Street Decoration</i>	<i>4,500</i>	
<i>Salaries</i>	<i>Determined by Remuneration Authority</i>	
<i>Inter Department Charges</i>	<i>Determined by Overhead Cost Allocation</i>	
<i>TOTAL OPERATING COST</i>		

3. *THAT this report relates to issues which are not considered significant in terms of Council's Policy on Significance*

Staff Comments – Finance Manager

Community Board Member salaries are set by the Remuneration Committee and the total budgeted cost of the 2018 – 28 Long Term Plan for each Community Board will be funded via each Community Board targeted area of benefit. Community Board operational budgets for 2018/19 do not trigger the significance policy.

Recommendation

- 1. *THAT the Long Term and Annual Plan Committee adopt the Katikati Community Board Operating Budget for 2019/20 subject to consideration through decisions from the Long Term Plan 2018/28***

Operating Costs	2020	
Conference / Training	2,000	
Contingency	2,000	
Grants	8,000	
Mileage Allowance	2,000	
Security	6,500	
Street Decoration	4,500	
Salaries	<i>Determined by Remuneration Authority</i>	
Inter Departmental Charges	<i>Determined by Overhead Cost Allocation</i>	
TOTAL OPERATING COSTS		

Determined by Remuneration Authority
Determined by Overhead Cost Allocation

Date 29 October 2018

Open Session

Subject Recommendatory Report from Katikati Community Board – Draft 2019/2020 Annual Operating Budget

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


Aileen Alty
Democracy Advisor

Western Bay of Plenty District Council

Long Term and Annual Plan Committee

Recommendatory Report from the Maketu Community Board – Draft 2019/2020 Annual Operating Budget

Summary

The Long Term and Annual Plan Committee is required to consider the recommendations and resolve accordingly. The following options are available to the Long Term and Annual Plan Committee and where appropriate the preferred option has been recommended.

Please note the following is a recommendation only.

The Long Term and Annual Plan Committee to resolve to:

- a. adopt as recommended
- b. to modify
- c. refer to another Committee
- d. to decline (giving reasons) and refer back to the Maketu Community Board

Recommendation from the Maketu Community Board - 16 October 2018

MC16.10 **Draft 2019 / 2020 Annual Operating Budget - October 2018**

The Board considered a report from the Democracy Advisor dated 19 September 2018 as circulated with the agenda.

Resolved: Members Beech / McFadyen

1. *THAT the report from the Democracy Advisor dated 19 September 2018 titled Draft 2019/2020 Annual Operating Budget be received.*
2. *THAT it be recommended to the Long Term and Annual Plan Committee that the Maketu Community Board Draft 2019/2020 Annual Operating Budget be:*

<i>Operating Costs</i>	<i>2020</i>	
<i>Contingency</i>	<i>17,000</i>	
<i>Grants</i>	<i>5,000</i>	
<i>Mileage Allowance</i>	<i>1,000</i>	
<i>Security</i>	<i>4,020</i>	
<i>Salaries</i>	<i>Determined by Remuneration Authority</i>	
<i>Inter Department Charges</i>	<i>Determined by Overhead Cost Allocation</i>	
<i>TOTAL OPERATING COST</i>		

3. *THAT this report relates to issues which are not considered significant in terms of Council's Policy on Significance*

Staff Comments – Finance Manager

Community Board Member salaries are set by the Remuneration Committee and the total budgeted cost of the 2018 – 28 Long Term Plan for each Community Board will be funded via each Community Board targeted area of benefit. Community Board operational budgets for 2018/19 do not trigger the significance policy.

Recommendation

- 1. *THAT the Long Term and Annual Plan Committee adopt the Maketu Community Board Operating Budget for 2019/20 subject to consideration through decisions from the Long Term Plan 2018/28***

<i>Operating Costs</i>	<i>2020</i>	
<i>Contingency</i>	<i>17,000</i>	
<i>Grants</i>	<i>5,000</i>	
<i>Mileage Allowance</i>	<i>1,000</i>	
<i>Security</i>	<i>4,020</i>	
<i>Salaries</i>	<i>Determined by Remuneration Authority</i>	
<i>Inter Departmental Charges</i>	<i>Determined by Overhead Cost Allocation</i>	
<i>TOTAL OPERATING COSTS</i>		

Determined by Remuneration Authority
Determined by Overhead Cost Allocation

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

Date 29 October 2018 Open Session
Subject Recommendatory Report from the Maketu Community Board – Draft 2019/2020
Annual Operating Budget


Aileen Alty
Democracy Advisor

Western Bay of Plenty District Council
Long Term and Annual Plan Committee
Recommendatory Report from the Te Puke
Community Board – Draft 2019/2020 Annual
Operating Budget

Summary

The Long Term and Annual Plan Committee is required to consider the recommendations and resolve accordingly. The following options are available to the Long Term and Annual Plan Committee and where appropriate the preferred option has been recommended.

Please note the following is a recommendation only.

The Long Term and Annual Plan Committee to resolve to:

- a. adopt as recommended
- b. to modify
- c. refer to another Committee
- d. to decline (giving reasons) and refer back to the Te Puke Community Board

Recommendation from the Te Puke Community Board - 18 October 2018

TP16.8 Draft 2019 / 2020 Annual Operating Budget - October 2018

The Board considered a report from the Democracy Advisor dated 19 September 2018 as circulated with the agenda.

Resolved: Members Miller / Spratt

1. *THAT the report from the Democracy Advisor dated 19 September 2018 titled Draft 2019/2020 Annual Operating Budget be received.*
2. *THAT it be recommended to the Long Term and Annual Plan Committee that the Te Puke Community Board Draft 2019/2020 Annual Operating Budget be:*

<i>Operating Costs</i>	<i>2020</i>	
<i>Conference/Training</i>	<i>2,000</i>	
<i>Contingency</i>	<i>5,000</i>	
<i>Grants</i>	<i>11,000</i>	
<i>Mileage Allowance</i>	<i>1,000</i>	
<i>Security</i>	<i>7,560</i>	
<i>Street Decoration</i>	<i>10,000</i>	
<i>Salaries</i>	<i>Determined by Remuneration Authority</i>	
<i>Inter Department Charges</i>	<i>Determined by Overhead Cost Allocation</i>	
<i>TOTAL OPERATING COST</i>		

3. *THAT this report relates to issues which are not considered significant in terms of Council's Policy on Significance*

Staff Comments – Finance Manager

Community Board Member salaries are set by the Remuneration Committee and the total budgeted cost of the 2018 – 28 Long Term Plan for each Community Board will be funded via each Community Board targeted area of benefit. Community Board operational budgets for 2018/19 do not trigger the significance policy.

Recommendation

1. ***THAT the Long Term and Annual Plan Committee adopt the Te Puke Community Board Operating Budget for 2019/20 subject to consideration through decisions from the Long Term Plan 2018/28***

Operating Costs	2020	
Conference / Training	2,000	
Contingency	5,000	
Grants	11,000	
Mileage Allowance	1,000	
Security	7,560	
Street Decoration	10,000	
Salaries		
Inter Departmental Charges		
TOTAL OPERATING COSTS		

Determined by Remuneration Authority
Determined by Overhead Cost Allocation

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


Aileen Alty
Democracy Advisor

Western Bay of Plenty District Council

Long Term and Annual Plan Committee

Adoption of the Draft Annual Plan 2019-20 and Long Term Plan Amendment Consultation Document and Supporting Information

Purpose

The purpose of this report is to seek the Committee's approval of the combined Draft Annual Plan 2019/20 and Long Term Plan Amendment Consultation Document (**Attachment A**) and its Supporting Information provided in (**Attachment B, C, D and E**).

The Long Term and Annual Plan Committee is requested to:

- Adopt the Draft Annual Plan 2019/20 and Long Term Plan Amendment Consultation Document (**Attachment A**).
- Adopt the combined supporting information for the Draft Annual Plan 2019-20 Consultation Document (**Attachment B**), as prescribed by schedule 10 in the Local Government Act 2002, consists of:
 - Forecast financial statements
 - Financial statements for previous year
 - Funding impact statement
 - Rating base information
 - Reserve funds.
- Adopt the combined supporting information for the Long Term Plan Amendment (**Attachment C**), which represents the full proposal of changes to the Long Term Plan 2018-2028.
- Adopt the other background supporting information for the Long Term Plan Amendment (**Attachment D**), which consists of:
 - Report adopted by the Policy Committee on 13 December 2018, titled 'Waste Management and Minimisation Investigations'
 - Issues and Options Paper – Kerbside Waste services
 - Issues and Options Paper - Commercial services
 - Issues and Options Paper - Rural recycling drop off services
 - Issues and Options Paper - Construction and demolition waste
 - Kerbside Waste and Recycling Services – Background Information (Eunomia - July 2018)
 - Solid Waste Services Options – Modelling Report (Eunomia - August 2018)

- Solid Waste Services Options – Detailed Investigations Report (Eunomia - October 2018).
- Adopt the Revenue and Financing Policy – Solid Waste and associated Statement of Proposal (**Attachment E**), for concurrent consultation alongside the Annual Plan and Long Term Plan Amendment.

Recommendation

1. ***THAT the Finance Manager and Senior Policy Analyst's report dated 21 February 2019 and titled 'Adoption of the Draft Annual Plan 2019/20 and Long Term Plan Amendment Consultation Document and Supporting Information' be received.***
2. ***THAT the report relates to an issue that is considered to be of high significance in terms of Council's Significance and Engagement Policy.***
3. ***THAT the Prospective Financial Statements, Funding Impact Statements – Rates, Reserve Funds, Significant Accounting Policies and Funding Impact Statements be adopted for the purpose of providing supporting information for the draft Annual Plan 2019/20 Consultation Document (included in Attachment B to this report).***
4. ***THAT the proposed changes to the Revenue and Financing Policy – Solid Waste be adopted for public consultation, pursuant to section 102 of the Local Government Act 2002, and that the Revenue and Financing Policy – Solid Waste Statement of Proposal (Attachment E) be adopted for the purposes of consultation to run concurrently with the Draft Annual Plan 2019-20 and Long Term Plan Amendment Consultation.***
5. ***THAT the combined supporting information for the Long Term Plan Amendment which represents the full proposal of changes to the Long Term Plan 2018-2028 be adopted for the purposes of public consultation (Attachment C to this report).***
6. ***THAT the report adopted by the Policy Committee on 13 December 2019 and titled 'Waste Management and Minimisation Investigations' and including the issues and options papers attached to that report, and the three reports by Eunomia: Kerbside Waste and Recycling Services – Background Information (Eunomia - July 2018), Solid Waste Services Options – Modelling Report (Eunomia - August 2018), Solid Waste Services Options – Detailed Investigations Report (Eunomia - October 2018), are adopted for the purpose of providing other supporting information for the draft Annual Plan 2018-28 and Long Term Plan Amendment Consultation Document (included in Attachment D to this report).***

Date
Subject

21 February 2019

Adoption of the Draft Annual Plan 2019/20 and Long Term Plan Amendment Consultation Document and Supporting Information

Open Session

- 7. THAT the Audit Report on the Long Term Plan Amendment Consultation Document be received.**
- 8. THAT in accordance with sections 82, 95A and 95B of the Local Government Act 2002, the draft Annual Plan 2019-2020 and Long Term Plan Amendment Consultation Document as set out in (Attachment A) to this agenda be adopted for the purpose of consultation from 18 March to 18 April 2019.**
- 9. THAT the Chief Executive Officer be delegated authority to make minor editorial changes to the supporting information documentation if required.**



Ian Butler
Finance Manager



Matthew Leighton
Senior Policy Analyst

Approved



Kumaren Perumal
**Group Manager Finance and
Technology Services**

1. Background

On 28 June 2018 Council adopted the Long Term Plan (LTP) for 2018-2028. For the subsequent two financial years, following adoption of the Long Term Plan, the Council is legislatively required to review its plans and prepare an Annual Plan. If there are significant or material variations from the LTP, then consultation must be undertaken with the community.

Council can amend its LTP at any stage to reflect a significant change in levels of services to a significant activity, provided it follows the public consultation and decision making processes required by the Local Government Act 2002.

Under the Local Government Act 2002 Council is required to adopt a Consultation Document (**Attachment A**) to provide an effective basis for input from the public into Council decision making.

The Long Term and Annual Plan Committee met five times from October 2018 to February 2019 to workshop the 2019/20 budgets and to consider any variations from the programme as outlined in Council's Long Term Plan 2018-2028.

2. Long Term Plan Amendment to Solid Waste

On 13 December 2018 the Policy Committee approved the preparation of a Long Term Plan amendment on changes to kerbside waste and recycling services and to undertake a Special Consultative Procedure alongside the consultation on the Annual Plan 2019/20.

The amendment reflects Council's identified preferred options of:

- A Council-contracted recycling collection and separate glass collection
- A Council-contracted urban food waste collection
- A Council contracted user-pays rubbish collection, and
- Council oversees the installation and operation of three rural recycling drop-off points.

The proposal has been developed over the past year, with investigations and detailed modelling being undertaken. As part of the supporting information (**Attachment D**) on the consultation document, the three reports produced by Eunomia Consulting will be publicly available on Council's website. These reports directly informed the development of the preferred options and provide substantial background and supporting detail.

The full proposal, which sets out the proposed changes to the Long Term Plan 2018-28 will be publicly available as supporting information (**Attachment C**)

3. Annual Plan 2019/20

The Annual Plan 2019/20 content in the combined consultation document, sets out the material or significant variations to the LTP for the coming year. The average total rates before growth are proposed to increase by 3.45%, slightly less than the 3.60% forecast through the LTP.

The major matter for public input regarding the Annual Plan is Council's approach to debt management. The proposal is to contribute \$1 million of rates to interest and debt repayments for the 2019/20 year, rather than the \$2.5 million planned in the LTP. This is considered a material difference and therefore requiring public consultation.

Changes to some targeted rates are also raised through the consultation document. This includes a possible increase in the Te Puna Hall rate and several new geographically specific targeted rates around wastewater and water supply activities.

The Annual Plan sections of the consultation document are not required to be audited, and as such Audit New Zealand's opinion does not relate to these pages or the related supporting information.

The supporting information for the Annual Plan 2019/20 will be publicly available (**Attachment B**). This includes:

Introduction and Overview

Chapter One - Financials

- Key Assumptions
- Changes to projects
- Annual Plan disclosure statement
- Funding impact statements and other rating information
- Prospective Financial statements
- Reserve funds.

Chapter Two – Policies and Statements

- Overall revenue and financing policy
- Summary of specific rates policies
- Significant accounting policies
- Activity funding impact statements.

4. Revenue and Financing Policy – Solid Waste

As a result of the proposed changes to the kerbside waste and recycling services, the Council has considered how the new services will be funded, taking into account its overall funding philosophy in the Revenue and Financing Policy.

The proposed changes to the Solid Waste section of the Revenue and Financing Policy enable the use of targeted rates and user fees for kerbside collection services and rural recycling drop-off points.

Amendments to the Policy must meet the requirements of section 102 of the Local Government Act 2002 and consulted on in a manner that gives effect to section 82. A Statement of Proposal is therefore required to be adopted. **(Attachment E)** includes the draft Statement of Proposal and the proposed changes to the Revenue and Financing Policy.

The changes will be consulted on concurrently alongside the Draft Annual Plan 2019/20 and the Long Term Plan Amendment consultation, due to their inherently linked nature.

The amended section of the Revenue and Financing Policy is also included in the full proposed changes to the LTP **(Attachment C)** for ease of access by the public.

5. Annual Plan 2019-20 and Long Term Amendment Consultation Document

As noted in section 95B of the Local Government Act 2002, if a local authority carries out consultation in relation to an amendment to a long-term plan at the same time as, or combined with, consultation on an annual plan the content of both consultation documents must be combined into one consultation document. In addition the special consultative procedure must be used in relation to both matters.

Council must undertake the special consultative procedure for community engagement on the draft Annual Plan 2019-20 and Long Term Plan Amendment Consultation Document. The key aspects of the proposed approach is set out below.

During May – June 2018 Council will consider the feedback received from the consultation document, with the final Annual Plan 2019-2020 and Long Term Plan Amendment scheduled for adoption on 26 June 2019.

6. Significance and Engagement

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

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

In terms of the Significance and Engagement Policy this decision is considered to be of high significance because of the Long Term Plan amendment regarding Solid Waste. If Council resolves to become more involved in the delivery of kerbside services, this would represent significant change to levels of service, it would affect a large part of the community, and it is a matter of high community interest. Therefore Council must use the Local Government Act 2002 special consultative procedure for community engagement on this significant change.

7. Community Engagement

Interested/Affected Parties	Planned Consultation/Communication 18 March – 18 April 2019
General public	<p>The four weeks of the consultation period will be used to promote the Consultation Document and upcoming Have Your Say events, using both online and print media.</p> <p>Feedback can be made online (through Have Your Say Western Bay) and in writing throughout the four week period.</p> <p>Have Your Say events will be run in Waihi Beach, Katikati, Omokoroa, Oropi, Te Puke, Te Puna, Maketu. These will include roundtable discussions between elected members and the community, and will replace formal hearings.</p>
Tangata whenua	<p>Direction has been sought from the Partnership Forum in February 2019 to seek recommendations on effective ways of engaging with tangata whenua in relation to the Annual Plan, beyond what is planned for the general public. A further workshop with the Forum is planned for March to enable their full input.</p>
Key stakeholder groups and Community Boards	<p>As well as the methods available to the general public, key stakeholder groups and Community Boards can make a presentation on either 15 or 16 April 2019 in Council Chambers with an allocated time at Barks Corner.</p>

8. Issues and Options Assessment

Option A	
THAT the Committee adopt the draft Long Term Plan Amendment and Annual Plan 2019/20 Consultation Document, draft Revenue and Financing Policy and supporting information for public consultation.	
Benefits in terms of the present and future interests of the District taking a sustainable Development approach	Allows Council to meet it's legislative requirements. Seeks the community's input into our significant and material decisions. Aligns with previous direction and decisions of Council.
Costs (including present and future costs, direct, indirect and contingent costs)	Costs are met within current budgets. The Consultation Document outlines potential future changes to Council's costs as set out in the LTP, and seeks public feedback on these.

Option B	
THAT the Committee does not adopt the draft Long Term Plan Amendment and Annual Plan 2019/20 Consultation Document, draft Revenue and Financing Policy and supporting information for public consultation	
Benefits in terms of the present and future interests of the District taking a sustainable Development approach	Should significant changes or rework be required, this may put at risk Council's ability to meet its legislative requirements and gain effective community input into the decision making process.
Costs (including present and future costs, direct, indirect and contingent costs)	Should significant changes or rework be required, then significant staff time will be involved. Additionally a future draft of a consultation document would require to be re-audited, at an additional unbudgeted cost.

9. Statutory Compliance

The recommendations of this report meet the requirements of:

- Section 82, 83, 95, 95A, 95B, 102 of the Local Government Act 2002; and
- Local Government Rating Act 2002.

10. Funding/Budget Implications

Budget Funding Information	Relevant Detail
Annual Plan and Long Term Amendment production costs	All costs associated with the production of the Annual Plan and Long Term Plan Amendment have been budgeted for. The Consultation Document outlines potential future changes to Council's costs as set out in the LTP, and seeks public feedback on these.

Annual Plan 2019/20 and Long Term Plan
Amendment Consultation Document

Kerbside rubbish & recycling

We've found a better way...

**Feedback
required!**



Have your say on this and
other key changes to rates.



*Western Bay of Plenty
District Council*



Message from the Mayor



Welcome to this consultation document

For our 2019/20 Annual Plan we continue our 'steady as we grow' approach to the capital projects and financial goals we set out in the 2018 - 2028 Long Term Plan.

You will see we have managed our planned spending and made no major changes to the work programme. Indication of rates increases are on page 8.

This consultation document also explains an important proposal for an alternative method of dealing with rubbish and recycling across the District to start in 2021.

As a District we need to get better at reusing, reprocessing and recycling our waste.

To achieve this, we're proposing significant changes to how kerbside collections work in our District.

Currently, Council only provides Community Recycling and Greenwaste Centres and does not provide any kerbside collection services.

Under the proposal Council will contract kerbside recycling (paid in your rates) and rubbish collection (pay per pick up) across approximately 80 percent of the District. In urban areas, we'll also collect biodegradable food scraps.

The aim is to improve environmental outcomes and provide opportunities for people to recycle more and reduce rubbish sent to landfill.

We look forward to hearing your thoughts on the proposals as we make our way around the District to discuss these. You'll find details of when we'll be in your community on page 7.

Garry Webber
Mayor, Western Bay of Plenty District



We are proposing to introduce a Council-contracted kerbside recycling, glass, food scraps and rubbish collection service in 2021.

Before we can make any decisions we need your feedback.



Details on how to submit your feedback are on the back page of this publication.



What's in our bins?

Kerbside wheelie bins & rubbish bags combined average.

How much are we throwing away?

On average each household produces about 640kg of waste per year! Reducing, reusing and recycling as much waste as possible is important. This reduces the cost of dealing with what is left, extends the life of landfills, improves the environment through less leachate and methane and means we can make the most of all our resources.

Why is there a problem?

What we throw away has big impacts on our environment.

70% The average rubbish bin or bag has about 70 percent that could be diverted or recycled.

Paper and plastics (1 and 2) are usually two of the most valuable kerbside commodities, as these can more easily be reused. This reduces our environmental impact and helps us get the most amount of value from limited resources.

39% The largest component is biodegradable food scraps - a whopping 39 percent of waste collected.

Biodegradable food scraps produce leachate and methane gas that is approximately 25 times more powerful as a greenhouse gas than carbon dioxide (CO₂). Composting food waste reduces the environmental footprint (producing CO₂ rather than methane) and provides a useful composting product.



Glass bottles, jars and recyclable paper are the next biggest components that could be recycled.

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

If we don't start thinking about diversion and reduction, in the near future new landfills may be needed. This could add a significant cost to collections and disposal.

We're proposing a major change which we believe will be better for you and the environment. There's growing pressure on all of us to minimise waste to landfill and these new options are intended to significantly reduce material going to landfill that could have been recycled.

Our options

We're proposing to introduce kerbside services to about **80 percent of the District** to begin in 2021. If you live within an area where roadside bags or bins are collected currently then you'll pay the targeted rates set out below in each option. For the average household there is an opportunity to recycle more, produce less rubbish and save money. Costs are detailed estimates, but will have to be agreed with a service operator. All costs are GST inclusive.

For serviced households

01 – Preferred option

We do it all for you.



<p>Urban households</p> <p>Recycling Glass Food scraps</p> <p>\$105 targeted rates</p>	<p>OR</p>	<p>Rural households</p> <p>Recycling Glass</p> <p>\$53 targeted rates</p>	<p>+</p> <p>General waste</p> <p>\$3.50 Per pick up (You only pay when you choose to put it out. Weekly service available.)</p>
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02 – Other option considered

We do some of it for you...

You do the rest.

<p>Urban households</p> <p>Recycling Glass Food scraps</p> <p>\$103 targeted rates</p>	<p>OR</p>	<p>Rural households</p> <p>Recycling Glass</p> <p>\$49 targeted rates</p>	<p>+</p> <p>General waste removal by a private operator</p> <p>\$191 average per year</p>
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03 – Status quo (no change)

You do it all.

<p>All residents</p> <p>Recycling and general waste removal by a private operator</p>	<p>Regular trips to rubbish and recycling centres</p>
<p>\$267 average household cost per year paid to private companies</p>	



Waste solutions key

<p>Option 1: Recycling A wheeled bin to collect dry recyclables (paper, cardboard, tins, cans, plastics 1 and 2) and collected fortnightly.</p>	<p>Option 2: Recycling A crate to collect dry recyclables (paper, cardboard, tins, cans, plastics 1 and 2) and collected weekly.</p>	<p>Glass A crate to collect glass only (this stops smashed glass ruining other recyclables) and collected fortnightly.</p>	<p>Food scraps A small bin (23l) and kitchen top caddy for kitchen scraps, collected weekly.</p>	<p>General waste For everything else.</p>
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Rural recycling drop-off points if you aren't in the serviced area

Council understands that those in more remote rural areas often want to recycle, but are hampered by a lack of accessibility to services. To meet this need we are proposing to set up three unmanned rural recycling points. The design would be similar to those used in Hastings, Marlborough and Tasman – essentially a converted shipping container.

We would work with the local communities to determine the best locations and ways to manage them. The cost of this service would be recovered through a targeted rate. Where a household would not be able to access a Council kerbside service, they would pay \$16 a year through a targeted rate to fund this service.



The options

01 – Preferred option

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

02 – Status quo. Do nothing

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

We need your feedback on these options.



Details on how to submit your feedback are on the back page of this publication.



Which areas would receive the new service?

It is not cost-effective to carry out kerbside collections for every household in our District.

Approximately 80 percent of households would receive a service. Our modelling is based on where roadside bins and bags are currently collected. If a new Council-contracted service is progressed this area may grow or shrink through future procurement processes, depending on what the industry can deliver.

The urban areas modelled to receive all services (recycling, glass, food scraps, rubbish) are:

- Te Puke
- Paengaroa
- Maketu
- Omokoroa
- Pukehina
- Katikati
- Waihi Beach

The rural areas modelled are those outside the main town centres and where roadside bins are currently collected. These areas would not receive the urban food scraps collection.

Those in the rural area that would not be able to access a service would instead be able to use the rural recycling drop-off points for their recyclables (see page 4 for more detail).

What happens if we do nothing?

Disposal of waste and recycling would remain up to the householder, often using a private operator (either pre-paid arrangement with a service provider or pay-as-you-go bags) and possibly dropping off recyclables

at a community recycling centre. This is unlikely to reduce the large quantities of food scraps and recyclables currently going to landfill.

The time is right to make a change

There has been a clear push from the community and Central Government to do more to address environmental issues by:

- Banning single-use shopping bags
- Acknowledging the amount of plastic filling the oceans
- Removing food waste from the landfill
- Taking action on climate change.

There's a big opportunity for us to do more as a community.

We've heard that managing waste responsibly is important to you, through previous engagement on our Waste Management and Minimisation Plan, the Long Term Plan and in response to private companies' changes to glass collections. This can also be seen in the latest Vital Signs survey, which found that the things people loved most about living here are our natural environment, climate and air. Promoting and improving waste management, including recycling, was viewed as one of the top priorities for environmental sustainability.



What are we trying to achieve?

Council has been considering its approach to waste management in some detail and has worked with experts in this field to consider and refine our options. There are five key outcomes we want to achieve from any change to services:

Diversion from landfill:

- Reducing the amount of solid waste sent to landfill (or other residual disposal).

Low total community cost:

- The new system should cost the community as a whole less than the current system.

Flexibility:

- A range of choices for customers.

User-pays:

- Waste producers paying more, and minimising the 'cross-subsidisation' of waste services.

Improved environmental outcomes:

- Reducing the impact of waste on the environment.

Using these outcomes, six options for kerbside waste and recycling collections were identified and modelled, before these were further refined to two key options. If you would like to know more, all the reports and supporting information are available on our website at haveyoursay.westernbay.govt.nz



When would these proposed changes come into effect?

July 2021. This gives Council time to talk to the industry, develop a tender and 'buy' the best deal and allows time for the contractor to buy trucks and bins to set-up the service.

Other waste services

Recycling centres

Our community recycling centres would continue to operate as they currently do. Once a service is in place we will revisit these and determine if a reduction in hours or scope may be needed, and how the sites can best support waste minimisation and recycling.

Community recycling centres

Katikati
Corner Tetley/Wills Road.

Omokoroa (greenwaste only)
336 Omokoroa Road.

Athenree
64 Steele Road, Athenree.

Te Puke
36 Station Road, Te Puke.

For more information and opening hours visit our website westernbay.govt.nz/our-services/rubbish-recycling-waste/

Commercial opt-in service

Council proposes that any service we introduce would also be offered to commercial and industrial businesses. Where our proposed kerbside service is suitable for a business they would be able to opt-in and choose to join the service.

There are approximately 300 properties in our commercial zones potentially eligible for the service.

The cost does not significantly change the overall economics of the proposal, and would be directly recovered from the commercial properties opting in.

Community-led reuse facility

We want to make it easier to recover and reuse construction and demolition waste and encourage better diversion of useful materials. No budget has been included through this plan, but funding towards establishing a facility may be considered at a later date. It is expected that any facility would be community-led and its running costs would be self-funding.

Do you support Council investigating this option? Are you involved in a community group that may be interested in the proposal? Get in touch!

How will the preferred options affect your rates?

Type of household	Cost per year (inc gst)		
	2019/20	2020/21	2021/2022 onwards
Urban (Te Puke, Katikati, Omokoroa, Waihi Beach, Paengaroa, Maketu, Pukehina)			\$105 rates + pay-per-pick-up rubbish collection (\$3.50 per pick-up)
Rural - kerbside service			\$53 rates + pay-per-pick-up rubbish collection (\$3.50 per pick-up)
Rural - unable to access kerbside service		\$16 rates	\$16 rates

What do you pay to get rid of rubbish and recycling now? You would pay the above costs instead.

How will the preferred options affect Council's finances?

Council finances alter significantly from what was currently planned in the LTP, from 2021/22 onward, when the proposed Council-contracted services become operational. The proposed amendment to the Long Term Plan addresses year 2021-2028.

	2019/20	2020/21	2021/2022 onwards
Operational Expenditure	\$71,750	\$92,748	\$4,029,330
Capital Expenditure		\$278,768	
Funding from targeted rates		\$19,388	\$1,671,576
Funding from user charges			\$2,357,754
Funding from other sources - general rates/waste levy	\$71,750	\$73,360	

*Note figures include inflation but exclude GST.

Have your say!



Have we got it right? Do you agree with our proposals? Would you prefer one of the other options? Is there another option you wish to propose? We want to hear from you before we make our decision. See the back cover of this document on how you can have your say.

These events are your opportunity to speak to elected members, and replace formal hearings.

Drop in and share your views at one of our community Have Your Say events:

Omokoroa Settlers' Hall - Sat 23 March - 9am-12pm
 Oropi Hall - Wed 27 March - 6.30pm-8pm
 Waihi Beach RSA - Sat 30 March - 9am-12pm
 Te Puna Quarry Park - Gallery - Wed 3 April - 4pm-7pm
 Te Puke Memorial Hall - Sat 6 April - 9am-12pm
 Maketu Community Centre - Wed 10 April - 4pm-7pm
 Katikati Community Hub, The Centre - Pātuki Manawa - Sat 13 April - 9am-12pm

Register for a more formal opportunity to present your views:

Please email haveyoursay@westernbay.govt.nz or phone 07 571 8008 by Friday 5 April 2019 to secure a timeslot and receive further information.

Council Chambers - Mon 15 April - 9.30am start
 Council Chambers - Tues 16 April - 9.30am start



Would you like to know more?

The full proposal and supporting information provide more detail. These are available online at haveyoursay.westernbay.govt.nz

Annual Plan 2019/20 and Rates

Key changes to rates

Councils total rates are proposed to increase by 3.45 percent for the 2019/20 year. This is less than the average of 3.6 percent forecast for 2019/20 through the 2018-2028 Long Term Plan.







The rates increase is made up of two key parts:

Increased costs - which account for 1.25 percent (these are to deliver projects and meet our levels of service).

Inflation - which accounts for 2.2 percent based on the Local Government Cost Index (LGCI). Inflation for construction costs is a big driver within this.

These rates are for the 2019/20 year and **do not** include the impact of the waste proposal, as this will primarily come into effect in the 2021/22 year onwards.

The examples below are based on 'typical' properties for illustrative purposes:

<p>Urban Residential Typical Property</p> <p> • Land Value: \$235,000 • Capital Value: \$505,000 3.47% Average Rate Increase Average annual rate charge of \$2,952</p>	<p>Lifestyle Block Typical Property</p> <p> • Land Value: \$410,000 • Capital Value: \$730,000 3.93% Average Rate Increase Average annual rate charge of \$2,209</p>
<p>Commercial/Industrial Typical Property</p> <p> • Land Value: \$300,000 • Capital Value: \$563,000 3.41% Average Rate Increase Average annual rate charge of \$3,454</p>	<p>Rural Orchard Typical Property</p> <p> • Land Value: \$810,000 • Capital Value: \$1,830,000 4.67% Average Rate Increase Average annual rate charge of \$3,260</p>
<p>Rural Dairy Typical Property</p> <p> • Land Value: \$2,040,000 • Capital Value: \$2,625,000 4.58% Average Rate Increase Average annual rate charge of \$5,067</p>	<p>Rural Typical Property</p> <p> • Land Value: \$465,000 • Capital Value: \$830,000 3.70% Average Rate Increase Average annual rate charge of \$2,710</p>

To view the rates increases (in graph form) for each property type/area in the District please visit: westernbay.govt.nz/annual-plan-2019-2020

Debt management approach

Proposal to change our debt management approach

Ideally, interest and debt repayments on loans for growth infrastructure would be funded by developers through financial contributions. During the global financial crisis growth slowed so financial contributions did not cover the interest and debt repayments. As a result Council agreed as part of the 2015-2025 Long Term Plan (LTP) to use \$2.5 million a year from a combination of general rates, the roading rate and Uniform Annual General Charges (UAGC) to contribute to interest and debt repayments.

Growth picked up in 2017 so in the 2018-2028 LTP, as a financially prudent approach, Council reduced the ratepayer contribution from \$2.5 million to \$1 million for

one year (2018/19), with the option to revisit this approach each year as part of the annual plan process.

This approach was chosen as a result of a significant increase in growth income over the past three years coupled with prudent management of the capital works programme.

We still expect ongoing growth in development and revenue generated from financial contributions. This allows us to now consider reducing the ratepayer contribution to debt management again for a second year.

The impact of also reducing the contribution from \$2.5 million to \$1 million in 2019/20 would reduce the annual rate for a property with a capital value of \$505,000 by an average of \$38.18, whilst a \$1.83 million property would see an annual rate reduction of \$138.36.

Option 1 is Council's preferred option. It means we will still be reducing the interest and making debt repayments, but at a lower level while maintaining financial prudence around the management of debt.

The options

	Impact on rates	How will this affect my rates?
O1 – Preferred Option Contribute \$1 million of rates to interest and debt repayments for the 2019/20 year (and revert back to \$2.5million for the following years).	\$1.5 million less rates in the 2019/20 year, compared to the 2018-2028 LTP projections.	\$505,000 property = \$38.18 less in the 2019/20 year, compared to the 2018-2028 LTP projections. \$1.83 million property = \$138.36 less in 2019/20 year, compared to the 2018-2028 LTP projections.
O2 Contribute \$2.5 million a year from rates to interest and debt repayments in 2019/20.		As per the 2018-2028 LTP projections, rates funding required.

We need your feedback on these options.



Also out for consultation

Other items being consulted on at the same time are listed below. We want to hear from you, so please check out our website or library for more information and have your say.



Fees and Charges 2019/20

Changes to the fees and charges for the coming year



Early Repayment of Rates policy

Policy to allow early payment of some capital cost recovery targeted rates



Traffic and Parking Bylaw

Proposed changes to parking restrictions



Trading in Public Places Bylaw

Proposed changes for mobile traders and street vendors



Freedom Camping Bylaw

Proposed changes for freedom camping sites and regulations



General Bylaw

Multiple changes to sections on cemeteries, animals (excluding dogs), public places, and nuisance



Gambling Policies

Proposed policy change for pokies and for TAB stand alone betting shops

Targeted rate changes

Several new rates are proposed to come into effect in 2019/20. These apply to specific areas and only impact those ratepayers.



Te Puna Hall

As part of the New Zealand Transport Agency's (NZTA) work on the state highway through Te Puna, the community hall was removed. NZTA committed to fund a 'like-for-like' replacement. Engagement with the hall committee suggests an improved, larger facility would be more fit-for-purpose for the Te Puna community. This requires additional funding. The hall committee is seeking external funding but in the event that this is unsuccessful Council will provide a loan of up to \$300,000. This would be repaid over time by Te Puna ratepayers through a targeted rate of approximately \$29 per property per year for 10 years (based on the full \$300,000 being required), however this may be reduced if other external funding is secured by the hall committee. This is on top of the current rate requirement for the operational costs of the hall and for running the other Te Puna Community Centre (tennis club rooms). The total amount required in the 2019/20 year could be \$41.62 per property in the Te Puna Hall area of benefit.

Wastewater

New sewerage schemes have been installed at Ongare Point and Te Puna West, with support from Bay of Plenty Regional Council (BOPRC). These schemes will help improve the quality of the harbour waters and reduce effluent getting into the harbour. As part of this Annual Plan we are introducing new targeted rates to cover the funding of these schemes. These new rates are location specific and affect only those connected to the schemes.

New targeted rates:

- **Ongare Point** – as per the District-wide Uniform Targeted Rate (UTR) – the fixed amount charged for each property connected to wastewater in the District would be \$934.65 in the 2019/20 year.
- **Ongare Point capital cost recovery** – a rate to recover the property owner contributions to the cost of installing the new scheme. Either \$1,164.59 +GST per year over 15 years or a one-off payment of \$11,310.79 +GST.
- **Te Puna West** – as per the District-wide Uniform Targeted Rate (UTR) – the fixed amount charged for each property connected to wastewater in the District would be \$934.65 in the 2019/20 year.
- **Te Puna West capital cost recovery** – a rate to recover the property owner contributions to the cost of installing the new scheme. Either \$1,164.59 +GST per year over 15 years or a one-off payment of \$11,310.79 +GST.

Alongside this Annual Plan we are consulting on a new policy that will allow property owners to pay their total capital contribution rate as a single one-off payment at the start of each year, if they wish. See our proposed Early Repayment of Rates Policy for more information westernbay.govt.nz/annual-plan-2019-2020

Water Supply

Similarly, we have two new targeted rates to be charged where our water supply network has been extended by request to service existing properties, and where the property owners agree to pay off the capital cost over time through their rates bill. This is in line with our Rural Water Supply Extension Policy. For more information see westernbay.govt.nz/annual-plan-2019-2020

- **Black Road** – \$511.27 +GST per year over 10 years or a one-off payment of \$3,803.25 +GST
- **Woodlands Road** – \$527.37 +GST per year over 10 years or a one-off payment of \$3,923.00 +GST

As above, the proposed Early Repayment of Rates Policy may allow for this to be paid as a one-off sum at the start of each year. For more information see westernbay.govt.nz/annual-plan-2019-2020

Would you like to know more?

Maps that show the affected properties are available as part of our supporting information on our website at westernbay.govt.nz/annual-plan-2019-2020



Have your say!

Do you have any comments regarding these new rates, the proposed approach to debt management or any of the other items being consulted on? Let us know via the Have Your Say webpage online at haveyoursay.westernbay.govt.nz

Audit Opinion

Audit NZ are required to consider the work behind this proposal and the content of this Consultation Document. Below is a copy of their Audit Report.

Independent auditor's report on Western Bay of Plenty District Council's Consultation Document for its proposed 2018-28 Long-Term Plan

I am the Auditor-General's appointed auditor for Western Bay of Plenty District Council (the Council). Section 93C of the Local Government Act 2002 (the Act) requires an audit report on the Council's consultation document. We have done the work for this report using the staff and resources of Audit New Zealand. We completed our report on 15 March 2018.

Opinion

In my opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2018-28 long-term plan, because it:
 - fairly represents the matters proposed for inclusion in the long-term plan; and
 - identifies and explains the main issues and choices facing the Council and district, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long-term plan, whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long-term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

I am responsible for reporting on the consultation document, as required by section 93C of the Act. I do not express an opinion on the merits of any policy content of the consultation document.

Independence

In carrying out our work, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

In addition to this report on the Council's consultation document and all legally required external audits, we have provided an assurance report on certain matters in respect of the Council's Debenture Trust Deed. These assignments are compatible with those independence requirements. Other than these assignments, we have no relationship with or interests in the Council.



Clarence Susan
Audit New Zealand

On behalf of the Auditor-General, Tauranga, New Zealand

How to have your say



We want to hear from you

There are many ways you can share your thoughts and let us know your ideas.

Online
haveyoursay.westernbay.govt.nz

Pick up a submission form from one of our district libraries and service centres.

Call 07 571 8008 to request a posted form.

Email
haveyoursay@westernbay.govt.nz

Drop in and Have Your Say

These events are your opportunity to speak to elected members, and replace formal hearings.

Omokoroa Settlers' Hall - Sat 23 March - 9am-12pm

Oropi Hall - Wed 27 March - 6.30pm-8pm

Waihi Beach RSA - Sat 30 March - 9am-12pm

Te Puna Quarry Park - Gallery - Wed 3 April - 4pm-7pm

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Maketu Community Centre - Wed 10 April - 4pm-7pm

Katikati Community Hub, The Centre -
Pātuki Manawa - Sat 13 April - 9am-12pm

**Register for a more formal opportunity
to present your views.**

Please contact haveyoursay@westernbay.govt.nz by Friday 5 April 2019 to secure a timeslot and receive further information.

Council Chambers - Mon 15 April - 9.30am start

Council Chambers - Tues 16 April - 9.30am start

All written feedback
must be received by
4pm Thursday, 18 April 2019.

www.westernbay.govt.nz

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

Library and service centres

Council Head Office

Barkes Corner, 1484 Cameron Road, Greerton
Private Bag 12803, Tauranga 3143

Phone 07 571 8008

Email customerservice@westernbay.govt.nz

The Centre - Pātuki Manawa Katikati Library, Service Centre & Community Hub

21 Main Road, Katikati

Phone 07 571 8008

Waihi Beach Library & Service Centre

106 Beach Road, Waihi Beach

Phone 0800 926 732 or 07 571 8008

Omokoroa Library & Service Centre

McDonnell Street, Omokoroa

Phone 07 571 8008

Te Puke Library & Service Centre

130 Jellicoe Street, Te Puke

Phone 07 571 8008

If you require further information
or have any questions please visit
haveyoursay.westernbay.govt.nz

or call our Customer Services Team
on **07 571 8008**

your
**DISTRICT
- COUNCIL -**



Western Bay of Plenty
District Council



It's steady as we grow

Consultation Document Supporting Documentation Annual Plan 2019/20



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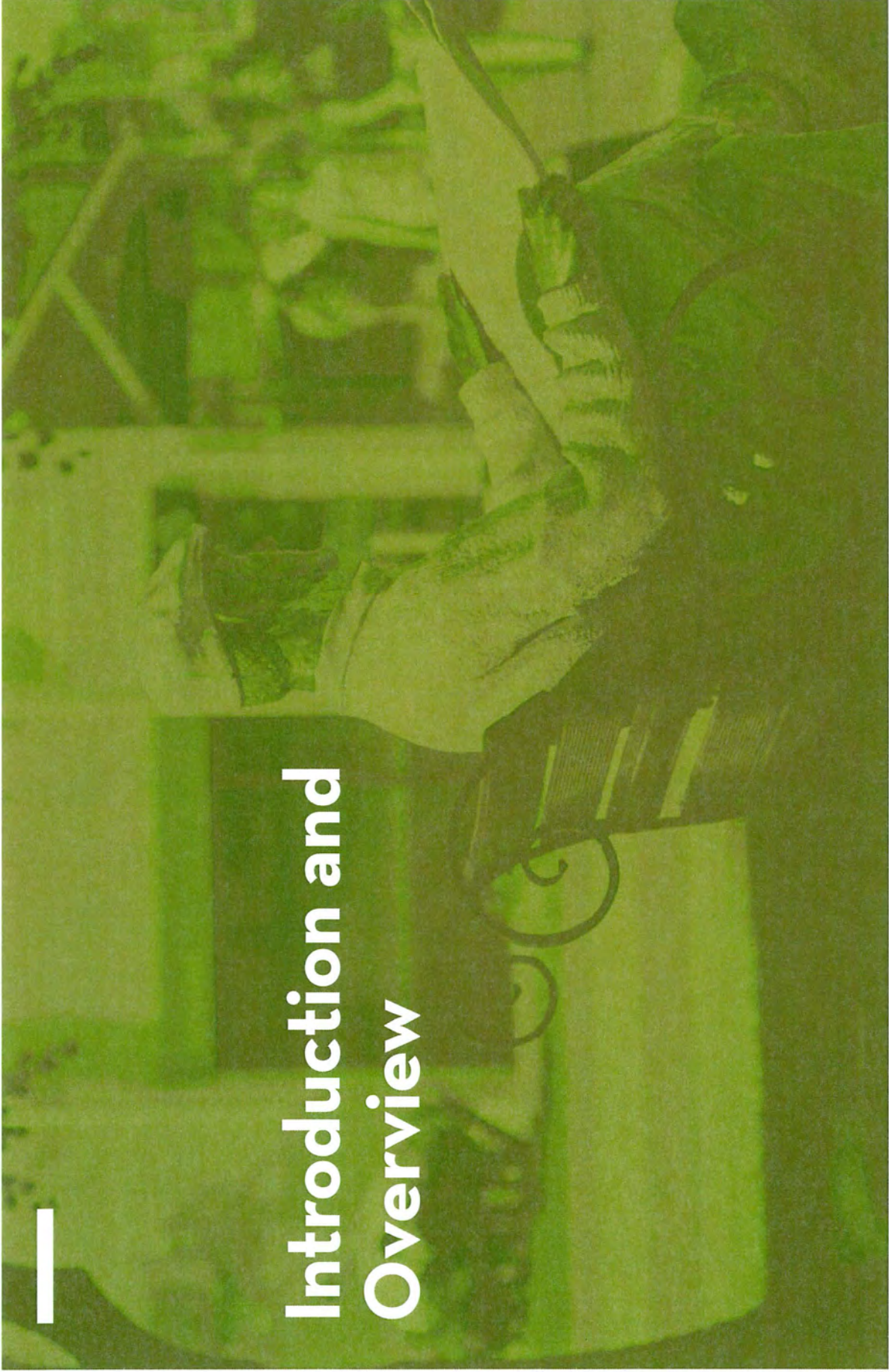
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Introduction and Overview



INTRODUCTION AND OVERVIEW

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MESSAGE FROM THE MAYOR



Welcome to the supporting documentation for the Annual Plan Consultation Document

For our 2019/20 Annual Plan we continue our 'steady as we grow' approach to the capital projects and financial goals we set out in the 2018 - 2028 Long Term Plan.

You will see we have managed our planned spending and made no major changes to the work programme. Indication of rates increases are on page 8 of the Annual Plan Consultation Document 2019-20.

The consultation document also explains an important proposal for an alternative method of dealing with rubbish and recycling across the District to start in 2021.

As a District we need to get better at reusing, reprocessing and recycling our waste. To achieve this, we're proposing significant changes to how kerbside collections work in our District.

Currently, Council only provides Community Recycling and Greenwaste Centres and does not provide any kerbside collection services.

Under the proposal Council will contract kerbside recycling (paid in your rates) and rubbish collection (pay per pick up) across approximately 80 per cent of the District.

The aim is to improve environmental outcomes and provide opportunities for people to recycle more and reduce rubbish sent to landfill.

We look forward to hearing your thoughts on the proposals as we make our way around the District to discuss these. If you have questions, or if you would like to give feedback in person, we encourage you to come to one of our community Have Your Say Events:

Date	Venue
Sat 23 March - 9am-12pm	Omokoroa Settlers' Hall
Wed 27 March - 6.30pm-8pm	Oropi Hall
Sat 30 March - 9am-12pm	Waihi Beach RSA
Wed 3 April - 4pm-7pm	Te Puna Quarry Park - Galleryw
Sat 6 April - 9am-12pm	Te Puke Memorial Hall
Wed 10 April - 4pm-7pm	Maketu Community Centre
Sat 13 April - 9am - 12pm	Katikati Community Hub, The Centre - Pātuki Manawa

Garry Webber
Mayor, Western Bay of Plenty District

GUIDE TO THIS PLAN

The Supporting Document for the Annual Plan 2019/20 is divided into an introduction and overview section and two chapters.

INTRODUCTION AND OVERVIEW

Here we introduce our District, explain why we are developing our Annual Plan and what it includes.

CHAPTER 1 – FINANCES

This chapter provides a summary of our financial situation and what it means.

The main areas of focus are changes to the rates funding impact statements, prospective statements of financial position, changes in equity and reserve funds. Changes in projects are also detailed on pages 18 to 19.

This chapter also provides the key assumptions we've taken into account in our planning. The key assumptions have been reviewed since the development of the 2018-2028 Long Term Plan and have either been updated or reconfirmed.

CHAPTER 2 – POLICIES AND STATEMENTS

This chapter includes our overall revenue and financing policy and significant accounting policies. You can also find in this chapter our activity funding impact statements.



OUR DISTRICT



OUR HISTORY

The Western Bay of Plenty has a long history of settlement by Māori. The western area of the District (Tauranga Moana) was occupied by the iwi of Ngati Ranginui, Ngaiterangi and Ngati Pukenga from the waka Takitumu and Mataatua. Te Arawa descendents from the waka Te Arawa inhabited much of the eastern area of the District and south to Rotorua.

Traders and missionaries were among the first European settlers who developed communities at Maketu and Tauranga. George Vesey Stewart founded Ulster settlements at both Katikati in 1875 and Te Puke in 1880. Tauranga, Te Puke and Katikati formed the nucleus for subsequent expansion of European pastoral farms. Te Puke and Katikati have grown steadily over the years and are the largest settlements in the District.



OUR PEOPLE

Western Bay of Plenty District is one of the faster growing areas in New Zealand with its current estimated population of approximately 50,500 people. The population is expected to reach around 58,500 by 2033. Between the 2006 and 2013 censuses, the population of the District grew by 4.5%; it is estimated that the population will grow by 6.5% in the next five years. Most of this growth has come from migration from other parts of New Zealand.

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AT A GLANCE

- Of the District's population 18% identify themselves as Māori, which is higher than the national average of 15%.
- 19% of residents in the District are over 65 years old, higher than the national average of 14%.
- Unlike the rest of New Zealand the most common family type in the District is couples without children (50%), reflecting the older age structure of the population.
- The average household size in the District is slightly lower at 2.6 than the national average of 2.7.
- In 2013 there were 16,941 occupied dwellings in the Western Bay of Plenty District, an increase of 1,284 dwellings or 8% compared with the 2006 Census.
- Overall the District has a lower level of socio-economic deprivation than the country as a whole.
- District residents had a lower than the national average personal income of \$26,300, compared to the national average income of \$28,500 in 2013.
- 70% of the District's residents own their own home, compared with 65% nationally.



OUR ENVIRONMENT

The Western Bay of Plenty District surrounds Tauranga, a fast-growing city of 115,000 people. The District covers 212,000 hectares of coastal, rural and urban areas. Almost half of the District is covered by forest, both planted (12.8%) and indigenous (35.4%) and a further 40% is pastoral land. Less than 1% of the total area of the District is urban and includes the townships of Waihi Beach, Katikati, Omokoroa, Te Puna, Te Puke and Maketu. Smaller rural settlements are at Paengaroa, Pongakawa and Pukehina in the east and at Kauri Point, Tanners Point, Ongare Point, Tuapiro and Athenree in the western part of the District.

The District has a warm, sunny climate with an average of 1,900 – 2,300 sunshine hours per year with moderate rainfall of 1,200 – 2,400 mm per year. This diverse landscape, combined with a favourable temperate climate, provides an area rich in resources such as indigenous flora and fauna, highly versatile soils, rivers and harbours.

The land of the Western Bay of Plenty faces north-east to the sea. To the west are the rugged bush-covered Kaimai Ranges. Numerous streams drain the Kaimais, flowing down through the hills and coastal lowlands, into the swampy estuaries and mudflats of the Tauranga Harbour.

In the east, the Kaituna River drains the lakes of Rotorua and Rotoiti into the Maketu Estuary and out to sea, while smaller streams drain the eastern District into the Waihi Estuary.

Matakana Island forms a natural barrier between Tauranga Harbour and the Pacific Ocean.



OUR ECONOMY

Agriculture and horticulture are the main economic drivers of the Western Bay of Plenty District and the greater Tauranga and Western Bay sub-region. These two primary sectors fuel a multitude of professional businesses and service industries, employing a diverse labour force. Our environment, soils and climate are not only attractive for agricultural production but are also a magnet for people wanting a relaxed outdoor lifestyle. We are close to the amenities of Tauranga, yet we retain a rural and small town atmosphere. Manufacturing, commerce and trades are also vital to the sub-region's economic growth.

Our District is three times more reliant on horticulture and agriculture for its economic output than New Zealand as a whole. This dependence presents challenges for the District, as well as opportunities. The outbreak of the kiwifruit vine disease Psa-V in November 2010 is an example of the risks associated with economic dependence on single crops.

OUR COUNCILLORS

WESTERN BAY OF PLENTY DISTRICT MAYOR

- 1 **Garry Webber**
Ph 07 548 2224 Email: garry.webber@westernbay.govt.nz

KATIKATI /WAIHI BEACH WARD

- 2 **Mike Williams**
Deputy Mayor
Ph: 07 552 0360 Email: mike.williams@westernbay.govt.nz
- 3 **Peter Mackay**
Ph: 027 482 9451 Email: peter.mackay@westernbay.govt.nz
- 4 **David Marshall**
Ph: 022 185 4263 Email: david.marshall@westernbay.govt.nz

KAIMAI WARD

- 5 **Don Thwaites**
Ph 07 552 5103 Email: don.thwaites@westernbay.govt.nz
- 6 **Margaret Murray-Benge**
Ph 07 579 3459 Email: margaret.murray-benge@westernbay.govt.nz
- 7 **John Palmer**
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- 8 **Mark Dean**
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MAKETU / TE PUKE WARD

- 9 **Kevin Marsh**
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- 10 **John Scrimgeour**
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- 11 **Mike Lally**
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- 12 **Grant Dally**
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TE ARA MUA - THE PATHWAY FORWARD

Developing Māori capacity to contribute to decision-making

We recognise the importance and special place of Tangata Whenua within our communities and the additional responsibilities that the Local Government Act places on us to develop the capacity of Māori to take part in local government decision-making processes.

Equally, we acknowledge the journey that is required to develop positive and purposeful relationships with Tangata Whenua that can sustain us into the future.

We have a number of mechanisms for engagement and to involve Tangata Whenua in our decision-making processes. We will continue to review and improve them to ensure ongoing effectiveness.

Partnership Forum

Our Tauranga Moana /Te Arawa ki Takutai Partnership Forum represents iwi and hapū across the District, and address issues relating to Māori with the Mayor and all Councillors.

Te Ara Mua

Te Ara Mua (the pathway forward) is a plan developed by the Tauranga Moana / Te Arawa ki Takutai Partnership Forum. It signifies the efforts of the Partnership Forum to meet the aspirations of Māori and the Western Bay of Plenty District Council when it comes to kaupapa Māori. Te Ara Mua provides Ngā Whetu, a framework for identifying issues of significance to Māori in line with the Treaty of Waitangi principles that have been adopted by Council, and the clear statutory obligations Council has to Māori. The Plan also outlines Ngā Kaihoe, an annual work programme for the Partnership Forum to drive actions that address issues of significance.

Our Takawaenga Māori team

This team initiates, builds and maintains our relationship with Tangata Whenua and Māori, and strengthens our organisation's ability to appropriately engage with Māori through exposure to and training in kawa (protocols), tikanga (customs) and te reo (the Māori language).

Tangata Whenua engagement guidelines

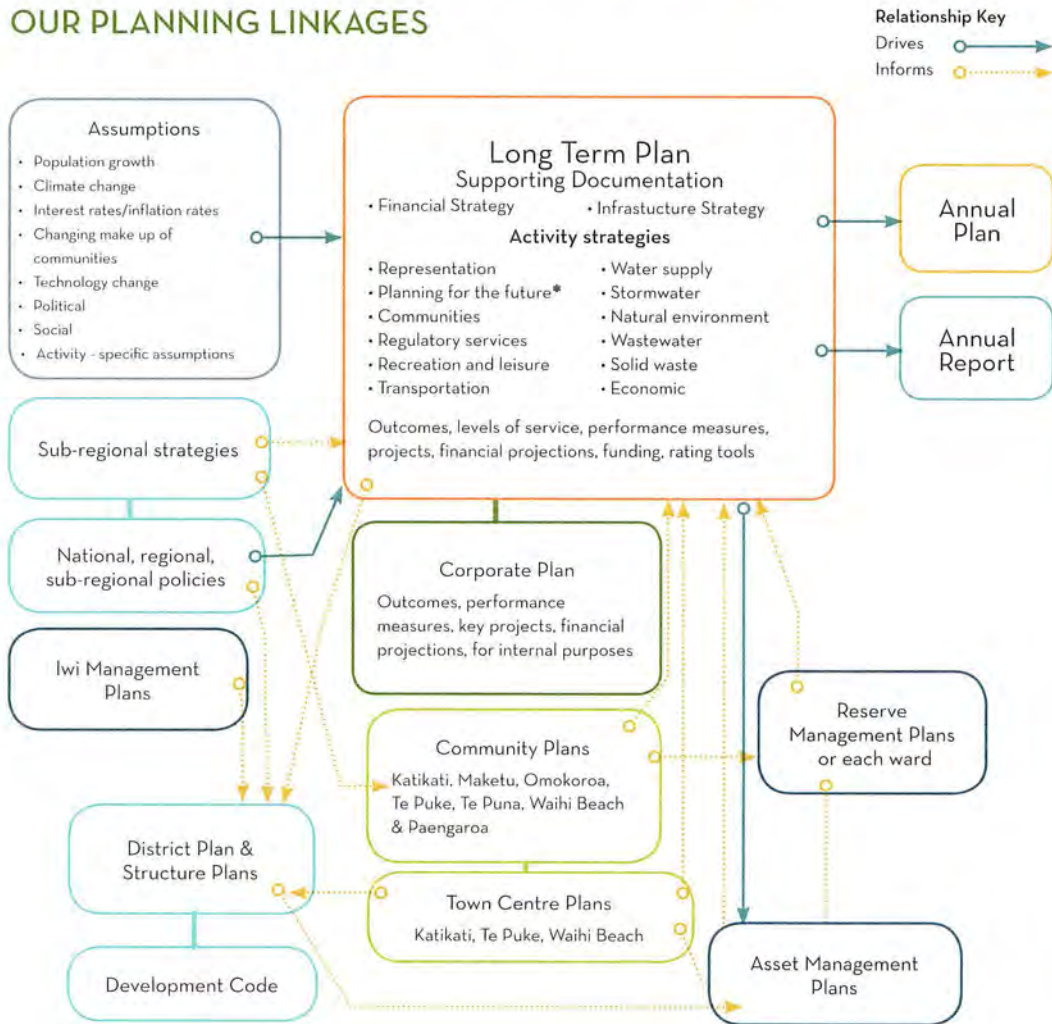
Our Tangata Whenua engagement guidelines have been developed to assist staff in engaging with Tangata Whenua.

Find out more detail by reading Te Ara Mua on Council's website by visiting www.westernbay.govt.nz/our-services/cultural-relations.



LINKAGES TO COUNCIL'S 2018-2028 LONG TERM PLAN

OUR PLANNING LINKAGES



*Built Environment Strategy provides more detail

The Long Term Plan

The Long Term Plan is produced every three years so the community can have their say about Council policy and work that will be undertaken over the next two years.

Council's Long Term Plan was adopted in 2018 and the next review is due in 2021. In the meantime, Council carries out a 'rolling' review of policies. This ensures the community can be engaged on the development or review of particular strategy and action plans.

Each year Council produces an Annual Plan (this document)

The Annual Plan is simply a budget expression of what is contained in the Long Term Plan for the budget year.

This focuses on the money needed to carry out work in the Long Term Plan. If Council changes the programme and has a material impact on ratepayers, the reason for the change is explained, through a proposed financial variance.

Project variances of \$50,000 or more are disclosed in the financial chapter of this Plan. The financial variances include changes to projects, which are either operating or capital expenditure. If there is a material variance this is included in the revised programme.

The 2018/19 work programme is based on the Long Term Plan 2018-28. The Annual Plan discloses differences to the Long Term Plan.

Council can also use the Annual Plan process to propose amendments to policies or levels of service in the Long Term Plan.

Each year an Annual Report is published

At the end of each financial year (1 July - 30 June) an Annual Report is published which shows financial results and the progress made against the Long Term Plan.

THE CONSULTATION DOCUMENT

The consultation document provides a key reference for residents wanting to understand the big differences from what the Long Term projected in terms of major projects and/or impact on rates for a particular financial year, in this case 1 July 2019 – 30 June 2020.

Bringing the planning process together



CHAPTER ONE

01

Financials



CHAPTER ONE

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INTRODUCTION TO OUR FINANCIALS

The financial information in chapter one has been produced so that it can provide supporting information for the Annual Plan 2019/20 Consultation Document.

What is covered in the financial supporting documentation?

This section of the Annual Plan 2019/20 covers the prospective financial statements, reserve funds, key changes to rates for 2019-20, along with a summary of projects that vary from the Long Term Plan by over \$50,000 or have been bought forward. The key assumptions that are published in the Long Term Plan 2018-2028 have been reviewed and updates are noted in the first part of this chapter.

We require your feedback

The draft schedule of fees and charges 2019/20 can be viewed via our website www.westernbay.govt.nz/annual-plan-2019-2020 or via our Have Your Say page haveyoursay.westernbay.govt.nz.



Draft schedule of fees and charges 2019/20

To view the draft schedule of fees and charges for 2019/20 visit westernbay.govt.nz/annual-plan-2019-2020

KEY ASSUMPTIONS

When planning for the Long Term Plan (LTP) 2018-2028 (which is the basis for this Annual Plan), we need to make assumptions about future trends and events that are outside our control. When making assumptions it is important to recognise the possibility that, over time, the assumption may prove to be incorrect. We need to be clear about the potential consequences of assumptions being wrong, and what we will do to mitigate these consequences.

During the development of this Annual Plan the following assumptions were reviewed and either updated or reconfirmed. All other assumptions in the LTP remain as published from pages 29 to 33 in the 'key strategic assumptions' section in Chapter Two. For the complete list of assumptions see the LTP 2018-2028 Chapter Two or visit our www.westernbay.govt.nz/our-council/council-publications/LongTermPlan2018-2028

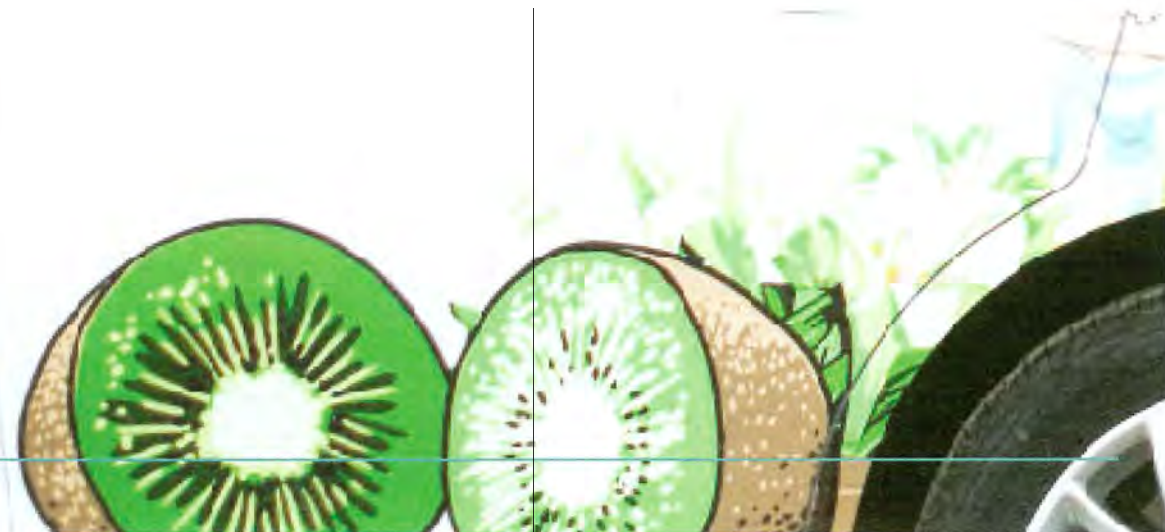
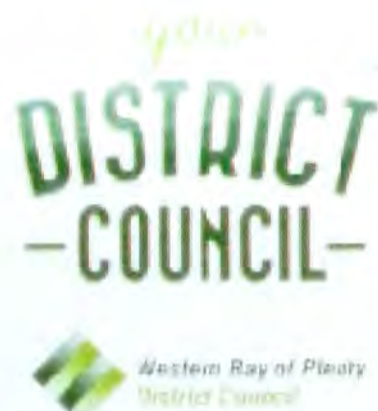
POPULATION GROWTH

IMPLICATION	LEVEL OF UNCERTAINTY	IMPACT	MITIGATION
<p>Growth affects the number of rateable properties in the district and the expected demand for services and infrastructure.</p> <p>Growth has a lot of benefits but also creates challenges for the delivery of services and funding infrastructure work.</p>	<p>Moderate</p> <p>Based on national assumptions and regional economic projections, we expect sustained growth over the next 2 years. Growth becomes more difficult to predict over longer time periods because unforeseen events can alter migration, settlement patterns or resource limitations.</p>	<p>If population growth is faster than expected and the number of rateable properties are underestimated, the consequences are:</p> <ul style="list-style-type: none"> • Income growing faster than expected • Higher demand for Council services • Financial contributions being set too high. <p>Council would respond by bringing forward future expenditure and adjusting financial contributions the following year.</p> <p>If population growth is lower than expected, the consequences are:</p> <ul style="list-style-type: none"> • Over-investment in infrastructure and un-used capacity • Income from rates and financial contributions falling short of budget, meaning debt is repaid more slowly and interest costs increase • Financial contributions being set too low for that financial year. <p>Council would respond by funding the shortfall through rates or increasing debt, or by deferring expenditure. Council is well within its prescribed debt limits with borrowing headroom to raise more debt if required.</p>	<p>Council plans for growth in collaboration with TCC, BOPRC and Iwi, through SmartGrowth.</p> <p>Council re-forecasts growth projections each year through the annual plan to ensure infrastructure provision and service delivery are aligned to growth.</p>

Year end 30 June	New lots created	Growth rate	Total dwellings	District Population
2020 (LTP 2018-2028 Projection)	287	1.25%	22,890	50,639
2021 (LTP 2018-2028 Projection)	297	1.28%	23,288	51,316
2028 (LTP 2018-2028 Projection)	274	1.06%	25,907	55,863
2048 (30 year Projection)	105	0.35%	29,777	61,729

FINANCIAL ASSUMPTIONS

Key assumptions	Description	Risk
Inflation	<p>Inflation for 2019/20 remains at 3%, this is consistent with the published Long Term Plan 2018-2028.</p> <ul style="list-style-type: none"> • 2020-2026: 3% • 2027-2028: 1% 	<p>The level of uncertainty for this assumption is moderate.</p> <p>Inflation assumptions are reviewed each year as part of the annual planning process.</p>
Interest rates	<p>The interest rate for 2019/20 remains at 6%, this is consistent with the published Long Term Plan 2018-2028.</p>	<p>The level of uncertainty for this assumption is low. Council has a high level of confidence in these assumptions, which are based on cost, market information and hedges on existing borrowings through interest rate swaps, in conjunction with advice sought from Council's treasury advisors.</p> <p>Interest rate assumptions are reviewed each year as part of the annual planning process.</p>
External funding for projects	<p>Council and the community often rely on external funding sources to help deliver projects. Council is aware of approximately \$5 million of community and recreation facility projects that the community is wanting to deliver during 2019/20.</p> <p>Council is able to access central government funds in some situations (e.g Housing Infrastructure Fund) to assist with delivery of projects. It is assumed these projects will not be delivered unless there is certainty of funds from central government.</p>	<p>The level of uncertainty for this assumption is high. It is difficult to predict whether community groups and Council for that matter will be successful in obtaining external funding for projects. If the project is unable to secure funds then Council may be approached to meet any shortfall. If this is the case, this request will be considered through the annual budget process. If the project does not proceed, Council will remove the funding contribution (if applicable) from the budget.</p>



Driver	Key considerations	Risk
Depreciation of coastal structures	<p>Council funds 50% of depreciation for coastal structure renewals.</p> <p>Annual condition assessments will provide an overview of the asset condition and likely implications in terms of the renewals profile once the Coastal Erosion Responses Policy (2017) has been applied.</p>	<p>The level of uncertainty is low. Based on the asset management plan, there is no identified funding or asset risk to warrant this approach changing over the next two years.</p>
Representation Review 2019	<p>In 2018 Council proposed a change to its representation arrangements which would come into effect after the elections in October 2019 and may affect the budgets for paying and supporting elected members. Several appeals against the proposal have been made to the Local Government Commission, which is considering them. The commission will make its decision before 10 April 2019. As the outcome was uncertain when this draft budget was finalised, it was prepared on the basis of the current representation arrangements.</p> <p>Once the representation arrangements for the next triennium (the three years after the elections) are finalised, any changes to the budgets that are required will be made, before adopting the final Annual Plan."</p>	<p>The level of uncertainty for this assumption is high.</p>
Date of Assumption	<p>The assumptions underlying this prospective financial information are as 7 March 2019. Actual results to 30 June 2018 have been incorporated in this prospective information.</p>	



KEY STRATEGIC ASSUMPTIONS

To view all the assumptions for the 2018-2028 LTP visit www.westernbay.govt/our-council/council-publications/LongTermPlan2018-2028

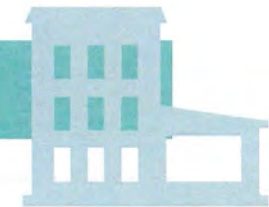
CHANGES TO PROJECTS

For our 2019/20 Annual Plan we continue our ‘steady as we grow’ approach to the capital projects and financial goals we set out in the 2018 - 2028 Long Term Plan.

Project variances of \$50,000 or more are disclosed below. The financial variances include changes to project costs and projects that have been bought forward, which are either operational or capital expenditure.

COMMUNITIES

PROJECT NUMBER	PROJECT NAME	LONG TERM PLAN 2020 \$	THIS PLAN \$	DIFFERENCE \$	EXPLANATION
280813	Te Puna War Memorial Hall Improvements	-	300,000	300,000	Costs to future proof the new hall.



RECREATION AND LEISURE

PROJECT NUMBER	PROJECT NAME	LONG TERM PLAN 2020 \$	THIS PLAN \$	DIFFERENCE \$	EXPLANATION
320801	District Reserves Asset Renewals	479,400	529,400	50,000	Update Katikati Reserve Management Plan to reflect cost increase for Katikati area office playground renewal.
322102	Pohutukawa Reserve - Pavement and interpretive panels	-	50,000	50,000	Update Waihi Beach Reserve Management Plan for pavement and interpreting panels at Pohutakawa Park.
295308	Park Road - capital development	-	90,000	90,000	Update Katikati Reserve Management Plan for capital development at Park and Beach Road Reserve.



TRANSPORTATION

PROJECT NUMBER	PROJECT NAME	LONG TERM PLAN 2020 \$	THIS PLAN \$	DIFFERENCE \$	EXPLANATION
293201	Network Upgrades - Joint Offices Group	-	200,000	200,000	Bring forward capital project from 2022.



See how our plans have changed and per ward

To see the full list of projects per ward visit westernbay.govt.nz/annual-plan-2019-2020

WATER SUPPLY

PROJECT NUMBER	PROJECT NAME	LONG TERM PLAN 2020 \$	THIS PLAN \$	DIFFERENCE \$	EXPLANATION
243002	Eastern Water Reticulation improvements	1,706,609	2,145,984	439,375	Bring forward capital project from 2022.
243028	Eastern Water Capital Projects	-	630,000	630,000	Bring forward capital project from 2023.

WASTEWATER

PROJECT NUMBER	PROJECT NAME	LONG TERM PLAN 2020 \$	THIS PLAN \$	DIFFERENCE \$	EXPLANATION
225620	Te Puke Wastewater Treatment Plant renewals of resource consent	56,375	110,000	53,625	Project adjusted for resource consent approval process.

SOLID WASTE

PROJECT NUMBER	PROJECT NAME	LONG TERM PLAN 2020 \$	THIS PLAN \$	DIFFERENCE \$	EXPLANATION
253303	*District Solid Waste Feasibility Kerbside Collection	-	70,000	70,000	A new project for tender work and pre-implementation education on new kerbside waste service.

*Kerb side rubbish and recycling will be consulted on from 18 March - 18 April 2019

FINANCES AT A GLANCE

Comparison of District rates. All ratepayers contribute to Council’s District rate, which is made-up of four different rates, i.e.:

- General Rate
- Library Rate
- Roading Rate
- Environmental Protection Rate

Council also levies targeted rates for services provided within a specific area of benefit.

The Western Bay of Plenty District is one of the country’s fastest growing districts. While Council’s costs will increase as a result, so will the ratepayer base over which those costs are spread.

To more fairly compare one year’s budget with the next, Council makes an allowance for growth, which this year is 1.25%.

In Council’s budget for 2019/20, District rates total \$39.9m, targeted rates total \$24.7m. The total proposed rates revenue of \$64.6m is 4.07% higher than last year. Of this, additional ratepayers will add 1.25% leaving 3.45% to be funded by existing ratepayers. Inflation is estimated at 2.20%, which means a real increase of 1.25% in District rates.

This increase excludes the effect of changes to targeted rates, which are levied over many different areas of benefit, depending on the services received, including Community Boards.

The figures below exclude a 2% bad debt provision on all rates.

2018/2019			2019/2020
Budget	Plus allowance for growth (1.25%)	Rate	Budget
\$	\$		\$
22,939,704	23,226,450	General Rate	24,296,435
1,568,902	1,588,513	Library Rate	1,508,194
24,508,606	24,814,964		25,804,629
12,950,000	13,111,875	Roading Rate	13,150,000
718,000	726,975	Environmental Protection Rate	918,000
38,176,606	38,653,814	Total	39,872,629
Increase in/addition on 2018/2019 Budget			1,696,023
Increase in/addition to growth allowance			477,208

ANNUAL PLAN DISCLOSURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

WHAT IS THE PURPOSE OF THIS STATEMENT?

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its annual plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Benchmark	Planned	Met
Rates		
• Income	Rates will be less than 75% of total income.	71% Yes
• Increases	Total rates revenue will not increase by more than 4% before growth.	3.45% Yes
Debt affordability benchmark	180% of revenue	130% Yes
Balanced budget benchmark	100%	99% No - this is due to financial contributions being excluded.
Essential services benchmark	100%	207% Yes
Debt servicing benchmark	15%	9.0% Yes

Notes

1. Rates affordability benchmark

- 1.1 For this benchmark:
 - a. the Council's planned rates revenue, excluding metered water charges, will be equal to or greater than 75% of total planned revenue in the Annual Plan; and

- b. the Council's planned rates increases for the year are compared with a 4% rates increase limit for the year contained in the Financial Strategy included in the council's 2018-2028 long-term plan.

- 1.2 The Council meets the rates affordability benchmark if -
 - a. its planned rates income for the year equals or is less than each quantified limit on rates; and
 - b. its planned rates increases for the year equal or are less than each quantified limit on rates increases.

2. Debt affordability benchmark

- 2.1 For this benchmark, the Council's planned borrowing is compared with a debt to revenue limit of 180% on borrowing contained in the financial strategy included in Council's long-term plan.
- 2.2 The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

3. Balanced budget benchmark

- 3.1 For this benchmark, the Council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).
- 3.2 The Council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

4. Essential services benchmark

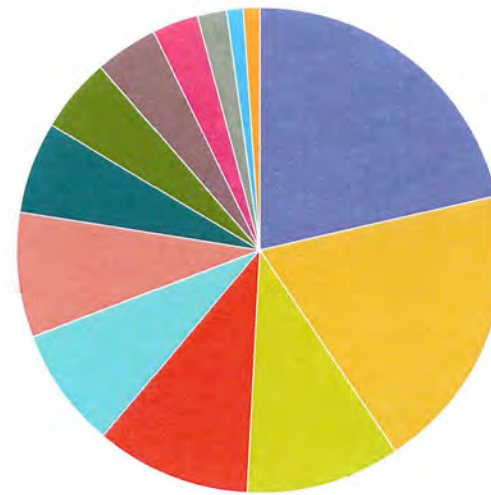
- 4.1 For this benchmark, the Council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.
- 4.2 The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

5. Debt servicing benchmark

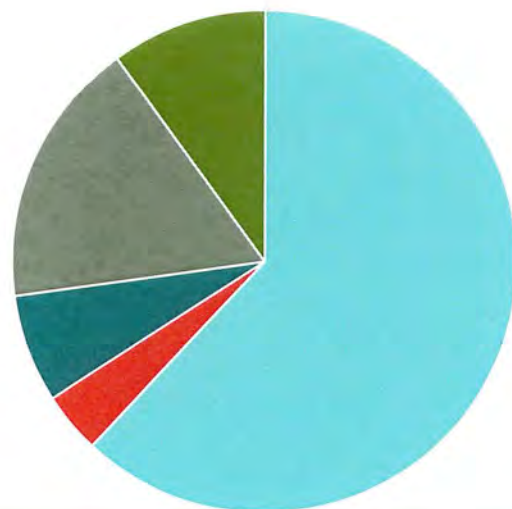
- 5.1 For this benchmark, the Council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).
- 5.2 Because Statistics New Zealand projects that the Council's population will grow faster than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 15% of its planned revenue.

RATES OVERVIEW 2019/20

What makes up total rates 2019-2020



- 1% Economic
- 1% Natural Environment
- 2% Library rate
- 3% Solid waste
- 4% Planning for the future
- 5% Representation
- 6% Regulatory Services
- 8% Communities
- 8% Stormwater
- 10% Water supply
- 10% Recreation & leisure
- 19% Wastewater
- 21% Roading Rate



- 4% Other Targeted
- 7% Stormwater
- 10% Water Supply
- 17% Wastewater
- 62% District Rates

Total breakdown of rates 2019-2020

KEY CHANGES TO RATES

Councils total rates are proposed to increase by 3.45 percent for the 2019/20 year. This is less than the average of 3.60 percent forecast for 2019/20 through the LTP.

The rates increase is made up of two key parts:

1. Increased costs - which account for 1.25 percent (these are to deliver projects and meet our levels of service).

2. Inflation - which accounts for 2.2 percent based on the Local Government Cost Index (LGCI). Inflation for construction costs is a big driver within this.

The examples below are based on 'typical' properties for illustrative purposes:

Urban Residential	Typical Property
 <ul style="list-style-type: none"> • Land Value: \$235,000 • Capital Value: \$505,000 <p>3.47% Average Rate Increase</p> <p>Average annual rate charge of \$2,952</p>	

Lifestyle Block	Typical Property
 <ul style="list-style-type: none"> • Land Value: \$410,000 • Capital Value: \$730,000 <p>3.93% Average Rate Increase</p> <p>Average annual rate charge of \$2,209</p>	

Rural Dairy	Typical Property
 <ul style="list-style-type: none"> • Land Value: \$2,040,000 • Capital Value: \$2,625,000 <p>4.58% Average Rate Increase</p> <p>Average annual rate charge of \$5,067</p>	

Rural Orchard	Typical Property
 <ul style="list-style-type: none"> • Land Value: \$810,000 • Capital Value: \$1,830,000 <p>4.67% Average Rate Increase</p> <p>Average annual rate charge of \$3,260</p>	

Rural	Typical Property
 <ul style="list-style-type: none"> • Land Value: \$465,000 • Capital Value: \$830,000 <p>3.70% Average Rate Increase</p> <p>Average annual rate charge of \$2,710</p>	

Commercial/Industrial	Typical Property
 <ul style="list-style-type: none"> • Land Value: \$300,000 • Capital Value: \$563,000 <p>3.41% Average Rate Increase</p> <p>Average annual rate charge of \$3,454</p>	

To see what Council's rating approach could mean for your rates we have put together a few examples of the effect on the rates of typical properties across the District.

Each typical property type total rates examples were calculated across five areas of the District within the three wards (Katikati/Waihi Beach, Kaimai and Maketu/Te Puke). There are a number of different ward-based or area of benefit charges that apply, which affect the total rates paid. Some properties are connected to services like reticulated water supply and wastewater, which also affect rates.

The results of these calculations can be found in the Annual Plan 2019/20 on our website. Please see below for the link to view.

Please note that these examples do not include GST or Regional Council rates. We collect these on behalf of the Regional Council and they are included in your rates bill.

Rates Graphs for 2019/20

To view the rates increases (in graph form) for each property type/area in the District please visit westernbay.govt.nz/annual-plan-2019-2020

WHAT RATES ARE USED FOR

THERE ARE THREE MAIN TYPES OF RATES:

GENERAL RATE

This consists of:

- A rate in the dollar charged on capital value
- A Uniform Annual General Charge (UAGC), which is a flat amount levied on each rating unit.

The General Rate is used to fund our day-to-day operations and activities that are considered to be mainly for public benefit.

TARGETED RATES

Council uses targeted rates to collect funds over areas that benefit from a particular service. This rating tool is chosen where services are specific to a particular community or area within the District and it is not considered fair to charge all ratepayers. For example charges for water, wastewater and town centre promotion.

ROADING RATE

This consists of:

- A rate in the dollar charged on land value
- The roading charge, which is a flat amount levied on each rating unit
- The rural works charge, which is a fixed amount on every rural zoned property in the District.

The Roothing Rate is used to fund the building and maintenance of the roading network within the District.



FUNDING IMPACT STATEMENTS AND OTHER RATING INFORMATION

WESTERN BAY OF PLENTY DISTRICT COUNCIL

SUMMARY FUNDING STATEMENT

	FOR THE YEARS ENDED 30 JUNE			
	ACTUAL \$'000	ANNUAL PLAN \$'000	LTP FORECAST \$'000	ANNUAL PLAN \$'000
	2018	2019	2020	2020
General rates				
General rate	20,209	23,609	24,565	24,995
Community Board rates	442	438	446	437
Targeted rates				
Roading rate	14,151	13,209	13,917	13,413
Environmental protection rate	945	732	956	936
District library rate	1,701	1,600	1,682	1,538
Service charges	22,550	23,018	24,083	24,258
Capital contributions				
Financial contributions	9,506	8,786	9,806	9,585
Subsidies	16,030	9,487	9,207	9,102
Vested assets	10,965	2,240	2,292	2,240
Other revenue				
Fees and charges	9,834	10,656	11,081	10,578
Penalty revenue	1,200	1,000	1,000	1,200
Other revenue	41,448	3,213	3,366	3,122
Total operating revenue	148,981	97,990	102,401	101,405
Other funding sources				
Loans	125,000	120,000	120,000	120,000
Cash reserves and surpluses	(127,593)	(66,058)	(89,409)	(63,566)
Total other funding sources	(2,593)	53,942	30,591	56,434
Total sources of funds	146,389	151,932	132,992	157,840
Less operating expenditure				
Operating costs	54,674	58,823	59,224	61,313
Interest	7,920	8,000	8,000	8,000
Depreciation	19,797	20,807	22,189	21,398
Total operating expenditure	82,392	87,630	89,413	90,711
Other expenditure				
Capital expenditure	38,997	39,301	43,579	42,129
Debt repayment	25,000	25,000	-	25,000
Total other expenditure	63,997	64,301	43,579	67,129
Total expenditure	146,389	151,932	132,992	157,840
Operating surplus/(deficit)	66,589	10,359	12,988	10,694

WESTERN BAY OF PLENTY DISTRICT COUNCIL

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

FOR THE YEARS ENDED 30 JUNE	ACTUAL	ANNUAL PLAN	LTP FORECAST	ANNUAL PLAN
	\$'000	\$'000	\$'000	\$'000
	2018	2019	2020	2020
Operating funding per funding impact statement	95,833	82,838	85,803	84,977
Add: Subsidies and grants for capital expenditure	-	4,125	4,500	4,603
Swap revaluation movement	-	-	-	-
Financial contributions	9,506	8,786	9,806	9,585
Lump sum contributions	-	-	-	-
Revaluation adjustments	-	-	-	-
Total	105,339	95,750	100,109	99,165
Total revenue per statement of revenue and expense	149,075	97,990	102,401	101,405
Less: Loss on shares adjustment	-	-	-	-
Less: vested assets	10,965	2,240	2,292	2,240
Total	138,110	95,750	100,109	99,165
Variance	(32,770)	-	-	-
Application of operating funding per funding impact statement	63,463	66,823	67,223	69,313
Total expenditure per statement of revenue and expense	82,392	87,630	89,413	90,711
Less: depreciation and amortisation	19,594	20,807	22,189	21,398
Less: other adjustments	(32,766)	-	-	-
Less unrealised hedging movement	(794)	-	-	-
Less asset impairment/loss on sale	125	-	-	-
less other adjustments	-	-	-	-
Total	96,233	66,823	67,223	69,313
Variance	(32,770)	-	-	-

FUNDING IMPACT STATEMENT - RATES

Rate Funding Mechanisms 2019/2020

The following rates are GST exclusive. The defined areas of benefits, land areas, or zones are available on Council maps at - Barks Corner, Tauranga and can be viewed on our website at www.westernbay.govt.nz. Further detail on the rate funding mechanisms can be found in Councils Revenue and Financing Policy. All our funding sources will also be used during each future year covered by the Long Term Plan 2018-2028.

General Rates

General rates are set under section 13 of the Local Government (Rating) Act 2002 on a differential basis on the capital value of all rateable rating units for the District. General Rates consist of a rate in the dollar charged on capital value and a Uniform Annual General Charge (UAGC) which is a flat amount assessed on each rateable rating unit.

Differential general rate

Our policy is to have the same system for charging General Rates across the whole District. Our current differential rates policy is that all rateable rating units are charged at a differential of 1.0 for the General Rate

The different categories of land and rates are outlined in the table below. The objectives of the differential rate, in terms of the total revenue sought from each category are:

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR OF LIABILITY	2018/19 ANNUAL PLAN REVENUE (\$)	GENERAL RATE IN THE DOLLAR OF CAPITAL VALUE	2019/20 ANNUAL PLAN REVENUE (\$)
General rate	Residential zoned areas	Zone	Capital value	5,699,225	0.0009798	6,120,308
	Rural zoned areas	Zone	Capital value	11,894,569	0.0009798	12,773,390
	Commercial/industrial zoned area/post-harvest zoned areas	Zone	Capital value	576,603	0.0009798	619,205
	Forestry	Zone	Capital value	82,465	0.0009798	88,558
Total general rates				18,252,862		19,601,461

Uniform Annual General Charge (UAGC)

A uniform annual general charge set under section 15 (1) of the Local Government (Rating) Act for all rateable land within the District. The size of the UAGC is set each year by Council and is used as a levelling tool in the collection of General Rates. The combined revenue sought from both the UAGC and certain targeted rates set on a uniform basis, is to be assessed close to but not exceeding 30% of the total rates revenue. If the Uniform Annual General Charge (UAGC) were set at zero the effect would be to increase the amount of General Rates assessed on capital value which would increase the share assessed on properties with higher capital values and decrease the share assessed on lower capital values. In setting the level of the UAGC, we consider the following issues:

- The impact of a high UAGC on those with low incomes and relatively low property values
- The impact of a low UAGC on the relative share of rates levied on large rural properties
- Fairness and equity and the social consequences of an unfair distribution of rates
- The collective effect of other flat charges (e.g. environmental protection rate, targeted rate for libraries) on affordability for low income households.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
UAGC	-	-	Fixed amount per rating unit	5,364,765	245.00	5,393,920

FUNDING IMPACT STATEMENT - RATES

Targeted Rates

We use targeted rates (as defined in the Local Government (Rating) Act 2002) to collect funds over areas of benefit. This rating tool is chosen where the services provided are specific to a particular community or area within our District and it is not considered fair to charge all ratepayers. These rates are collected according to the factors listed below. Area of Benefit maps for the various targeted rates can be viewed on our website at www.westernbay.govt.nz.

Roading rates

The Council sets three roading rates. One is a differentiated targeted rate. The second targeted rate is District-wide on all rateable rating units. The third rate is for all rateable rating units which have a rural zoning. The roading targeted rates part fund the transportation activity.

SOURCE	DIFFERENTIAL CATEGORIES / CATEGORIES	MATTERS	FACTOR	2018/19	AMOUNT	2019/20
				ANNUAL PLAN REVENUE (\$)		ANNUAL PLAN REVENUE (\$)
Roading rate (LV)	1. Residential and Rural zoned	Land use	Land value	8,485,200	0.000828	8,616,246
	1. Forestry zoned	Land use	Land value	65,241	0.000828	66,248
	1. Commercial/Industrial or Post-harvest zoned	Land use	Land value	401,034	0.001656	407,228
	2. Roading rate (District-wide)	All rateable land within the local authority district	Fixed amount per rating unit	1,583,099	\$73.02	1,607,548
	3. Roading rate (Rural)	Land use	Fixed amount per rating unit	2,674,426	\$263.95	2,715,730
Total roading targeted rates				13,209,000		13,413,000

FUNDING IMPACT STATEMENT - RATES

Community Board targeted rates

The community board rates are uniform targeted rates set under section 16 of the Local Government (Rating) Act 2002. The community board rates part fund community board activity. The different rates are based on where the land is situated (refer to Council maps). The rates are outlined in the table below.

SOURCE	CATEGORIES	MATTERS	FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Community Boards	Waihi Beach	Location	Fixed amount per rating unit	80,683	26.47	80,683
	Katikati	Location	Fixed amount per rating unit	92,174	20.70	92,174
	Omokoroa	Location	Fixed amount per rating unit	74,642	43.91	73,112
	Te Puke	Location	Fixed amount per rating unit	112,138	28.22	112,138
	Maketu	Location	Fixed amount per rating unit	78,837	135.46	78,837
Total Community Board targeted rates				438,474		436,944

Environmental Protection Targeted Rate

The environmental protection rate is a uniform targeted rate set under section 16 of the Local Government (Rating) Act 2002. It is set as a fixed amount per rating unit for the District. The environmental protection rate part funds the following activities: wastewater, environmental protection, recreation and leisure.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Environmental Protection Rate	-	All rateable land within the District	Fixed amount per rating unit	714,000	41.70	918,000

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FUNDING IMPACT STATEMENT - RATES

Solid Waste Targeted Rates

The solid waste rates are uniform targeted rates set under section 16 (3) (b) of the Local Government (Rating) Act 2002. The solid waste rate part funds the solid waste activity.

SOURCE	CATEGORIES	MATTERS	FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Solid waste	Western	Location - Katikati/Waihi Beach wards	Fixed amount per rating unit	585,431	82.92	622,534
	Eastern	Location - Maketu/ Te Puke ward	Fixed amount per rating unit	468,695	68.75	496,062
Total Solid Waste targeted rates				1,054,126		1,118,595

Library Services Targeted Rates

The library services rates are targeted rates set under section 16 of the Local Government (Rating) Act 2002. They are a fixed amount per rating unit for the District, and a fixed amount for the defined area of benefit Te Puna. The library services targeted rates part fund the library activity.

SOURCE	CATEGORIES	MATTERS	DIFFERENTIAL FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Library Services	Library rate	All rateable land within the District	Fixed amount per rating unit	1,589,060	69.36	1,527,138
Te Puna Library rate	Te Puna Library rate	Location	Fixed amount per rating unit	\$11,220	7.75	11,220
Library Services rate				1,600,280		1,538,358

FUNDING IMPACT STATEMENT - RATES

Western Water

The western water rates are differential targeted rates set under section 16 and a volumetric water rates set under section 19 of the Local Government (Rating) Act 2002. The western water targeted rate part funds the western water activity, this area approximates the Katikati/Waihi Beach ward. The different categories of land are based on the provision or availability of water supply services provided by Council on all rating units in the western water zone. Where a rating unit has the ability to, but is not connected to the water supply an availability rate is charged.

The different categories of land and rates are outlined in the table below.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2018/19	AMOUNT	2019/20
				ANNUAL PLAN REVENUE (\$)		ANNUAL PLAN REVENUE (\$)
Western water	Metered connection (standard 20mm)	Location of land and provision or availability of service	Nature and number of connections	2,481,740	393.59	2,689,007
	Metered connection (additional to standard 20mm)	Location of land and provision or availability of service	Nature and number of connections	23,067	101.85	26,175
	Metered connection (25mm)	Location of land and provision or availability of service	Nature and number of connections	4,493	220.41	4,629
	Metered connection (32mm)	Location of land and provision or availability of service	Nature and number of connections	-	421.71	-
	Metered connection (40mm)	Location of land and provision or availability of service	Nature and number of connections	3,439	1,180.77	3,542
	Metered connection (50mm)	Location of land and provision or availability of service	Nature and number of connections	14,042	2,066.35	14,464
	Metered connection (100mm)	Location of land and provision or availability of service	Nature and number of connections	9,170	9,446.16	9,446
	Metered connection (150mm)	Location of land and provision or availability of service	Nature and number of connections	-	21,745.85	-
	Unmetered connection	Location of land and provision or availability of service	Nature and number of connections	118,405	\$512.41	-
	Availability charge	Location of land and availability of service	Extent of provision of service	73,554	196.80	70,061
	Consumption charge		A fixed amount per cubic meter of water consumption	-	1.13	-
Total western water rates				2,727,911		2,817,325

FUNDING IMPACT STATEMENT - RATES

Central Water

The central water rates are differential targeted rates set under section 16 and a volumetric water rates set under section 19 of the Local Government (Rating) Act 2002. The central water targeted rate part funds the central water activity. The area serviced is approximated by the Kaimai Ward area. The different categories of land are based on the provision or availability of central water supply services provided by Council on all rating units in the central water zone. Where a rating unit has the ability to, but is not connected to the water supply an availability rate is charged.

The different categories of land and rates are outlined in the table below.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2018/19	AMOUNT	2019/20
				ANNUAL PLAN REVENUE (\$)		ANNUAL PLAN REVENUE (\$)
Central water	Metered connection (standard 20mm)	Location of land and provision or availability of service	Nature and number of connections	1,329,708	393.59	1,448,018
	Metered connection (additional to standard 20mm)	Location of land and provision or availability of service	Nature and number of connections	20,196	101.85	18,333
	Metered connection (25mm)	Location of land and provision or availability of service	Nature and number of connections	5,563	220.41	5,951
	Metered connection (32mm)	Location of land and provision or availability of service	Nature and number of connections	-	421.71	-
	Metered connection (40mm)	Location of land and provision or availability of service	Nature and number of connections	-	1,180.77	-
	Metered connection (50mm)	Location of land and provision or availability of service	Nature and number of connections	16,048	2,066.35	14,464
	Metered connection (100mm)	Location of land and provision or availability of service	Nature and number of connections	-	9,446.16	-
	Metered connection (150mm)	Location of land and provision or availability of service	Nature and number of connections	-	21,745.85	-
	Unmetered connection	Location of land and provision or availability of service	Nature and number of connections	995	512.41	1,025
	Availability charge	Location of land and availability of service	Extent of provision of service	50,437	196.80	49,003
	Consumption charge				1.13	-
Total central water rates				1,422,948		1,536,794

FUNDING IMPACT STATEMENT - RATES

Eastern Water

The eastern water rates are differential targeted rates set under section 16 and a volumetric water rates set under section 19 of the Local Government (Rating) Act 2002. The eastern water targeted rate part funds the eastern water activity. The area serviced is approximated by the Maketu/Te Puke Ward area. The different categories of land are based on the provision or availability of central water supply services provided by Council. The targeted rates are on all rating units in the Eastern water area or in defined areas of benefit. Where a rating unit has the ability to, but is not connected to the water supply an availability rate is charged.

The different categories of land and rates are outlined in the table below.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2018/19	AMOUNT	2019/20
				ANNUAL PLAN REVENUE (\$)		ANNUAL PLAN REVENUE (\$)
Eastern water	Metered connection (standard 20mm)	Location of land and provision or availability of service	Nature and number of connections	1,981,953	393.59	2,054,933
	Metered connection (additional to standard 20mm)	Location of land and provision or availability of service	Nature and number of connections	15,939	101.85	16,398
	Metered connection (25mm)	Location of land and provision or availability of service	Nature and number of connections	7,703	220.41	7,494
	Metered connection (32mm)	Location of land and provision or availability of service	Nature and number of connections	-	421.71	-
	Metered connection (40mm)	Location of land and provision or availability of service	Nature and number of connections	5,732	1,180.77	5,904
	Metered connection (50mm)	Location of land and provision or availability of service	Nature and number of connections	30,090	2,066.35	30,995
	Metered connection (100mm)	Location of land and provision or availability of service	Nature and number of connections	18,341	9,446.16	28,338
	Metered connection (150mm)	Location of land and provision or availability of service	Nature and number of connections	21,111	21,745.85	21,746
	Unmetered connection	Location of land and provision or availability of service	Nature and number of connections	995	512.41	1,537
	Availability charge	Location of land and availability of service	Extent of provision of service	61,709	196.80	65,338
	Consumption charge		A fixed amount per cubic meter of water consumption	-	\$1.13	-
	Gibraltar water scheme	Location of land in defined area of benefit and provision or availability of service	Service provision	2,900	100.00	2,900
	Total eastern water rates				2,146,473	

FUNDING IMPACT STATEMENT - RATES

Waihi Beach Wastewater

The Waihi Beach wastewater rates are differential targeted rates set under section 16 of the Local Government (Rating) Act 2002. The Waihi Beach wastewater targeted rate part funds the Waihi Beach wastewater activity. The different categories of land are based on the provision or availability of wastewater services provided by Council. The targeted rates are on all rating units in the Waihi Beach wastewater area or in defined areas of benefit. Where a rating unit has the ability to, but is not connected to the wastewater system an availability rate is charged.

The different categories of land and rates are outlined in the table below.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Waihi Beach wastewater	Availability charge	Location of land and provision or availability of service	Extent of service provision	85,752	467.33	75,707
	Connection charge	Location of land and provision or availability of service	On each rating unit connected to the scheme	2,429,190	934.65	2,531,032
	Multiple pan charge	Location of land and provision or availability of service	Each subsequent water closet or urinal to a rating unit	284,696	784.01	296,356
	Waihi Beach School	Location of land and provision or availability of service	Nature and number of connections	7,768	7,768.00	7,768
Total Waihi Beach wastewater				2,807,407		2,910,863

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FUNDING IMPACT STATEMENT - RATES

Katikati Wastewater

The Katikati wastewater rates are differential targeted rates set under section 16 of the Local Government (Rating) Act 2002. The Katikati wastewater targeted rate part funds the Katikati wastewater activity. The different categories of land are based on the provision or availability of wastewater services provided by Council. The targeted rates are on all rating units in the Katikati wastewater area or in defined areas of benefit. Where a rating unit has the ability to, but is not connected to the wastewater system an availability rate is charged.

The different categories of land and rates are outlined in the table below.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2018/19	AMOUNT	2019/20
				ANNUAL PLAN REVENUE (\$)		ANNUAL PLAN REVENUE (\$)
Katikati wastewater	Availability charge	Location of land and provision or availability of service	Extent of service provision	73,048	467.33	50,004
	Connection charge	Location of land and provision or availability of service	On each rating unit connected to the scheme	1,926,474	934.65	2,069,315
	Multiple pan charge	Location of land and provision or availability of service	Each subsequent water closet or urinal to a rating unit	247,397	784.01	268,915
	Katikati College	Location of land and provision or availability of service	Nature and number of connections	22,093	22,093.00	22,093
	Katikati Primary	Location of land and provision or availability of service	Nature and number of connections	14,146	14,146.00	14,146
Total Katikati wastewater				2,283,158		2,424,474

FUNDING IMPACT STATEMENT - RATES

Omokoroa Wastewater

The Omokoroa wastewater rates are differential targeted rates set under section 16 of the Local Government (Rating) Act 2002.

The Omokoroa wastewater targeted rate part funds the Omokoroa wastewater activity. The different categories of land are based on the provision or availability of wastewater services provided by Council. The targeted rates are on all rating units in the Omokoroa wastewater area or in defined areas of benefit. Where a rating unit has the ability to, but is not connected to the wastewater system an availability rate is charged.

The different categories of land and rates are outlined in the table below.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2018/19	AMOUNT	2019/20
				ANNUAL PLAN REVENUE (\$)		ANNUAL PLAN REVENUE (\$)
Omokoroa wastewater	Availability charge	Location of land and provision or availability of service	Extent of service provision	71,687	467.33	73,838
	Connection charge	Location of land and provision or availability of service	On each rating unit connected to the scheme	1,371,127	934.65	1,597,317
	Multiple pan charge	Location of land and provision or availability of service	Each subsequent water closet or urinal to a rating unit	176,603	784.01	181,890
	Omokoroa Point School	Location of land and provision or availability of service	Nature and number of connections	6,546	6,546.00	6,546
	Astelia Place	Location of land in Astelia Place and availability of service	Nature and number of connections	1,164	582.00	1,164
Total Omokoroa wastewater				1,627,127		1,860,755

FUNDING IMPACT STATEMENT - RATES

Te Puke Wastewater

The Te Puke wastewater rates are differential targeted rates set under section 16 of the Local Government (Rating) Act 2002. The Te Puke wastewater targeted rate part funds the Te Puke wastewater activity. The different categories of land are based on the provision or availability of wastewater services provided by Council. The targeted rates are on all rating units in the Te Puke wastewater area or in defined areas of benefit. Where a rating unit has the ability to, but is not connected to the wastewater system an availability rate is charged.

The different categories of land and rates are outlined in the table below.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2018/19	AMOUNT	2019/20
				ANNUAL PLAN REVENUE (\$)		ANNUAL PLAN REVENUE (\$)
Te Puke wastewater	Availability charge	Location of land and provision or availability of service	Extent of service provision	31,306	467.33	32,246
	Connection charge	Location of land and provision or availability of service	On each rating unit connected to the scheme	2,491,803	934.65	2,589,915
	Multiple pan charge	Location of land and provision or availability of service	Each subsequent water closet or urinal to a rating unit	564,064	784.01	580,951
	Te Puke High School	Location of land and provision or availability of service	Nature and number of connections	12,161	12,161.00	12,161
	Te Puke Intermediate School	Location of land and provision or availability of service	Nature and number of connections	13,156	13,156.00	13,156
	Te Puke Primary School	Location of land and provision or availability of service	Nature and number of connections	12,363	12,363.00	12,363
	Fairhaven Primary School	Location of land and provision or availability of service	Nature and number of connections	11,108	11,108.00	11,108
	Te Timatanga Hou Kohanga Reo	Location of land and provision or availability of service	Nature and number of connections	227	227.00	227
Total Te Puke wastewater				3,136,188		3,252,127

FUNDING IMPACT STATEMENT - RATES

Maketu / Little Waihi Wastewater Wastewater

The Maketu / Little Waihi wastewater rates are differential targeted rates set under section 16 of the Local Government (Rating) Act 2002. The Maketu / Little Waihi wastewater targeted rate part funds the Maketu / Little Waihi Wastewater wastewater activity. The different categories of land are based on the provision or availability of wastewater services provided by Council. The targeted rates are on all rating units in the Maketu / Little Waihi wastewater area or in defined areas of benefit. Where a rating unit has the ability to, but is not connected to the wastewater system an availability rate is charged.

The different categories of land and rates are outlined in the table below.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Maketu / Little Waihi Wastewater	Availability charge	Location of land and provision or availability of service	Extent of service provision	49,001	467.33	50,472
	Connection charge	Location of land and provision or availability of service	On each rating unit connected to the scheme	400,177	934.65	429,939
	Multiple pan charge	Location of land and provision or availability of service	Each subsequent water closet or urinal to a rating unit	-	784.01	-
	Maketu / Little Waihi Wastewater High School	Location of land and provision or availability of service	Nature and number of connections	7,316	7,316.00	7,316
Total Maketu / Little Waihi Wastewater				456,494		487,727

FUNDING IMPACT STATEMENT - RATES

Waihi Beach Coastal Protection

The Waihi Beach Coastal Protection rates are targeted rates set under section 16 and 117 of the Local Government (Rating) Act 2002. The Waihi Beach Coastal Protection targeted rates part fund coastal protection in Waihi Beach. The different categories of land are based on the provision of services provided by Council. The targeted rates are on all rating units in the Waihi Beach area or defined areas of benefit. The different categories of land and rates are outlined in the table below.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2018/19	AMOUNT	2019/20
				ANNUAL PLAN REVENUE (\$)		ANNUAL PLAN REVENUE (\$)
Waihi Beach Coastal Protection	Rock revetment area of benefit - Operational	Location of land and provision or availability of service	Extent of service provision	8,818	166.37	8,818
	Rock revetment area of benefit - Capital	Location of land and provision or availability of service	Extent of service provision	30,213	1,479.97	31,079
	Rock revetment area of benefit capital lump sum (optional)*				16,559.00	-
	- Ward area	Location of land and provision or availability of service	Extent of service provision	42,878	\$14.10	42,977
	- Dunes northern end area of benefit	Location of land and provision or availability of service	Extent of service provision	13,946	606.34	13,946
	- Dunes Glen Isla Place area of benefit	Location of land and provision or availability of service	Extent of service provision	4,372	\$624.53	4,372
Total Waihi Beach Coastal Protection				100,226		101,191

*Lump sum contributions are invited in respect of Waihi Beach Rock Revetment within the defined areas of benefit in lieu of future payments of the Rock Revetment area of benefit - capital rate above. Offer letters are sent out each year inviting rate payers to make a lump sum contribution.

Omokoroa Greenwaste

The Omokoroa greenwaste rate is a uniform targeted rate set under section 16 of the Local Government (Rating) Act 2002.

The Omokoroa greenwaste targeted rate part funds greenwaste facilities. The targeted rate is on all rating units in the Omokoroa community board defined area of benefit.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2018/19	AMOUNT	2019/20
				ANNUAL PLAN REVENUE (\$)		ANNUAL PLAN REVENUE (\$)
Omokoroa greenwaste		Location	Fixed amount per rating unit	78,290	53.39	88,311

FUNDING IMPACT STATEMENT - RATES

Stormwater

The stormwater rate is a differential targeted rate set under section 16 of the Local Government (Rating) Act 2002. Stormwater targeted rate part funds stormwater in defined areas of benefit. The different categories of land are based on the provision services provided by Council. The targeted rates are on all rating units in defined areas of benefit.

The different categories of land and rates are outlined in the table below.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Stormwater	Kauri Point	Location of land and provision or availability of service	Fixed amount per rating unit	13,441	170.91	13,844
	Tanners Point	Location of land and provision or availability of service	Fixed amount per rating unit	18,253	170.91	18,800
	Te Puna	Location of land and provision or availability of service	Fixed amount per rating unit	23,066	170.91	23,073
	Pukehina	Location of land and provision or availability of service	Fixed amount per rating unit	106,202	170.91	109,724
	Waihi Beach	Location of land and provision or availability of service	Fixed amount per rating unit	1,183,983	401.02	1,225,919
	Katikati	Location of land and provision or availability of service	Fixed amount per rating unit	789,192	401.02	850,564
	Omokoroa	Location of land and provision or availability of service	Fixed amount per rating unit	615,936	401.02	692,562
	Ongare Point	Location of land and provision or availability of service	Fixed amount per rating unit	9,127	170.91	10,084
	Tuapiro Point	Location of land and provision or availability of service	Fixed amount per rating unit	4,149	170.91	4,273
	Te Puke	Location of land and provision or availability of service	Fixed amount per rating unit	1,121,299	401.02	1,172,583
	Paengaroa	Location of land and provision or availability of service	Fixed amount per rating unit	50,778	170.91	51,102
	Maketu	Location of land and provision or availability of service	Fixed amount per rating unit	80,647	170.91	87,506
	Minden	Location of land and provision or availability of service	Fixed amount per rating unit	-	-	-
Total Stormwater				4,016,072		4,260,033

FUNDING IMPACT STATEMENT - RATES

Land Drainage

Land Drainage rates are targeted rates set under section 16 of the Local Government (Rating) Act 2002. Land Drainage targeted rates part fund land drainage in Little Waihi defined areas of benefit. The categories of land liable for each rate are based on the provision of services provided by Council and the location of land. The targeted rates are on all rating units in defined areas of benefit.

The different categories of land and rates are outlined in the table below.

SOURCE	CATEGORIES	MATTERS	FACTOR	2018/19	AMOUNT	2019/20
				ANNUAL PLAN REVENUE (\$)		REVENUE (\$)
Land Drainage	Land Drainage - drains class A	Location of land and provision or availability of service	Per hectare of each rating unit	138,485	33.35	138,485
	Land Drainage - drains class B	Location of land and provision or availability of service	Per hectare of each rating unit	1,481	14.52	1,481
	Land Drainage - pumps class A	Location of land and provision or availability of service	Per hectare of each rating unit	268,860	139.74	268,860
	Land Drainage - pumps class B	Location of land and provision or availability of service	Per hectare of each rating unit	9,771	105.06	9,771
	Land Drainage - pumps class C	Location of land and provision or availability of service	Per hectare of each rating unit	9,474	73.44	9,474
Total Land Drainage				428,071		428,071

FUNDING IMPACT STATEMENT - RATES

Community Halls

Community Hall rates are uniform targeted rates set under section 16 of the Local Government (Rating) Act 2002.

Community Hall targeted rates part fund Community Halls in defined areas of benefit. The categories of land are based on the location of land. The targeted rates are on all rating units in defined areas of benefit.

The different categories of land and rates are outlined in the table below.

SOURCE	CATEGORIES	MATTERS	FACTOR	2018/19	AMOUNT	2019/20
				ANNUAL PLAN REVENUE (\$)		(\$)
Community Halls	Katikati War Memorial Hall	Location of land and provision or availability of service	Fixed amount per rating unit	30,989	7.00	31,220
	Te Puna War Memorial Hall	Location of land and provision or availability of service	Fixed amount per rating unit	-	-	-
	Te Puna Community Centre	Location of land and provision or availability of service	Fixed amount per rating unit	30,865	41.62	60,221
	Paengaroa Hall	Location of land and provision or availability of service	Fixed amount per rating unit	31,136	9.79	6,763
	Pukehina Beach Community Centre	Location of land and provision or availability of service	Fixed amount per rating unit	4,590	15.84	13,005
	Pukehina Hall	Location of land and provision or availability of service	Fixed amount per rating unit	-	-	-
	Oropi War Memorial Hall	Location of land and provision or availability of service	Fixed amount per rating unit	24,945	71.99	40,245
	Kaimai Hall	Location of land and provision or availability of service	Fixed amount per rating unit	5,304	4.49	1,836
	Omanawa Hall	Location of land and provision or availability of service	Fixed amount per rating unit	15,300	12.12	5,151
	Te Ranga Hall	Location of land and provision or availability of service	Fixed amount per rating unit	5,998	14.68	2,040
	Te Puke War Memorial and Settlers Hall	Location of land and provision or availability of service	Fixed amount per rating unit	114,336	26.88	106,834
	Omokoroa Settlers Hall	Location of land and provision or availability of service	Fixed amount per rating unit	2,677	1.35	2,719
	Ohauti Hall	Location of land and provision or availability of service	Fixed amount per rating unit	15,810	47.60	12,852

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FUNDING IMPACT STATEMENT - RATES

SOURCE	CATEGORIES	MATTERS	FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Community Halls (continued)	Waihi Beach Community Centre	Location of land and provision or availability of service	Fixed amount per rating unit	30,410	10.00	30,480
	Whakamarama Hall	Location of land and provision or availability of service	Fixed amount per rating unit	10,240	20.00	10,240
	Pyes Pa Hall	Location of land and provision or availability of service	Fixed amount per rating unit	4,641	8.29	4,437
Total Community Halls				327,240		328,042

Promotion rates

Promotion rates are targeted rates set under section 16 of the Local Government (Rating) Act 2002. Promotion targeted rates part fund town centre promotion in defined areas of benefit. The categories of land are based on the location of land. The targeted rates are on all rating units in defined areas of benefit.

The different categories of land and rates are outlined in the table below.

SOURCE	DIFFERENTIAL CATEGORIES / CATEGORIES	MATTERS	FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Waihi Beach Events and Promotions	Waihi Beach promotion charge	Location - Waihi Beach community board area (all land other than commercial/industrial)	Fixed amount per rating unit	39,015	12.80	39,015
Waihi Beach Events and Promotions	Commercial/industrial zoned area rate	Location of land and land use	Fixed amount per rating unit	13,005	224.22	13,005
Katikati Promotion	Katikati Ward charge	Location of land - Katikati	Fixed amount per rating unit	88,540	20.00	89,200
Katikati Promotion	Katikati Ward promotion charge	Location of land - Katikati (all land other than commercial/industrial)	Fixed amount per rating unit	35,416	8.00	35,680
Katikati Promotion	Commercial/industrial zoned area rate	Location of land and land use	Fixed amount per rating unit	42,780	310.00	42,780
Omokoroa Promotion	Omokoroa Town Centre rate	Location of land - Omokoroa	Fixed amount per rating unit	-	-	-
Te Puke Promotion	Te Puke promotion charge	Location of land - Te Puke (all land other than commercial/industrial)	Fixed amount per rating unit	49,099	12.60	50,081

FUNDING IMPACT STATEMENT - RATES

SOURCE	DIFFERENTIAL CATEGORIES / CATEGORIES	MATTERS	FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Te Puke Promotion (continued)	Te Puke promotion charge	Location of land - Maketu	Fixed amount per rating unit	18,604	5.86	18,977
Te Puke Promotion	Commercial/industrial zoned area rate	Location of land and land use	Fixed amount per rating unit	37,725	177.33	38,480
Total Town Centre promotion rates				324,184		327,218

Development Fund Rates

Development fund rates are uniform targeted rates set under section 16 of the Local Government (Rating) Act 2002.

Targeted rates part fund Pukehina development in defined areas of benefit. The different categories of land are based on land use and services provided by Council. The targeted rates are on all rating units in defined areas of benefit.

The different categories of land and rates are outlined in the table below.

SOURCE	CATEGORIES	MATTERS	FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Pukehina development rate	Residential	Land use	Fixed amount per rating unit	12,640	20.00	12,640

Pukehina Beach Protection Rate

The Pukehina Beach Protection rate is a differential targeted rate set under section 16 of the Local Government (Rating) Act 2002.

The Pukehina Beach Protection targeted rate part funds Pukehina beach protection in defined areas of benefit. The different categories of land are based on location of land. The targeted rates are on all rating units in defined areas of benefit.

The different categories of land and rates are outlined in the table below.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Pukehina beach protection	Coastal	Location	Fixed amount per rating unit	12,240	47.45	12,623
Pukehina beach protection	Inland	Location	Fixed amount per rating unit	3,060	8.18	3,060
Total Pukehina Beach Protection				15,300		15,683

FUNDING IMPACT STATEMENT - RATES

Community Development and Grants

Community Development and Grants rates are differential targeted rates set under section 16 of the Local Government (Rating) Act 2002, which part fund the communities activity. The different categories of land are based on location of land. The targeted rates are on all rating units in defined areas of benefit.

The different categories of land and rates are outlined in the table below.

SOURCE	DIFFERENTIAL CATEGORIES	MATTERS	FACTOR	2018/19 ANNUAL PLAN REVENUE (\$)	AMOUNT (\$)	2019/20 ANNUAL PLAN REVENUE (\$)
Katikati resource centre	Katikati	Location - Katikati community board area	Fixed amount per rating unit	22,261	5.09	22,706
Katikati resource centre	Waihi Beach	Location - Waihi Beach community board area	Fixed amount per rating unit	7,420	2.48	7,569
Heritage Museum	District-wide	All rateable land within the District	Fixed amount per rating unit	71,400	-	-
Heritage Museum	Katikati	Location - Katikati community board area	Fixed amount per rating unit	-	3.24	71,400
Total Community Development and grants				101,081		101,675

RATING UNITS

The projected number of rating units at the end of the preceding financial year for each year covered by the long-term plan are as follows:

FINANCIAL YEAR ENDING 30 JUNE	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Number of rating units for Western Bay of Plenty District Council	21,144	22,890	23,288	23,681	24,072	24,440	24,808	25,176	25,544	25,907



PROSPECTIVE FINANCIAL STATEMENTS

CAUTIONARY NOTE

The information in the prospective financial statements is uncertain and its preparation requires the exercise of judgement. Actual financial results achieved are likely to vary from the information presented and the variations may be material. Events and circumstances may not occur as expected and may or may not have been predicted or the Council may subsequently take actions that differ from the proposed course of action on which the prospective financial statements are based.

ASSUMPTIONS UNDERLYING PROSPECTIVE FINANCIAL INFORMATION

The financial information contained within these policies and statements is prospective information and has been prepared in compliance with PBE FRS 42: Prospective Financial Information. The purpose for which it has been prepared is to enable the public to participate in the decision-making processes as to the services to be provided by Western Bay of Plenty District Council for the financial year ended 30 June 2019 and to provide a broad accountability mechanism of the Council to the community. Refer to Chapter One page 15 for details of underlying assumptions.

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WESTERN BAY OF PLENTY DISTRICT COUNCIL PROSPECTIVE STATEMENT OF FINANCIAL POSITION

FOR THE YEARS ENDED 30 JUNE	ACTUAL \$'000	ANNUAL PLAN \$'000	LTP FORECAST \$'000	ANNUAL PLAN \$'000
	2018	2019	2020	2020
Current assets				
Cash and cash equivalents	11,750	1,720	2,244	2,172
Trade and other receivables	30,004	10,872	11,516	25,848
Total current assets	41,753	12,592	13,760	28,021
Non-current assets				
Property, plant and equipment	1,374,476	1,347,641	1,405,152	1,478,587
Intangible assets	3,265	2,377	2,172	2,617
Investments	22,992	22,416	10,559	11,422
Total non-current assets	1,400,733	1,372,433	1,417,883	1,492,626
Total assets	1,442,486	1,385,025	1,431,643	1,520,646
Current liabilities				
Trade and other payables	17,580	14,295	14,353	15,590
Employee accruals	2,479	2,575	2,575	2,575
Other current liabilities	465	9,655	9,655	465
Provisions	313	312	312	313
Borrowings	25,000	-	-	-
Total current liabilities	45,837	26,837	26,896	18,943
Non-current liabilities				
Borrowings	100,000	120,000	120,000	120,000
Employee benefit liabilities	15	150	150	150
Provisions	322	350	342	342
Other non-current liabilities	8,397	-	-	8,376
Total non-current liabilities	108,734	120,500	120,492	128,868
Total liabilities	154,571	147,337	147,388	147,811
Net assets	1,287,915	1,237,688	1,284,255	1,372,835
Represented by				
Retained earnings	849,971	814,328	826,967	872,189
Restricted reserves	271	272	277	279
Council-created reserves	30,434	26,597	26,941	29,698
Asset revaluation reserve	407,239	396,491	430,071	470,669
Total public equity	1,287,915	1,237,688	1,284,255	1,372,835

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

FOR THE YEARS ENDED 30 JUNE	ACTUAL \$'000	ANNUAL PLAN \$'000	LTP FORECAST \$'000	ANNUAL PLAN \$'000
	2018	2019	2020	2020
Revenue from non-exchange transactions				
Fees and charges from activities	9,131	6,170	6,501	6,382
Rate income	65,044	67,998	71,186	71,102
Fines	177	253	283	224
Vested assets	10,965	2,240	2,292	2,240
Financial contributions	9,506	8,786	9,806	9,585
Subsidies and grants	15,994	9,487	9,207	9,102
Other revenue	503	360	368	360
Fair value movement in derivative financial instruments	794	-	-	-
Gains	33,055	-	-	-
Total revenue from non-exchange transactions	145,169	95,294	99,641	98,995
Revenue from exchanged transactions				
Finance income	1,468	779	792	792
Dividends	132	-	-	-
Rental Income	1,001	858	885	873
Other exchange revenue	1,227	1,058	1,082	745
Total operating revenue	148,997	97,990	102,401	101,405
Expenditure				
Other expenses	36,290	38,162	38,089	38,831
Personnel costs	18,588	20,662	21,135	22,483
Depreciation	18,678	20,375	21,763	20,972
Amortisation	916	432	426	426
Impairment expense	-	-	-	-
Finance costs	7,920	8,000	8,000	8,000
Total operating expenditure	82,392	87,630	89,413	90,711
Share of associates retained surplus	(16)	-	-	-
Net surplus / (deficit)	66,589	10,359	12,988	10,694
Gains/(losses) on asset revaluations	65,960	30,319	33,580	33,580
Other assets at fair value through other comprehensive income	78	-	-	-
Total other comprehensive income for the year	66,040	30,319	33,580	33,580
Total comprehensive income for the year	132,629	40,679	46,567	44,274

WESTERN BAY OF PLENTY DISTRICT COUNCIL PROSPECTIVE STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED 30 JUNE	ACTUAL \$'000	ANNUAL PLAN \$'000	LTP FORECAST \$'000	ANNUAL PLAN \$'000
	2018	2019	2020	2020
Cash flow from operating activities				
Cash will be provided from:				
Rates and services charges	65,544	63,906	66,391	66,445
Other revenue	2,511	1,886	2,059	1,984
Financial contributions	9,506	8,786	9,806	9,585
Sundry revenue	598	360	368	360
User fees	9,834	10,656	11,081	10,578
Subsidies and grants	10,494	9,487	9,207	9,102
Interest revenue - external	1,824	413	413	413
Regional Council rates	5,865	6,538	6,708	6,252
Total operating cash provided	106,177	102,032	106,033	104,718
Cash was applied to:				
Suppliers and employees	53,329	58,143	59,165	60,942
Interest on public debt	7,920	8,000	8,000	8,000
Regional Council rates	5,865	6,538	6,708	6,252
Total operating cash applied	67,114	72,681	73,874	75,194
Net cashflows from operating activities	39,063	29,351	32,159	29,525
Cash flow from investing activities				
Cash will be provided from:				
Proceeds from sale of property, plant and equipment	1,654	85	87	85
Proceeds from sale of investments	20,017	80	11,857	11,857
Total investing cash provided	21,671	165	11,944	11,942
Cash will be spent on:				
Purchase of property, plant and equipment	38,763	39,301	43,579	41,129
Purchase of investments	-	-	-	-
Total investing cash applied	38,763	39,301	43,579	41,129
Net cashflows from investing activities	(17,092)	(39,136)	(31,635)	(29,187)
Cash flow from financing activities				
Cash will be provided from:				
Loans raised	-	20,000	-	-
Total financing cash provided		20,000		
Cash will be spent on:				
Repayment of public debt	25,000	25,000	-	-
Total financing cash applied	25,000	25,000		
Net cashflows from financing activities	(25,000)	(5,000)		
Net increase/(decrease) in cash held	(3,029)	(14,785)	524	338
Plus opening cash balance	14,779	16,505	1,720	1,834
Closing cash position	11,750	1,720	2,244	2,172

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

FOR THE YEARS ENDED 30 JUNE	ACTUAL \$'000	ANNUAL PLAN \$'000	LTP FORECAST \$'000	ANNUAL PLAN \$'000
	2018	2019	2020	2020
Accumulated funds at the start of the year	784,185	803,817	814,328	860,919
Net surplus for the year	65,786	10,511	12,639	11,271
Accumulated funds at the end of the year	849,971	814,328	826,967	872,189
Asset revaluation reserves at the start of the year	341,279	366,172	396,491	437,559
Revaluation of infrastructural assets	65,960	30,319	33,580	33,111
Asset revaluation reserves at the end of the year	407,239	396,491	430,071	470,669
Council reserves at the start of the year	29,822	27,021	26,869	30,553
Movements during the year	883	(152)	349	(576)
Council reserves at the end of the year	30,705	26,869	27,218	29,977
Equity at the end of the year	1,287,915	1,237,689	1,284,256	1,372,835

WESTERN BAY OF PLENTY DISTRICT COUNCIL

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

FOR THE YEARS ENDED 30 JUNE	ACTUAL	ANNUAL PLAN	LTP FORECAST	ANNUAL PLAN
	\$'000	\$'000	\$'000	\$'000
	2018	2019	2020	2020
Total operating revenue				
Activity summary financial forecast statements				
Representation	436	430	514	503
Planning for the future	13	13	13	13
Communities	5,400	2,390	2,455	2,361
Recreation and leisure	21,715	3,234	3,125	3,047
Regulatory services	5,499	6,033	6,260	6,123
Transportation	38,635	25,040	26,850	26,169
Water supply	14,209	11,891	12,721	12,576
Stormwater	9,316	5,686	6,123	6,055
Natural environment	566	645	687	651
Wastewater	16,829	13,313	13,124	13,176
Solid waste	1,699	1,407	1,415	1,482
Economic	292	324	332	330
Support services	13,574	4,133	4,030	3,728
Total operating revenue	128,183	74,539	77,650	76,214
Total operating revenue per prospective statement of comprehensive revenue and expense	149,075	97,990	102,401	101,405
Variance	(20,892)	(23,451)	(24,751)	(25,191)
General rate allocated to activities	(20,021)	(22,261)	(23,517)	(24,053)
Environmental protection rate allocated to activities	(872)	(1,190)	(1,234)	(1,138)
Total allocations	(20,893)	(23,451)	(24,751)	(25,192)
Total operating expenditure				
Activity summary financial forecast statements				
Representation	2,635	3,773	3,491	3,531
Planning for the future	2,237	2,479	2,395	2,805
Communities	6,163	7,297	7,419	7,573
Recreation and leisure	6,788	7,179	7,832	7,445
Regulatory services	8,048	8,711	8,880	10,034
Transportation	19,853	19,365	19,999	19,814
Water supply	11,131	12,416	12,851	12,750
Stormwater	4,072	4,358	4,524	4,829
Natural environment	717	900	909	902
Wastewater	12,899	12,998	13,180	13,346
Solid waste	1,889	1,919	1,967	1,815
Economic	626	708	733	692
Support services	5,350	5,528	5,232	5,175
Total operating expenditure	82,408	87,630	89,413	90,711
Total operating expenditure per prospective statement of comprehensive revenue and expense	82,408	87,630	89,413	90,711
Variance	-	-	-	-
Net surplus per prospective statement of comprehensive revenue and expense	66,667	10,359	12,988	10,694
Other comprehensive revenue and expense				
Gains/(losses) on asset revaluation	65,960	30,319	33,580	33,580
Total other comprehensive revenue and expense for the year	65,960	30,319	33,580	33,580
Total comprehensive revenue and expense for the year	132,627	40,679	46,567	44,274

RESERVE FUNDS

RESERVE NAME	PURPOSE	ACTIVITY	INTEREST BEARING	OPENING BALANCE 1 JULY 2019	EXPECTED DEPOSITS TO FUND TO 30 JUNE 2020	EXPECTED WITHDRAWALS FROM FUND TO 30 JUNE 2020	CLOSING BALANCE 30 JUNE 2020
Restricted Reserves							
Restricted Reserves - general approach	Restricted reserves have been established from public bequests and are only able to be spent in the manner specified by the donor						
Hunter Estate	Established from bequest made in the late 1980s. The funds can only be spent on capital expenditure in Katikati as detailed in our Reserve Management Plans.	Recreation and Leisure	Yes	37,391	4,216	-	41,607
l'Anson Park Trust	The accumulated interest is available for both operational and capital expenditure undertaken in the Te Puna area.	Recreation and Leisure	Yes	9,510	1,335	-	10,845
Hastie Bequest	The principle settlement amount of \$100,000 is maintained and the interest can be used for Te Puke area library purchases.	Communities	Yes	207,745	25,192	24,000	208,937
CE Miller Estate	The interest on the capital of \$9,763 is available for the beautification of Katikati.	Recreation and Leisure	Yes	16,008	1,959	-	17,967
Total Restricted Reserves				270,653	32,702	24,000	279,355
Asset Replacement Reserves							
Asset Replacement Reserves - general approach	Depreciation charged is transferred to the specified reserves detailed below and accumulated so that the interest earned on the reserves capital is available for asset replacement/renewals. The replacement/renewals programme is based on the renewals planned in our asset management plans. The reserves are not held as cash reserves.						
Asset Replacement - computers		Support Services	Yes	697,186	1,157,204	1,860,000	(5,610)
Coastal Marine		Recreation and Leisure	No	(348,670)	581,452	638,000	(405,218)
District Reserves		Support Services	No	2,672,730	1,378,821	1,424,488	2,627,063
Huharua Sub Regional Park		Recreation and Leisure	No	178,173	49,417	-	227,590
TECT All Terrain Park		Recreation and Leisure	No	775,194	262,734	118,022	919,906
Asset Replacement - office buildings		Recreation and Leisure	Yes	1,182,350	898,236	1,948,120	132,466
Asset Replacement - vehicles		Support Services	Yes	(93,711)	947,220	1,082,994	(229,485)
Asset Replacement - civil defence		Communities	Yes	131,507	15,663	-	147,170

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RESERVE NAME	PURPOSE	ACTIVITY	INTEREST BEARING	OPENING BALANCE 1 JULY 2019	EXPECTED DEPOSITS TO FUND TO 30 JUNE 2020	EXPECTED WITHDRAWALS FROM FUND TO 30 JUNE 2020	CLOSING BALANCE 30 JUNE 2020
Asset Replacement Reserves							
Asset Replacement - telemetry		Communities	Yes	81,667	4,470	-	86,137
Asset Replacement - swimming pool		Recreation and Leisure	Yes	251,632	112,045	-	363,677
Asset Replacement - library books		Communities	Yes	2,290,325	403,821	606,210	2,087,936
Asset Replacement - Cemetery		Communities	Yes	226,426	38,163	-	264,589
Total Asset Replacement Reserves				8,044,808	5,849,246	7,677,834	6,216,220
Community Board Reserves							
Community Boards - general approach	We have five community boards but not all of our District is covered by these boards. The Community Board rate is a Fixed amount for their community board area of benefit. The level of rating is determined based on the expected expenditure of the Board and may vary between Boards. Any unspent money at year end is transferred to the respective community board reserve account. Reserve funds can only be used for capital, one-off, or non-recurring expenditure items or grants						
Waihi Beach Community Board		Communities	No	278,331	-	-	278,331
Katikati Community Board		Communities	No	126,207	-	-	126,207
Omokoroa Community Board		Communities	No	246,441	-	-	246,441
Te Puke Community Board		Communities	No	118,612	-	-	118,612
Maketu Community Board		Communities	No	158,857	-	-	158,857
Total Community Board Reserves				928,448	-	-	928,448

RESERVE NAME	PURPOSE	ACTIVITY	INTEREST BEARING	OPENING BALANCE 1 JULY 2019	EXPECTED DEPOSITS TO FUND TO 30 JUNE 2020	EXPECTED WITHDRAWALS FROM FUND TO 30 JUNE 2020	CLOSING BALANCE 30 JUNE 2020
Other Community Reserves							
Other community reserves - general approach	These reserves have been established to accumulate sufficient funds to allow for planned expenditure (per the Long Term Plan) in particular areas, often for town centre development. The funding is provided by way of targeted rates						
Katikati Development Fund	Set up several years ago in anticipation of the Katikati By-pass impacts on the town and to provide funding for main street improvements as well as encourage business development in Katikati	Planning for the future	Yes	14,092	771	-	14,863
Waihi Beach Town Centre Development	For town centre development	Economic	Yes	436,212	28,514	300,000	164,726
Katikati Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise	Economic	Yes	256,644	27,665	450,000	(165,691)
Omokoroa Town Centre Development	For town centre development scheduled to begin in as and when opportunities arise	Economic	Yes	216,033	16,668	-	232,701
Te Puke Town Centre Development	For town centre development	Economic	Yes	709,109	89,439	-	798,548
Pukehina Development	Pukehina ratepayers are paying an annual rate of \$20 as a contribution towards a future sewerage scheme for the area	Planning for the future	Yes	665,101	102,379	-	767,480
Total Other Community Reserves				2,297,191	265,436	750,000	1,812,627

RESERVE NAME	PURPOSE	ACTIVITY	INTEREST BEARING	OPENING BALANCE 1 JULY 2019	EXPECTED DEPOSITS TO FUND TO 30 JUNE 2020	EXPECTED WITHDRAWALS FROM FUND TO 30 JUNE 2020	CLOSING BALANCE 30 JUNE 2020
Financial Contributions Reserves							
Financial contributions reserves - general	These are specific reserves that must be applied for a particular purpose and under specific criteria or qualifying conditions. These reserves are not cash reserves.						
Ecological financial contributions - capital	Financial contributions split into capital and operational components that are to be spent based on Council's annually approved ecological education programme. Capital expenditure must be by Council resolution and satisfy criteria for privately owned land. Operational expenditure is based on the prior year's closing operations balance available.	Natural Environment	No	306,176	-	-	306,176
Ecological financial contributions - operational	As above	Natural Environment	No	386,479	406,366	389,080	403,765
Parks and Community financial contributions	To provide for teaching and public education/awareness raising purposes.	Recreation and Leisure	No	656,368	4,260,564	2,357,128	2,559,804
Parking space financial contributions	Provided from financial contributions from developers in the urban areas where they cannot provide public car parks themselves.	Regulatory	No	49,974	-	-	49,974
Lynley Park wastewater remedial	Established from money received from Durham Properties Limited, to be used to fund any infrastructure failures in the Lynley Park Development.	Wastewater	No	348,467	-	-	348,467
Total Financial Contribution Reserves				1,747,464	4,666,930	2,746,208	3,668,186
General Reserves Established reserves for specific purposes							
Community Discretionary	For any under spent expenditure at year end.	Communities	No	14,386	-	-	14,386
General Rate	For the accumulation of any net surplus arising from accounts that are general rate funded each year. Deficits are not permitted in this reserve	All	No	4,707,594	904,877	421,764	5,190,707
Environmental Protection Rate	For the accumulation of any net surplus arising from the Environmental Protection Rate account Deficits are not permitted in this reserve.	All	No	2,073,418	127,158	1,171,082	1,029,494
Traffic and parking general	Holds the percentage balance of Council-issued infringement notice fines that were not payable to the Government as part of the legislation during the 1980s. Correspondence has not resolved whether the balance is still payable to the Government. No cash is held.	Regulatory	No	186,095	10,187	-	196,282
Total General Reserves				6,981,493	1,042,222	1,592,846	6,430,869

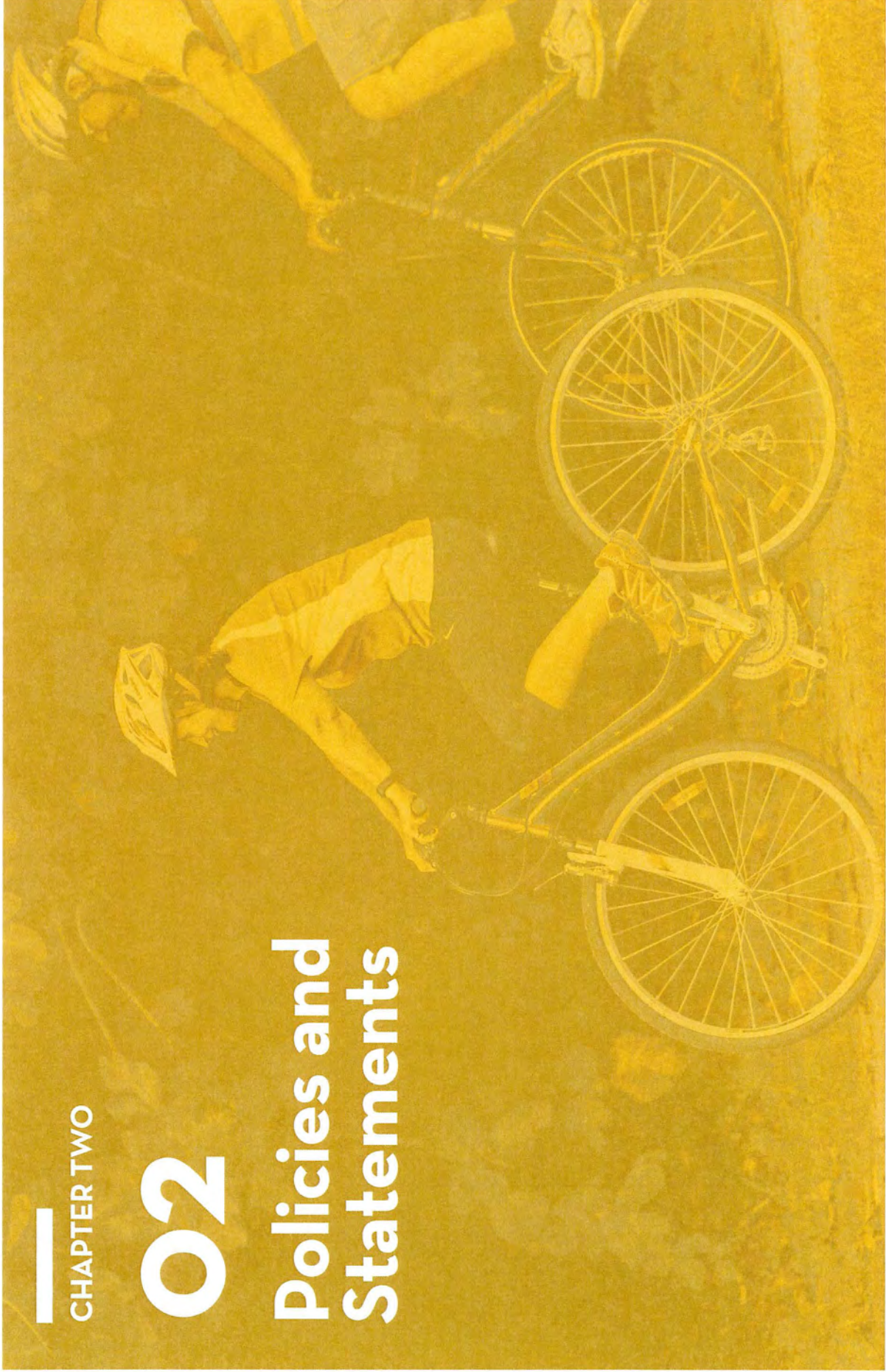
RESERVE NAME	PURPOSE	ACTIVITY	INTEREST BEARING	OPENING BALANCE 1 JULY 2019	EXPECTED DEPOSITS TO FUND TO 30 JUNE 2020	EXPECTED WITHDRAWALS FROM FUND TO 30 JUNE 2020	CLOSING BALANCE 30 JUNE 2020
Special Reserves							
Disaster Contingency	Council's infrastructure self-insurance fund provided from the sale of power company shares in the 1990s. Council's policy is to self insure based on the premise that commercial infrastructure insurance is not available. Major infrastructure, apart from district roading is geographically dispersed throughout our District (primarily stand-alone sewerage and water schemes) and the likelihood of failure of this entire infrastructure at once is assessed as very low.	Communities	Yes	8,778,882	480,561	-	9,259,443
Matakana Island Trust	Reserves accumulated several years ago from the appeal against the Katikati Reserve extension across to Matakana Island. The funds are available to be used for improvements to the Matakana Island community.	Planning for the Future	No	258,803	-	-	258,803
Corporate Property and Assets	For any surplus arising from the corporate property/land purchase account.	Support Services	No	743,224	74,881	347,506	470,599
Weathertight Homes	To settle potential weathertightness claims that may arise.	Regulatory	No	212,000	-	-	212,000
Panepane Point		Reserves	No	442,033	28,113	30,000	440,146
Total Special Reserves				10,434,942	583,555	377,506	10,640,991
Total All Council Created Reserves				30,705,000	12,440,091	13,168,394	29,976,697

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CHAPTER TWO

02

**Policies and
Statements**



CHAPTER TWO

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OVERALL REVENUE AND FINANCING POLICY

INTRODUCTION

Our Revenue and Financing Policy for each group of activities can be found in chapter five from page 394 in our Long Term Plan 2018-2028.

This policy deals with the revenue and financing decisions taken at a “whole of Council” level. It documents our high level rating philosophy and summarises the rationale for the rating decisions taken. We have considered the distribution and timing of benefits, rating efficiency and transparency, community preferences and the overall impact on the economic, cultural, social and environmental well-being of our District. In particular, we have considered the impacts of our rating proposals on a range of representative properties; these can be found on our website www.westernbay.govt.nz/annual-plan-2019-2020.

When read in conjunction with the Funding Impact Statement, in chapter one on pages 27- 45, this Policy links the funding decisions taken at the activity level, with the eventual rates assessment that each ratepayer will receive.

COUNCIL'S FUNDING PHILOSOPHY

Ratepayers have told us that fairness and equity in rating is very important to them. We try wherever practical, to maintain a close relationship between the benefits received by groups of ratepayers and the rates they pay for those services, especially where communities within our District have differing levels of service. Where levels of service are more uniform or where it is impractical to identify groups of ratepayers that principally benefit, we use General Rates which are essentially a tax. In theory taxation is not related to benefit received but is charged according to an assessment of ability to pay – in the case of council rates this is assessed by property value.

In principle, we seek to recover the maximum amount possible from the direct users of a service (the ‘user-pays’ principle) or from those that create the need for a service (the ‘exacerbator-pays’ principle). The primary tools we use to achieve these principles are fees and targeted rates. We also seek to ensure that people pay for services at the time they consume them, (the ‘inter-generational equity’ principle). Costs of service include capital costs, direct operational costs, depreciation, interest and loan repayments. The tools we use to achieve inter-generational equity include loans, financial contributions and increases in the rating base resulting from growth.

FEES

These are funding tools which are used where the users of services can be individually identified, for example building consents.

TARGETED RATES

Targeted rates tend to be used where categories of ratepayers can be identified as a group, rather than individually, as primarily benefiting from a service or contributing to the requirement for a Council service, for example stormwater.

Targeted rates can be used to recover capital costs as well as operating costs.

FINANCIAL CONTRIBUTIONS

Our policy for recovering the costs of infrastructure built to accommodate growth is to use financial contributions. Our Financial Contributions Policy is set through our District Plan under the Resource Management Act 1991.

The detail of the policy is published as part of the District Plan and is available on our website www.westernbay.govt.nz and at our offices and libraries.

After April 2022, financial contributions will not be available as a funding source. Within the next two years, Council intends to establish a Development Contributions Policy to replace financial contributions as a funding source, to the extent permitted by legislation. The Development Contributions Policy is expected to be operative by the time the final 2021-2031 Long Term Plan is adopted.

Our District Plan provides that waivers and reductions to financial contributions levied under the Resource Management Act 1991 are agreed through our Annual Plan process. The Long Term Plan 2018-2028 is also our Annual Plan for 2018/2019.

DEBT FINANCING

As we have no significant reserves, we rely on loans to finance infrastructure development, for example wastewater schemes. The portion of interest and loan repayments relating to growth is generally funded through financial contributions, however in periods of low growth they may be funded from rates. This is detailed in our Financial Strategy in chapter two on page 54 in our Long Term Plan 2018-2028. The remaining interest and loan repayments are funded by annual rates or charges. We acknowledge that the interest on loans increases the overall cost of services but we believe that this disadvantage is offset by the advantages a more equitable allocation of cost between existing and future ratepayers. As our rating base increases with new development there are more ratepayers to meet the cost of interest and loan repayments.

For transportation infrastructure, however, we have traditionally used less debt to finance capital expenditure. For this activity, where the capital development programme is more evenly spread over time and the users of the service are less easy to identify individually, we have primarily used rates to finance capital expenditure with loans used to a lesser degree.

The overall use of debt financing is limited by the extent of our indebtedness and the principles of prudent financial management. Our Financial Strategy in Chapter Two, page 39 in the Long Term Plan 2018-2028 proposes a limit on debt and our Treasury Policy, page 447 in the Long Term Plan 2018-2028 contains limits on debt and interest payments in relation to our assets and revenue. The term of our debt is related to the useful life of the asset financed but does not generally exceed 30 years. This ensures that the people benefiting from the asset repay the loan before the asset's life is over.

For several activities we operate a current account funding programme to smooth rates increases over time and to ensure renewals are adequately provided for. The level of rates in year one of the Long Term Plan 2018-2028 is set such that once inflation is added to each of the ten years of the Plan, the projected current account balance in years 10 and 30 is adequate to meet the balanced budget test. The current account balance reflects all revenue and expenditure (including operating and capital costs) and all funding requirements (including loans, financial contributions and other revenue).

DEPRECIATION FUNDING AND CURRENT ACCOUNT DEFICIT FUNDING

Prudent financial management requires organisations to plan for the replacement or renewal of their assets when they reach the end of their useful lives to maintain the service they provide. The inter-generational equity principle suggests that, ideally, today's ratepayers should pay for the 'asset-life' they are consuming and likewise future generations should pay for their share of the asset's life. There are three principal ways this can be achieved:

1. Pay as you go

- Capital funded annually by rating existing ratepayers to cover the expenses incurred in that year.

Suitable when capital expenditure is evenly spread over the years so there is less risk that today's ratepayers are not paying their fair share when compared to future ratepayers.

2. Saving for asset replacement

(charge rates over the life of the asset – spend later)

- Ratepayers are rated annually to fund depreciation which builds up in a reserve account to fund future replacements of assets.

Unsuitable if ratepayers are already servicing debt incurred to acquire the existing asset. If debt were incurred today's ratepayers would be paying twice for the asset, once through debt repayments and interest and again through financing the depreciation.

3. Borrowing to fund asset replacement

(spend now – charge rates over the life of the asset)

- Ratepayers are rated annually to fund interest and capital repayments on loans matched to the life of the asset. In the future, replacement of the asset would be financed in the same way.

Suitable if our overall level of debt can accommodate the required borrowing.

There is no legal requirement for councils to accumulate dedicated depreciation reserves, however the Local Government Act 2002 (LGA) requires that councils have a balanced budget, which means that revenue must be greater than operating expenditure (which includes depreciation). As the balanced budget test is conducted at the local authority level it is considered acceptable and within the bounds of prudence to run an operating deficit on one activity and a surplus on another. This means that we are not required to retain revenue on an annual basis in dedicated depreciation reserves if we can show through our financial strategy that future rates revenue is adequate to fund infrastructure renewals when they are needed.

When setting rates we consider the impact they have on the affordability to the various sectors of the community. Where there is a clear need to balance the principles set out above some redistribution of rates may be required. This is done through the development of the financial strategy.

RATING POLICY

1. Rating unit

Under the relevant legislation, we have the ability to set our unit of rating as a dwelling (or separately used inhabited part of a property) as opposed to a property. We have chosen to retain our rating unit as a property, consistent with our policy in previous years.

2. Rating basis

The Local Government (Rating) Act 2002 allows us to choose from three rating systems - the land value rating system, the capital value rating system and the annual value rating system. There is no legislation prescribing the best type of rating system for each council.

We will assess the General Rate and all other property value-based rates (except the roading rate) on capital value. The roading rate will be assessed on land value.

We show a land value and an improvement value on our property valuations. The improvement value reflects the added value given to the land by buildings or other structures, including fruit trees, vines and landscaping. Capital value includes both the land value and the value of improvements. The improvement value excludes chattels, stock, crops, machinery or trees other than fruit or nut trees, vines, berry-fruit bushes and live hedges.

Regardless of the rating basis we use, the total amount of rates collected remains the same but the incidence of rating shifts. To illustrate the differences between the land and capital value rating systems for example, consider two identically valued pieces of land, one with a substantial dwelling on it and the other with no improvements. Under the land value rating system the two properties would pay the same rates. Under the capital value rating system the property with the substantial improvement would pay more than the property that was undeveloped.

3. General rates

General Rates consist of a rate in the dollar charged on capital value and a Uniform Annual General Charge (UAGC) which is a flat amount levied on each rating unit. The size of the UAGC is set each year by Council and is used as a levelling tool in the collection of General Rates. If the Uniform Annual General Charge (UAGC) were set at zero the effect would be to increase the amount of General Rates assessed on capital value which would increase the share levied on properties with higher capital values and decrease the share levied on lower capital values.

In setting the level of the UAGC, we consider the following issues:

- The impact of a high UAGC on those with low incomes and relatively low property values/
- The impact of a low UAGC on the relative share of rates levied on high value properties, for example large rural properties
- Fairness and equity and the social consequences of an unfair distribution of rates
- The collective effect of other flat charges (e.g. environmental protection rate, targeted rate for libraries) on affordability for low income households.

4. Differential general rate

Our policy is to have the same system for charging General Rates across the whole District.

Our current differential rates policy is:

- | | |
|-------------------------------------|-----|
| • Residential zoned areas | 1.0 |
| • Rural zoned areas | 1.0 |
| • Commercial/industrial zoned areas | 1.0 |
| • Post-harvest zoned areas | 1.0 |

These differentials apply only to the General Rate.

5. Multiple dwelling differentials

There are no multiple dwelling differentials for any rates assessed on capital value.

6. Environmental protection rate

The Environmental Protection Rate is a fixed charge on each rateable unit. It funds a number of activities that are seen to benefit the District as a whole.

7. Roading rates

There are three roading rates:

- Roading rate on land value
- Roading Uniform Targeted Rate (UTR) (fixed amount on every property in our district)
- Rural works charge (fixed amount on every rural zoned property).

We use the rural works charge and the roading UTR to reduce the share of roading rates levied on higher value properties. If these fixed charges were not included, large pastoral farms for example, would be liable for an unfairly large share of the revenue required for roading.

We are unable to collect direct user charges; only central government can charge road user fees and levy petrol tax.

The roading rate on land value is calculated using the following differentials:

- | | |
|-------------------------------------|-----|
| • Residential zoned areas | 1.0 |
| • Rural zoned areas | 1.0 |
| • Commercial/industrial zoned areas | 2.0 |
| • Post-harvest zoned areas | 2.0 |

8. Targeted rates

We use targeted rates (as defined in the Local Government (Rating) Act 2002) to collect funds over areas of benefit. This rating tool is chosen where the services provided are specific to a particular community or area within our District and it is not considered fair to charge all ratepayers, e.g. charges for town centre promotion and community halls. Details of these rates are shown in the Funding Impact Statement, chapter one from pages 27 to 45. These rates may be collected on a uniform (fixed) basis per property or on the capital value of each property.

9. Water

Water rates are charged using a metered or unmetered Uniform Targeted Rate (UTR)

Our policy for water supply is that all properties connected to Council's water supply should be metered. In June 2018, Council completed a ten-year project to install meters to all connected properties in the District. In establishing the criteria for water metering we have recognised the environmental benefits that would result from water conservation if all users were metered and balanced that against the cost of installing meters on all properties and the affordability of such a strategy. This has improved Council's ability to measure and manage water usage and reduce losses within the District.

In establishing the criteria for water metering we have recognised the environmental benefits that would result from water conservation if all users were metered and balanced that against the cost of installing meters on all properties and the affordability of such a strategy.

Where meters are in use charges are as follows:

- Each property will be charged the metered Uniform Targeted Water Rate for the first meter; and
- An additional Uniform Targeted Rate will be charged for every additional meter on the property. This covers the costs of reading, billing, maintenance and future meter replacement
- Connections larger than 20mm will be charged additional UTRs in proportion to the capacity of the connection
- A charge based on water consumption per m³ is also levied

Where unmetered connections are in place a single annual charge is levied. This charge is higher than the metered water annual charge to take into account water usage.

10. Wastewater

Our policy on wastewater charges is:

10.1 Uniform Targeted Rate

All properties connected or available to be connected (within 30 metres of a public wastewater drain) will be charged a Uniform Targeted Wastewater Rate.

10.2 Multiple connection charges

We have a policy for charging properties with more than one toilet. It applies to all wastewater schemes.

- Each residential household will pay one standard connection charge to the wastewater scheme regardless of the number of toilets in the dwelling. This charge covers fixed and variable costs.

- For non-residential properties with more than one toilet in Katikati, Omokoroa, Te Puke and Waihi Beach, each property will pay the standard connection charge for the first toilet. For each additional toilet, the charge will be:

- 25% of the variable cost component of the standard connection charge, plus
- 100% the full fixed cost component of the standard connection charge.

- For non-residential properties with more than one toilet in Maketu, each property will pay the standard connection charge for the first toilet. For each additional toilet, the charge will be:

- 100% of the variable cost component of the standard connection charge, plus
- 100% the full fixed cost component of the standard connection charge.

Our intention is to achieve a fair allocation of the costs of the wastewater scheme based on the usage of capacity in the system. We acknowledge that in some instances additional toilets may be installed in non-residential properties for convenience which may not result in an increase in total usage.

We reviewed our multiple pan remission policy in 2015 to address instances where organisations would be charged unduly high amounts by the application of this policy. See page 430 in the Long Term Plan 2018-2028 for further detail.

11. Schools

Although the Rating Powers (Special Provision for Certain Rates for Educational Establishments) Amendment Act 2001 was repealed, schools are charged for sewage disposal on the same basis as that envisaged by the Act but as a targeted rate for each individual school in our District. This is because schools by and large, have accepted the levies charged.

Revenue and Financing Polices

To view all the revenue and financing policies visit www.westernbay.govt/our-council/council-publications/LongTermPlan2018-2028

SUMMARY OF SPECIFIC RATES POLICIES

In addition to Council's overall rating policies, specific policies have also been established over time to accommodate individual ratepayer circumstances that have been identified as requiring a specific approach. By having these specific policies available Council considers it provides a more equitable and fair rating system. These policies can be viewed in the Long Term Plan 2018-2028 in Chapter five from page 420.

Council's specific rates policies:

- Discount for early payment of rates in current financial year
- Rates remission on covenanted land
- Remission of rates penalties
- Rates remission on Māori freehold land
- Rates postponement for financial hardship
- Rate postponement for homeowners aged over 65 years
- Rates remission on re-zoned land
- Rates remission for contiguous land
- Rates remission for land used for sport and games
- Rates remission of wastewater charges (summary)
- Rates remissions for natural disasters and emergencies

SPECIFIC RATES POLICIES

To view all the rates policies visit www.westernbay.govt.nz/our-council/council-publications/LongTermPlan2018-2028

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An additional policy on the early payment of rates for subsequent years will be consulted on as part of the Annual Plan 2019-20 from 18 March - 18 April 2019.

For more information see www.westernbay.govt.nz/annual-plan-2019-20.



SIGNIFICANT ACCOUNTING POLICIES

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This section includes financial statements and information. The Local Government Act 2002 requires Council to include forecast financial statements for the local authority within the Annual Plan. The main purpose of providing prospective financial statements is to enable stakeholders (residents and ratepayers, other local authorities, business community groups and government regulatory bodies etc.) to make decisions regarding Council and how it conducts its business. This prospective financial information includes the Prospective Statement of Comprehensive Revenue and Expense, the Prospective Statement of Financial Position, the Prospective Statement of Changes in Equity, the Prospective Statement of Cash Flows, and the accompanying Prospective Statement of Accounting Policies and Notes to the Financial Statements. This information must be prepared according to generally accepted accounting practice (GAAP) and recognised accounting standards.

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

The Prospective Statement of Comprehensive Revenue and Expense shows all of Council's prospective revenue earned and expenses incurred for the year ended 30 June 2019. Revenue includes revenue received from rates and other revenue such as investment revenue, rent and fees while expenses paid includes costs such as operating costs, interest payments and depreciation.

This Prospective Statement shows how total comprehensive revenue and expense is arrived at. Total comprehensive revenue and expense is then added or subtracted from Council's equity as shown in the Prospective Statement of Changes in Equity.

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

This Prospective Statement provides information about the nature of changes in Council's equity for the year ended 30 June 2019.

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

The Prospective Statement of Financial Position shows the assets and liabilities of the Council as at 30 June 2019.

Assets include cash, accounts receivable (money owed to Council but not yet received), investments, land, buildings, operational and infrastructural assets. Current assets are amounts owed to Council that are expected to be received within the next 12 months while current liabilities are Council's debts that are due to be paid within the next 12 months. Investments are Council funds held in revenue earning securities while property, plant and equipment are of a permanent nature and are held for the benefit of the community.

Non-current liabilities represent money owed by Council that does not have to be paid within the next 12 months.

PROSPECTIVE STATEMENT OF CASH FLOWS

This Prospective Statement covers all the inflows and outflows of cash during the year covered by the Prospective Statement of Comprehensive Revenue and Expense. The Prospective Statement of Cash Flows identifies the sources and application of cash in respect of Council's operating, investing and financing activities.

PROSPECTIVE STATEMENT OF ACCOUNTING POLICIES

These explain the basis upon which the prospective financial Prospective Statements are prepared. They explain the methods adopted by Council used to measure the transactions incorporated into the financial Prospective Statements above.

PROSPECTIVE FUNDING IMPACT STATEMENTS

The Prospective Funding Impact Statements ("PFIS") have been prepared in accordance with the Local Government (Financial Reporting) Regulations 2011, which came into effect 11 July 2011. This is a reporting requirement unique to local government and the disclosures contained within and the presentation of these statements is not prepared in accordance with generally accepted accounting practices.

The purpose of these statements is to report the net cost of services for significant groups of activities ("GOA") of Council, and are represented by the revenue that can be attributed to these activities less the costs of providing the service. They contain all the funding sources for these activities and all the applications of this funding by these activities. The GOA PFIS includes internal transactions between activities such as internal overheads and charges applied and or recovered and internal borrowings.

The PFIS is also prepared at the whole of Council level summarising the transactions contained within the GOA PFIS, eliminating internal transactions, and adding in other transactions not reported in the GOA statements. These items include but are not limited to gain and/or losses on revaluation and vested assets.

They also depart from GAAP as funding sources are disclosed within the PFIS as being either for operational or capital purposes. Revenue such as subsidies received for capital projects, development contributions and proceeds from the sale of assets are recorded as capital funding sources. Under GAAP these are treated as revenue in the Prospective Statement of Comprehensive Revenue and Expense.

STATEMENT OF ACCOUNTING POLICIES FOR PROSPECTIVE FINANCIAL STATEMENTS

REPORTING ENTITY

Western Bay of Plenty District Council (Western Bay Council) is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing Western Bay Council's operations includes the LGA and the Local Government (Rating) Act 2002.

Western Bay Council provides local infrastructure, local public services, and performs regulatory functions to the community. Western Bay Council does not operate to make a financial return.

Western Bay Council has designated itself as public benefit entities (PBEs) for the purposes of complying with generally accepted accounting practice.

BASIS OF PREPARATION

These set of prospective financial statements have been prepared in accordance with NZ generally accepted accounting practice (GAAP) and opening balances for the year ended 30 June 2018. Estimates have been restated accordingly if required. No actual financial results have been incorporated within the prospective financial statements.

Council and management of Western Bay of Plenty District Council accept responsibility for the preparation of the prospective financial statements, including the appropriateness of the assumptions underlying the prospective financial statements and other required disclosures.

The financial information contained within this Annual Plan may not be appropriated for purposes other than those described.

The prospective financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout.

STATEMENT OF COMPLIANCE

The prospective financial statements of Western Bay Council have been prepared in accordance with the requirements of the Local Government Act 2002 (LGA), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). The prospective financial statements of the Council have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP) R), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The prospective financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

These prospective financial statements comply with PBE Standards.

MEASUREMENT BASE

The prospective financial statements have been prepared on an historical cost basis, except where modified by the revaluation of land and buildings, certain infrastructural assets, investment property, forestry assets and certain financial instruments (including derivative instruments).

PRESENTATION CURRENCY AND ROUNDING

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these prospective financial statements, Council has made estimates and assumptions concerning the future, these are outlined in Chapter One from page 15 to 17. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

CAUTIONARY NOTE

The information in the prospective financial statements is uncertain and the preparation requires the exercise of judgement. Actual financial results achieved for the period covered are likely to vary from the information presented, and the variations may be material. Events and circumstances may not occur as expected or may not have been predicted or Council may subsequently take actions that differ from the proposed courses of action on which the prospective financial statements are based.

The information contained within these prospective financial statements may not be suitable for use in another capacity.

STANDARDS ISSUED AND NOT YET EFFECTIVE AND NOT YET ADOPTED

Standards, and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Council are:

Interests in other entities

In January 2017, the XRB issued new standards for interests in other entities (PBE IPSAS 34-38). These new standards replace the existing standards for interests in other entities (PBE IPSAS 6-8). The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted.

The Council plans to apply the new standards in preparing the 30 June 2020 financial statements. The Council do not expect the impact of this standard to have a material effect on the financial forecasts.

Financial instruments

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses
- Revised hedge accounting requirements to better reflect the management of risks.

The Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council do not expect the impact of this standard to have a material effect on the financial forecasts.

Employee benefits

In May 2017, the XRB issued PBE IPSAS 39 Employee Benefits. PBE IPSAS 39 replaces PBE IPSAS 25 Employee benefits. PBE IPSAS 39 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted. The Council plans to apply the new standard in preparing the 30 June 2020 financial statements. The Council do not expect the impact of this standard to have a material effect on the financial forecasts.

Service Performance Reporting

In November 2017, the XRB issued PBE FRS 48 Service Performance Reporting. PBE IPSAS 48 is effective for annual periods beginning on or after 1 January 2021, with early adoption permitted. The Council plans to apply the new standard in preparing the 30 June 2022 financial statements. The Council do not expect the impact of this standard to have a material effect on the financial forecasts.

CHANGES IN ACCOUNTING POLICIES

There have been no other changes in accounting policy.

ASSUMPTIONS UNDERLYING PROSPECTIVE FINANCIAL INFORMATION

The financial information contained within these policies and statements is prospective information and has been prepared in compliance with PBE FRS 42: Prospective Financial Information. The purpose for which it has been prepared is to enable the public to participate in the decision-making processes as to the services to be provided by Western Bay of Plenty District Council over the financial years from 1 July 2018 - 30 June 2019, and to provide a broad accountability mechanism of the Council to the community.

SIGNIFICANT ACCOUNTING POLICIES

ASSOCIATE ENTITIES

Western Bay Council's entities associate investment is accounted for in the financial statements using the equity method. An associate is an entity over which Western Bay Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. Western Bay Council has a 9.7% share in Bay of Plenty Local Authority Shared Services Limited (BOPLASS). The Council also has a 50% ownership in Western Bay of Plenty Tourism and Visitors' Trust.

The investment in an associate is initially recognised at cost and the carrying amount in the group financial statements is increased or decreased to recognise the group's share of the surplus or

deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment in the group financial statements.

If the share of deficits of an associate equals or exceeds its interest in the associate, the group discontinues recognising its share of further deficits. After the group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that Western Bay Council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Where the group transacts with an associate, surpluses or deficits are eliminated to the extent of the group's interest in the associate.

REVENUE

Revenue is measured at fair value.

Rates revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. Western Bay Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue
- Rates arising from late payment penalties are recognised as revenue when rates become overdue
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis
- Rates remissions are recognised as a reduction of rates revenue when Western Bay Council has received an application that satisfies its rates remission policy
- Rates collected on behalf of the Bay of Plenty Regional Council (BOPRC) are not recognised as revenue in the financial statements, as Western Bay Council is acting as an agent for the BOPRC.

Financial contributions

The Resource Management Act 1991 is the governing legislation regarding the charging of financial contributions.

Financial contributions are recognised as revenue when Western Bay Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as Western Bay Council provides, or is able to provide, the service.

New Zealand Transport Agency roading subsidies

Western Bay Council receives funding assistance from the New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Building and resource consent revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Entrance fees

Entrance fees are fees charged to users of Western Bay Council's local pools. Revenue from entrance fees is recognised upon entry to such facilities.

Sales of goods

Revenue from the sale of goods is recognised when a product is sold to the customer.

Infringement fees and fines

Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued. The fair value of this revenue is determined based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2-year period.

Vested or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when Western Bay Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

For long-lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), Western Bay Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if Western Bay Council expects that it will need to return or pass the asset to another party.

Donated and bequeathed financial assets

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability released to revenue as the conditions are met (e.g. as the funds are spent for the nominated purpose).

Interest and dividends

Interest revenue is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.

Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre-acquisition surpluses, the dividend is deducted from the cost of the investment.

Construction contracts

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred up to the balance date as a percentage of total estimated costs for each contract.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and an allocation of overhead expenses incurred in connection with Council's construction activities in general.

An expected loss on construction contracts is recognised immediately as an expense in the statement of comprehensive revenue and expense.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amounts are presented under other liabilities.

BORROWING COSTS

Borrowing costs are recognised as an expense in the period in which they are incurred.

GRANT EXPENDITURE

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Western Bay Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by Western Bay Council and the approval has been communicated to the applicant. Western Bay Council's grants awarded have no substantive conditions attached.

FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into NZ\$ (the functional currency) using the spot exchange rate at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

INCOME TAX

Western Bay Council does not pay income tax as Section CW39 of the Income Tax Act 2007 specifically exempts income derived by a local authority from income tax, unless that income is derived from a Council Controlled Organisation, a port related commercial undertaking or as a trustee.

LEASES

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item and the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether Western Bay Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Western Bay Council does not currently have any finance leases.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

ASSETS

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Receivables

Receivables are recorded at their face value, less any provision for impairment.

Short-term receivables are recorded at the amount due, less any provision for uncollectability. A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the

present value of the amount expected to be collected.

Derivative financial instruments and hedge accounting

Derivative financial instruments are used to manage exposure to foreign exchange arising from Western Bay Council's operational activities and interest rate risks arising from Western Bay Council's financing activities. In accordance with its treasury policy, Western Bay Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

Western Bay Council has elected not to hedge account.

The associated gains or losses on derivatives that are not hedge accounted are recognised in the surplus or deficit.

OTHER FINANCIAL ASSETS

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which Western Bay Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Western Bay Council has transferred substantially all the risks and rewards of ownership.

Financial assets are classified into the following categories for the purpose of measurement:

- fair value through surplus or deficit
- loans and receivables
- held-to-maturity investments; and
- fair value through other comprehensive revenue and expense.

The classification of a financial asset depends on the purpose for which the instrument was acquired.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into a hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. The current/non-current classification of derivatives is explained in the derivatives accounting policy above.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on remeasurement recognised in the surplus or deficit.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

FAIR VALUE

Fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date. Western Bay Council includes in this category:

- investments that Western Bay Council intends to hold long-term but which may be realised before maturity; and
- shareholdings that Western Bay Council holds for strategic purposes.

On derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

Loans and receivables, and held-to-maturity investments

Impairment is established when there is evidence that the Council and group will not be able to collect amounts due according to the original terms of the receivable.

Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired.

The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government bonds, and community loans, are recognised directly against the instrument's carrying amount.

Financial assets at fair value through other comprehensive revenue and expense

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment consist of:

- (a) **Operational assets**
These include land, buildings, landfill post-closure, library books, plant and equipment, and motor vehicles.

(b) Restricted assets

Restricted assets are mainly parks and reserves owned by Western Bay Council and group that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

(c) Infrastructure assets

Infrastructure assets are the fixed utility systems owned by Western Bay Council and group. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations. Land (operational and restricted) is measured at fair value, and buildings (operational and restricted), library books, and infrastructural assets are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Revaluation

Land and buildings (operational and restricted) library books, and infrastructural assets (with the exception of land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis. The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset.

Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Transportation assets including roads, bridges and footpaths were revalued at depreciated replacement cost at 1 July 2014 and certified by Opus International Consultants Limited.

Water, wastewater and stormwater assets including reticulation, treatment plants, reservoirs and bores were revalued at depreciated replacement cost at 1 July 2014 and certified by Aecom New Zealand Limited.

Land and buildings, including land under roads, were revalued at fair value at 1 July 2014 by Opteon. Library books were revalued at fair value by Aecom at 1 July 2014 and Marine assets were revalued at fair value by Tonkin and Taylor at 1 July 2014.

All other asset classes are carried at depreciated historical cost.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Western Bay Council and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and group and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Depreciation

Depreciation is provided on a straight-line basis on all buildings, bridges, reticulation assets and other structures, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Diminishing value is used for motor vehicles, office equipment and furnishings, library books and computer systems. Land and drains are non-depreciable. The useful lives and associated depreciation rates of major classes of assets have been estimated as followed overleaf.

BUILDINGS

• Concrete	100 years	Straight line
• Wooden	40 years	Straight line
• Improvements	10 years	Straight line
Land		Not depreciated
Other plant and equipment	10 years	Diminishing value
Office equipment and furnishings	10 years	Diminishing value
Computer systems	5 years	Diminishing value
Motor vehicles	5 years	Diminishing value
Library books	10-15 years	Straight line
Infrastructural assets		
Roading network		
• Pavements (base course)	25 to 75 years	Straight line
• Seal	12 years	Straight line
• Unsealed	3 to 5 years	Straight line
• Other	5 to 70 years	Straight line
• Formation (not depreciated)		

BRIDGES

• Concrete	100 years	Straight line
• Steel	50 years	Straight line

RETICULATION

• Water	20 to 60 years	Straight line
• Sewerage	60 to 100 years	Straight line
• Stormwater	80 to 120 years	Straight line
• Treatment plant and equipment	25 to 50 years	Straight line

OTHER STRUCTURES

• Wooden reservoirs	80 years	Straight line
• Concrete reservoirs	100 years	Straight line
• Dams	100 years	Straight line
• Bores	100 years	Straight line

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each balance date.

Impairment of property, plant, and equipment

Property, plant, and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit. For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

Intangible assets**Software acquisition and development**

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

Easements

Easements are recognised at cost, being the costs directly attributable to bringing the asset to its intended use. Easements have an indefinite useful life and are not amortised, but are instead tested for impairment annually.

Carbon credits

Purchased carbon credits are recognised at cost on acquisition. Free carbon credits received from the Crown are recognised at fair value on receipt. They are not amortised, but are instead tested for impairment annually.

They are derecognised when they are used to satisfy carbon emission obligations.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software	3 to 5 years	20% to 33.3%
Resource consents	life of the asset	5%
Property subdivision rights	19 years	5.3%

Impairment of intangible assets

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use are not subject to amortisation and are tested annually for impairment.

Forestry assets

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected future cash flows discounted at a current market determined rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs, and silvicultural costs and takes into consideration environmental, operational, and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in the surplus or deficit.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

Investment property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, all investment property is measured at fair value at each reporting date. Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Payables

Short-term creditors and other payables are recorded at their face value.

Borrowings

Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

EMPLOYEE ENTITLEMENTS**Short-term employee entitlements**

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retirement gratuity and long-service leave expected to be settled within 12 months and sick leave. A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where the Western Bay Council has a contractual obligation or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Sick leave, annual leave, and vested long service leave are classified as a current liability. Non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

PROVISIONS

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

Landfill post-closure provision

Western Bay Council as operator of the Te Puke and Athenree landfills, has a legal obligation under the resource consent to provide ongoing maintenance and monitoring services at the landfill sites after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including legal requirements and known improvements in technology. The provision includes all costs associated with landfills post-closure.

FINANCIAL GUARANTEE CONTRACTS

A financial guarantee contract is a contract that requires the Western Bay Council to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, the fair value of the liability is initially measured using a valuation technique, such as considering the credit enhancement arising from the guarantee or the probability that Western Bay Council will be required to reimburse a holder for a loss incurred discounted to present value. If the fair value of a guarantee cannot be reliably determined, a liability is only recognised when it is probable there will be an outflow under the guarantee.

Financial guarantees are subsequently measured at the higher of:

- the present value of the estimated amount to settle the guarantee obligation if it is probable there will be an outflow to settle the guarantee, and
- the amount initially recognised less, when appropriate, cumulative amortisation as revenue.

EQUITY

Equity is the community's interest in the Western Bay Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- Accumulated funds
- Restricted reserves
- Property revaluation reserve
- Fair value through other comprehensive revenue and expense reserve, and
- Council created reserves.

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Western Bay Council.

Restricted reserves include those subject to specific conditions accepted as binding by the Western Bay Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Western Bay Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Western Bay Council.

Property revaluation reserve

This reserve relates to the revaluation of property, plant, and equipment to fair value.

Fair value through other comprehensive revenue and expense reserve

This reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

Council created reserves

These reserves are made up general reserves and form a component of equity. They include Asset replacement reserves, disaster contingency reserves and general reserves.

GOODS AND SERVICES TAX (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The 2018 budget figures are those approved by the Council in its 2017-18 annual plan which have subsequently been revised due to the shift in opening balances arising from the 2016-17 Annual Report. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

COST ALLOCATION

The cost of service for each significant activity of the Council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers, and floor area.

ACTIVITY FUNDING IMPACT STATEMENTS

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WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT FOR 30 JUNE 2019 (WHOLE OF COUNCIL)

FOR THE YEARS ENDED 30 JUNE		ACTUAL \$'000 2018	ANNUAL PLAN \$'000 2019	LTP FORECAST \$'000 2020	ANNUAL PLAN \$'000 2020
Sources of operating funding					
General rates, uniform annual charges, rates penalties		22,140	25,556	26,507	26,982
Targeted rates		38,865	42,425	44,663	44,103
Subsidies and grants for operating purposes		16,030	5,362	4,706	4,499
Fees and charges		9,788	6,470	6,708	6,257
Interest and dividends from investments		132	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts		8,878	3,025	3,219	3,136
Total operating funding	(A)	95,833	82,838	85,803	84,977
Applications of operating funding					
Payments to staff and suppliers		54,573	58,416	59,223	61,313
Finance costs		8,788	8,000	8,000	8,000
Other operating funding applications		101	408	-	-
Total applications of operating funding	(B)	63,463	66,823	67,223	69,313
Operating funding - surplus/(deficit)	(A-B)	32,370	16,015	18,579	15,664
Sources of capital funding					
Subsidies and grants for capital expenditure		-	4,125	4,500	4,603
Development and financial contributions		9,506	8,786	9,806	9,585
Increase/(decrease) in debt		(1,642)	10,138	10,956	12,219
Gross proceeds from sale of assets		(384)	85	87	85
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total Sources of capital funding	(C)	7,480	23,135	25,349	26,492
Applications of capital funding					
Capital Expenditure					
• to meet additional demand		14,202	17,444	20,913	18,551
• to improve the level of service		15,827	9,112	9,333	13,103
• to replace existing assets.		8,968	12,746	13,333	11,079
Increase/(decrease) in reserves		839	(152)	349	(576)
Increase/(decrease) in investments		16	-	-	-
Total applications of capital funding	(D)	39,852	39,150	43,928	42,156
Capital funding - surplus/(deficit)	(C-D)	(32,370)	(16,015)	(18,579)	(15,664)
Funding balance	((A-B) + (C-D))	-	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT - REPRESENTATION

FOR THE YEARS ENDED 30 JUNE		ACTUAL	ANNUAL PLAN	LTP FORECAST	ANNUAL PLAN
		\$'000	\$'000	\$'000	\$'000
		2018	2019	2020	2020
Sources of operating funding					
General rates, uniform annual charges, rates penalties		2,700	3,773	3,415	3,456
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		-	-	-	-
Internal charges and overheads costs recovered		590	821	849	702
Local authority fuel tax, fines, infringement fees and other receipts		3	-	77	75
Total operating funding	(A)	3,293	4,593	4,340	4,233
Applications of operating funding					
Payments to staff and suppliers		1,387	2,027	2,105	2,145
Finance costs		(58)	-	-	-
Internal charges and overheads applied		1,785	2,153	2,222	2,076
Other operating funding applications		101	408	-	-
Total applications of operating funding	(B)	3,215	4,587	4,328	4,221
Operating funding - surplus/(deficit)	(A-B)	79	6	12	12
Sources of capital funding					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase/(decrease) in debt		-	-	-	-
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total Sources of capital funding	(C)	-	-	-	-
Applications of capital funding					
Capital Expenditure		-	-	-	-
• to meet additional demand		-	-	-	-
• to improve the level of service		-	-	-	-
• to replace existing assets		-	-	-	-
Increase/(decrease) in reserves		79	6	12	12
Increase/(decrease) in investments		-	-	-	-
Total applications of capital funding	(D)	79	6	12	12
Capital funding - surplus/(deficit)	(C-D)	(79)	(6)	(12)	(12)
Funding balance	((A-B) + (C-D))	-	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT - PLANNING FOR THE FUTURE

FOR THE YEARS ENDED 30 JUNE	ACTUAL	ANNUAL PLAN	LTP FORECAST	ANNUAL PLAN
	\$'000	\$'000	\$'000	\$'000
	2018	2019	2020	2020
Sources of operating funding				
General rates, uniform annual charges, rates penalties	2,296	2,642	2,567	2,848
Targeted rates	13	13	13	13
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges and overheads costs recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	-	-	-	-
Total operating funding (A)	2,309	2,655	2,580	2,860
Applications of operating funding				
Payments to staff and suppliers	1,501	1,853	1,754	1,915
Finance costs	(37)	(163)	(172)	(43)
Internal charges and overheads applied	770	784	809	927
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	2,235	2,473	2,391	2,799
Operating funding - surplus/(deficit) (A-B)	74	181	189	61
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding (C)	-	-	-	-
Applications of capital funding				
Capital Expenditure				
• to meet additional demand	-	-	-	-
• to improve the level of service	-	-	-	-
• to replace existing assets	-	-	-	-
Increase/(decrease) in reserves	74	181	189	61
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding (D)	74	181	189	61
Capital funding - surplus/(deficit) (C-D)	(74)	(181)	(189)	(61)
Funding balance ((A-B) + (C-D))	-	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT - COMMUNITIES

FOR THE YEARS ENDED 30 JUNE		ACTUAL \$'000	ANNUAL PLAN \$'000	LTP FORECAST \$'000	ANNUAL PLAN \$'000
		2018	2019	2020	2020
Sources of operating funding					
General rates, uniform annual charges, rates penalties		3,589	4,704	4,790	4,702
Targeted rates		1,929	1,838	1,879	1,802
Subsidies and grants for operating purposes		437	-	-	-
Fees and charges		83	75	77	75
Internal charges and overheads costs recovered		793	860	901	894
Local authority fuel tax, fines, infringement fees and other receipts		594	477	499	485
Total operating funding	(A)	7,424	7,954	8,146	7,958
Applications of operating funding					
Payments to staff and suppliers		4,360	4,793	4,733	5,479
Finance costs		(119)	50	54	16
Internal charges and overheads applied		2,331	2,708	2,864	2,526
Other operating funding applications		-	-	-	-
Total applications of operating funding	(B)	6,572	7,552	7,650	8,021
Operating funding - surplus/(deficit)	(A-B)	852	402	496	(63)
Sources of capital funding					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase/(decrease) in debt		2,956	215	73	452
Gross proceeds from sale of assets		(3)	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total Sources of capital funding	(C)	2,953	215	73	452
Applications of capital funding					
Capital Expenditure					
• to meet additional demand		4,133	169	79	194
• to improve the level of service		4	-	-	-
• to replace existing assets		932	361	377	369
Increase/(decrease) in reserves		(1,263)	87	113	(175)
Increase/(decrease) in investments		-	-	-	-
Total applications of capital funding	(D)	3,806	617	569	388
Capital funding - surplus/(deficit)	(C-D)	(852)	(402)	(496)	63
Funding balance	((A-B) + (C-D))	-	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT - RECREATION AND LEISURE

FOR THE YEARS ENDED 30 JUNE		ACTUAL \$'000	ANNUAL PLAN \$'000	LTP FORECAST \$'000	ANNUAL PLAN \$'000
		2018	2019	2020	2020
Sources of operating funding					
General rates, uniform annual charges, rates penalties		5,423	6,155	6,784	6,711
Targeted rates		25	20	23	27
Subsidies and grants for operating purposes		104	367	153	163
Fees and charges		-	24	24	24
Internal charges and overheads costs recovered		1,258	1,383	1,421	1,303
Local authority fuel tax, fines, infringement fees and other receipts		1,006	692	752	702
Total operating funding	(A)	7,817	8,641	9,157	8,931
Applications of operating funding					
Payments to staff and suppliers		4,588	4,430	4,516	4,597
Finance costs		(267)	(193)	(134)	(127)
Internal charges and overheads applied		2,199	2,472	2,556	2,209
Other operating funding applications		-	-	-	-
Total applications of operating funding	(B)	6,520	6,709	6,938	6,679
Operating funding - surplus/(deficit)	(A-B)	1,296	1,933	2,219	2,252
Sources of capital funding					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		2,313	2,130	2,173	2,130
Increase/(decrease) in debt		(101)	1,221	591	674
Gross proceeds from sale of assets		45	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total Sources of capital funding	(C)	2,257	3,351	2,763	2,804
Applications of capital funding					
Capital Expenditure					
• to meet additional demand		511	3,032	2,168	2,402
• to improve the level of service		(101)	445	378	457
• to replace existing assets		1,141	1,384	1,471	1,465
Increase/(decrease) in reserves		2,002	423	966	733
Increase/(decrease) in investments		-	-	-	-
Total applications of capital funding	(D)	3,554	5,284	4,983	5,056
Capital funding - surplus/(deficit)	(C-D)	(1,296)	(1,933)	(2,219)	(2,252)
Funding balance	((A-B) + (C-D))	-	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT - REGULATORY SERVICES

FOR THE YEARS ENDED 30 JUNE		ACTUAL \$'000	ANNUAL PLAN \$'000	LTP FORECAST \$'000	ANNUAL PLAN \$'000
		2018	2019	2020	2020
Sources of operating funding					
General rates, uniform annual charges, rates penalties		2,529	2,688	2,621	3,876
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		5,404	5,945	6,170	6,035
Internal charges and overheads costs recovered		-	-	-	786
Local authority fuel tax, fines, infringement fees and other receipts		94	88	90	88
Total operating funding	(A)	8,027	8,721	8,881	10,785
Applications of operating funding					
Payments to staff and suppliers		5,422	5,991	6,045	6,601
Finance costs		(23)	(10)	(11)	(25)
Internal charges and overheads applied		2,578	2,640	2,767	4,121
Other operating funding applications		-	-	-	-
Total applications of operating funding	(B)	7,978	8,621	8,801	10,697
Operating funding - surplus/(deficit)	(A-B)	50	100	80	88
Sources of capital funding					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase/(decrease) in debt		-	-	10	10
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total Sources of capital funding	(C)	-	-	10	10
Applications of capital funding					
Capital Expenditure		-	-	-	-
• to meet additional demand		-	-	-	-
• to improve the level of service		-	-	-	-
• to replace existing assets		-	-	-	-
Increase/(decrease) in reserves		50	100	91	98
Increase/(decrease) in investments		-	-	-	-
Total applications of capital funding	(D)	50	100	91	98
Capital funding - surplus/(deficit)	(C-D)	(50)	(100)	(80)	(88)
Funding balance	((A-B) + (C-D))	-	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT - TRANSPORTATION

FOR THE YEARS ENDED 30 JUNE		ACTUAL \$'000	ANNUAL PLAN \$'000	LTP FORECAST \$'000	ANNUAL PLAN \$'000
		2018	2019	2020	2020
Sources of operating funding					
General rates, uniform annual charges, rates penalties					
		-	-	-	-
Targeted rates					
		13,926	13,000	13,695	13,201
Subsidies and grants for operating purposes					
		14,265	4,180	4,327	4,125
Fees and charges					
		17	10	10	15
Internal charges and overheads costs recovered					
		-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts					
		3,655	262	267	262
Total operating funding	(A)	31,863	17,452	18,300	17,603
Applications of operating funding					
Payments to staff and suppliers					
		9,582	8,950	9,157	9,050
Finance costs					
		851	866	1,052	479
Internal charges and overheads applied					
		1,253	1,437	1,474	1,402
Other operating funding applications					
		-	-	-	-
Total applications of operating funding	(B)	11,686	11,253	11,683	10,931
Operating funding - surplus/(deficit)	(A-B)	20,177	6,199	6,616	6,672
Sources of capital funding					
Subsidies and grants for capital expenditure					
		-	4,125	4,500	4,603
Development and financial contributions					
		2,659	2,113	2,671	2,614
Increase/(decrease) in debt					
		(6,094)	4,479	1,490	1,577
Gross proceeds from sale of assets					
		(73)	-	-	-
Lump sum contributions					
		-	-	-	-
Other dedicated capital funding					
		-	-	-	-
Total Sources of capital funding	(C)	(3,508)	10,717	8,661	8,794
Applications of capital funding					
Capital Expenditure					
• to meet additional demand					
		4,573	9,103	5,970	5,173
• to improve the level of service					
		10,548	3,385	4,379	8,817
• to replace existing assets					
		1,597	4,407	4,898	1,447
Increase/(decrease) in reserves					
		(48)	21	30	29
Increase/(decrease) in investments					
		-	-	-	-
Total applications of capital funding	(D)	16,669	16,916	15,277	15,466
Capital funding - surplus/(deficit)	(C-D)	(20,177)	(6,199)	(6,616)	(6,672)
Funding balance	((A-B) + (C-D))	-	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT - WATER SUPPLY

FOR THE YEARS ENDED 30 JUNE		ACTUAL \$'000 2018	ANNUAL PLAN \$'000 2019	LTP FORECAST \$'000 2020	ANNUAL PLAN \$'000 2020
Sources of operating funding					
General rates, uniform annual charges, rates penalties		-	-	-	-
Targeted rates		6,445	10,488	10,950	10,908
Subsidies and grants for operating purposes		-	-	62	-
Fees and charges		4,134	-	-	-
Internal charges and overheads costs recovered		-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts		11	-	-	-
Total operating funding	(A)	10,590	10,488	11,012	10,908
Applications of operating funding					
Payments to staff and suppliers		4,713	5,223	5,311	5,217
Finance costs		1,498	1,652	1,773	1,658
Internal charges and overheads applied		1,525	1,986	2,037	2,202
Other operating funding applications		-	-	-	-
Total applications of operating funding	(B)	7,735	8,861	9,121	9,077
Operating funding - surplus/(deficit)	(A-B)	2,855	1,627	1,891	1,831
Sources of capital funding					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		1,534	1,203	1,505	1,468
Increase/(decrease) in debt		1,111	1,973	3,676	4,561
Gross proceeds from sale of assets		(7)	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total Sources of capital funding	(C)	2,637	3,176	5,181	6,029
Applications of capital funding					
Capital Expenditure					
• to meet additional demand		1,877	1,562	3,971	3,725
• to improve the level of service		1,248	360	149	775
• to replace existing assets		2,367	2,881	2,951	3,360
Increase/(decrease) in reserves		-	-	-	-
Increase/(decrease) in investments		-	-	-	-
Total applications of capital funding	(D)	5,492	4,803	7,071	7,860
Capital funding - surplus/(deficit)	(C-D)	(2,855)	(1,627)	(1,891)	(1,831)
Funding balance	((A-B) + (C-D))	-	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT- STORMWATER

FOR THE YEARS ENDED 30 JUNE		ACTUAL \$'000 2018	ANNUAL PLAN \$'000 2019	LTP FORECAST \$'000 2020	ANNUAL PLAN \$'000 2020
Sources of operating funding					
General rates, uniform annual charges, rates penalties		1,629	995	1,372	1,018
Targeted rates		3,929	4,104	4,321	4,295
Subsidies and grants for operating purposes		-	38	38	38
Fees and charges		-	-	-	-
Internal charges and overheads costs recovered		-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts		6	-	-	-
Total operating funding	(A)	5,564	5,137	5,731	5,350
Applications of operating funding					
Payments to staff and suppliers		749	977	961	1,006
Finance costs		1,546	1,246	1,344	1,522
Internal charges and overheads applied		424	535	549	721
Other operating funding applications		-	-	-	-
Total applications of operating funding	(B)	2,719	2,758	2,854	3,249
Operating funding - surplus/(deficit)	(A-B)	2,845	2,378	2,877	2,101
Sources of capital funding					
Subsidies and grants for capital expenditure		-	1,140	1,351	-
Development and financial contributions		622	1,524	2,324	1,318
Increase/(decrease) in debt		(905)	-	-	2,815
Gross proceeds from sale of assets		9	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total Sources of capital funding	(C)	(274)	2,664	3,676	4,134
Applications of capital funding					
Capital Expenditure					
• to meet additional demand		1,486	2,000	3,008	2,720
• to improve the level of service		73	2,577	2,858	2,070
• to replace existing assets		1,013	465	687	1,445
Increase/(decrease) in reserves		-	-	-	-
Increase/(decrease) in investments		-	-	-	-
Total applications of capital funding	(D)	2,572	5,042	6,553	6,235
Capital funding - surplus/(deficit)	(C-D)	(2,845)	(2,378)	(2,877)	(2,101)
Funding balance	((A-B) + (C-D))	-	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT - NATURAL ENVIRONMENT

FOR THE YEARS ENDED 30 JUNE		ACTUAL	ANNUAL PLAN	LTP FORECAST	ANNUAL PLAN
		\$'000	\$'000	\$'000	\$'000
		2018	2019	2020	2020
Sources of operating funding					
General rates, uniform annual charges, rates penalties		246	224	238	263
Targeted rates		346	455	466	435
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		-	-	-	-
Internal charges and overheads costs recovered		-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts		-	-	-	-
Total operating funding	(A)	592	679	704	699
Applications of operating funding					
Payments to staff and suppliers		651	843	852	819
Finance costs		(4)	(27)	(27)	(3)
Internal charges and overheads applied		67	76	79	75
Other operating funding applications		-	-	-	-
Total applications of operating funding	(B)	713	893	904	891
Operating funding - surplus/(deficit)	(A-B)	(121)	(214)	(200)	(193)
Sources of capital funding					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		219	191	221	216
Increase/(decrease) in debt		(7)	17	18	18
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total Sources of capital funding	(C)	213	208	239	234
Applications of capital funding					
Capital Expenditure		-	-	-	-
• to meet additional demand		-	-	-	-
• to improve the level of service		-	-	-	-
• to replace existing assets		-	-	-	-
Increase/(decrease) in reserves		92	(6)	40	42
Increase/(decrease) in investments		-	-	-	-
Total applications of capital funding	(D)	92	(6)	40	42
Capital funding - surplus/(deficit)	(C-D)	121	214	200	193
Funding balance	((A-B) + (C-D))	-	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT - WASTEWATER

FOR THE YEARS ENDED 30 JUNE		ACTUAL \$'000 2018	ANNUAL PLAN \$'000 2019	LTP FORECAST \$'000 2020	ANNUAL PLAN \$'000 2020
Sources of operating funding					
General rates, uniform annual charges, rates penalties		1,912	1,292	1,965	1,298
Targeted rates		9,964	10,358	10,888	10,994
Subsidies and grants for operating purposes		1,045	604	-	-
Fees and charges		57	2	2	2
Internal charges and overheads costs recovered		-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts		64	-	-	-
Total operating funding	(A)	13,042	12,255	12,855	12,295
Applications of operating funding					
Payments to staff and suppliers		4,678	4,294	4,371	4,543
Finance costs		3,403	3,160	3,104	3,316
Internal charges and overheads applied		1,658	1,988	2,037	2,126
Other operating funding applications		-	-	-	-
Total applications of operating funding	(B)	9,739	9,442	9,512	9,985
Operating funding - surplus/(deficit)	(A-B)	3,303	2,813	3,344	2,310
Sources of capital funding					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		2,160	2,010	1,885	1,839
Increase/(decrease) in debt		635	(1,116)	1,860	1,082
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total Sources of capital funding	(C)	2,794	894	3,745	2,921
Applications of capital funding					
Capital Expenditure					
• to meet additional demand		1,215	280	4,584	3,226
• to improve the level of service		3,999	1,321	625	60
• to replace existing assets		883	2,126	1,931	1,995
Increase/(decrease) in reserves		-	(20)	(51)	(50)
Increase/(decrease) in investments		-	-	-	-
Total applications of capital funding	(D)	6,097	3,707	7,089	5,231
Capital funding - surplus/(deficit)	(C-D)	(3,303)	(2,813)	(3,344)	(2,310)
Funding balance	((A-B) + (C-D))	-	-	-	-

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

FOR THE YEARS ENDED 30 JUNE		ACTUAL \$'000 2018	ANNUAL PLAN \$'000 2019	LTP FORECAST \$'000 2020	ANNUAL PLAN \$'000 2020
Sources of operating funding					
General rates, uniform annual charges, rates penalties		415	708	708	728
Targeted rates		1,053	1,110	1,160	1,183
Subsidies and grants for operating purposes		179	173	126	173
Fees and charges		92	90	94	92
Internal charges and overheads costs recovered		-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts		121	33	34	33
Total operating funding	(A)	1,860	2,115	2,122	2,210
Applications of operating funding					
Payments to staff and suppliers		1,155	1,315	1,364	1,400
Finance costs		4	(8)	(18)	(22)
Internal charges and overheads applied		510	584	597	407
Other operating funding applications		-	-	-	-
Total applications of operating funding	(B)	1,668	1,892	1,943	1,785
Operating funding - surplus/(deficit)	(A-B)	192	223	180	425
Sources of capital funding					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase/(decrease) in debt		(190)	(215)	(174)	(413)
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total Sources of capital funding	(C)	(190)	(215)	(174)	(413)
Applications of capital funding					
Capital Expenditure					
• to meet additional demand		-	-	-	52
• to improve the level of service		-	-	-	-
• to replace existing assets		-	-	-	-
Increase/(decrease) in reserves		2	9	6	12
Increase/(decrease) in investments		-	-	-	-
Total applications of capital funding	(D)	2	9	6	12
Capital funding - surplus/(deficit)	(C-D)	(192)	(223)	(180)	(425)
Funding balance	((A-B) + (C-D))	-	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT - ECONOMIC

FOR THE YEARS ENDED 30 JUNE		ACTUAL	ANNUAL PLAN	LTP FORECAST	ANNUAL PLAN
		\$'000	\$'000	\$'000	\$'000
		2018	2019	2020	2020
Sources of operating funding					
General rates, uniform annual charges, rates penalties		675	754	782	773
Targeted rates		290	322	329	328
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		-	-	-	-
Internal charges and overheads costs recovered		-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts		2	2	2	2
Total operating funding	(A)	967	1,078	1,114	1,103
Applications of operating funding					
Payments to staff and suppliers		621	666	693	683
Finance costs		(88)	(87)	(92)	(132)
Internal charges and overheads applied		93	102	104	109
Other operating funding applications		-	-	-	-
Total applications of operating funding	(B)	626	681	706	660
Operating funding - surplus/(deficit)	(A-B)	341	397	408	443
Sources of capital funding					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase/(decrease) in debt		-	(29)	(30)	(29)
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total Sources of capital funding	(C)	-	(29)	(30)	(29)
Applications of capital funding					
Capital Expenditure					
• to meet additional demand		-	460	929	911
• to improve the level of service		-	-	-	-
• to replace existing assets		-	-	-	-
Increase/(decrease) in reserves		325	(91)	(551)	(497)
Increase/(decrease) in investments		16	-	-	-
Total applications of capital funding	(D)	341	368	378	414
Capital funding - surplus/(deficit)	(C-D)	(341)	(397)	(408)	(443)
Funding balance	((A-B) + (C-D))	-	-	-	-

WESTERN BAY OF PLENTY DISTRICT COUNCIL: FUNDING IMPACT STATEMENT - SUPPORT SERVICES

FOR THE YEARS ENDED 30 JUNE		ACTUAL \$'000	ANNUAL PLAN \$'000	LTP FORECAST \$'000	ANNUAL PLAN \$'000
		2018	2019	2020	2020
Sources of operating funding					
General rates, uniform annual charges, rates penalties		726	1,621	1,265	1,308
Targeted rates		945	718	937	918
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		-	324	330	14
Internal charges and overheads costs recovered		14,683	16,776	17,404	17,727
Local authority fuel tax, fines, infringement fees and other receipts		3,453	1,471	1,498	1,488
Total operating funding	(A)	19,808	20,910	21,434	21,455
Applications of operating funding					
Payments to staff and suppliers		15,166	17,052	17,361	17,859
Finance costs		2,082	1,513	1,126	1,362
Internal charges and overheads applied		2,132	2,375	2,482	2,511
Other operating funding applications		-	-	-	-
Total applications of operating funding	(B)	19,380	20,940	20,969	21,732
Operating funding - surplus/(deficit)	(A-B)	427	(31)	465	(277)
Sources of capital funding					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase/(decrease) in debt		953	2,069	1,118	1,472
Gross proceeds from sale of assets		(355)	85	87	85
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total Sources of capital funding	(C)	598	2,154	1,205	1,557
Applications of capital funding					
Capital Expenditure					
• to meet additional demand		407	838	204	200
• to improve the level of service		56	1,024	943	924
• to replace existing assets		1,035	1,123	1,018	998
Increase/(decrease) in reserves		(472)	(861)	(496)	(841)
Increase/(decrease) in investments		-	-	-	-
Total applications of capital funding	(D)	1,025	2,124	1,670	1,280
Capital funding - surplus/(deficit)	(C-D)	(427)	31	(465)	277
Funding balance	((A-B) + (C-D))	-	-	-	-

It's steady as we grow

Kerbside rubbish & recycling proposal Long Term Plan Amendment 2018-2028

Supporting information



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INTRODUCTION TO THE LONG TERM PLAN AMENDMENT

On the 13 December 2018 the Policy Committee approved the preparation of a Long Term Plan amendment on changes to kerbside waste and recycling services and to undertake a Special Consultative Procedure alongside the consultation on the Annual Plan 2019-20.

In the following pages you will find the proposed changes to the Long Term Plan 2018-28 that relate to the Solid Waste activity.

The amendment reflects Council's identified preferred options of:

- A Council-contracted recycling collection and separate glass collection
- A Council-contracted urban food scraps (urban areas) collection
- A Council contracted user-pays rubbish collection, and
- Council oversees the installation and operation of three rural recycling drop-off points.

The proposal has been developed over the past year, with investigations and detailed modelling being undertaken. As part of the supporting information on the consultation document, the three reports produced by Eunomia Consulting will be publicly available on the Council's website www.westernbay.govt.nz/annual-plan-2019-2020. These reports directly informed the development of the preferred options and provide substantial background and supporting detail.



LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter one (page 19) of the existing Long Term Plan 2018-2028 - Long Term Plan disclosure statement section

Long Term Plan disclosure statement

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings. The council is required to include this statement in its Long Term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates affordability benchmarks

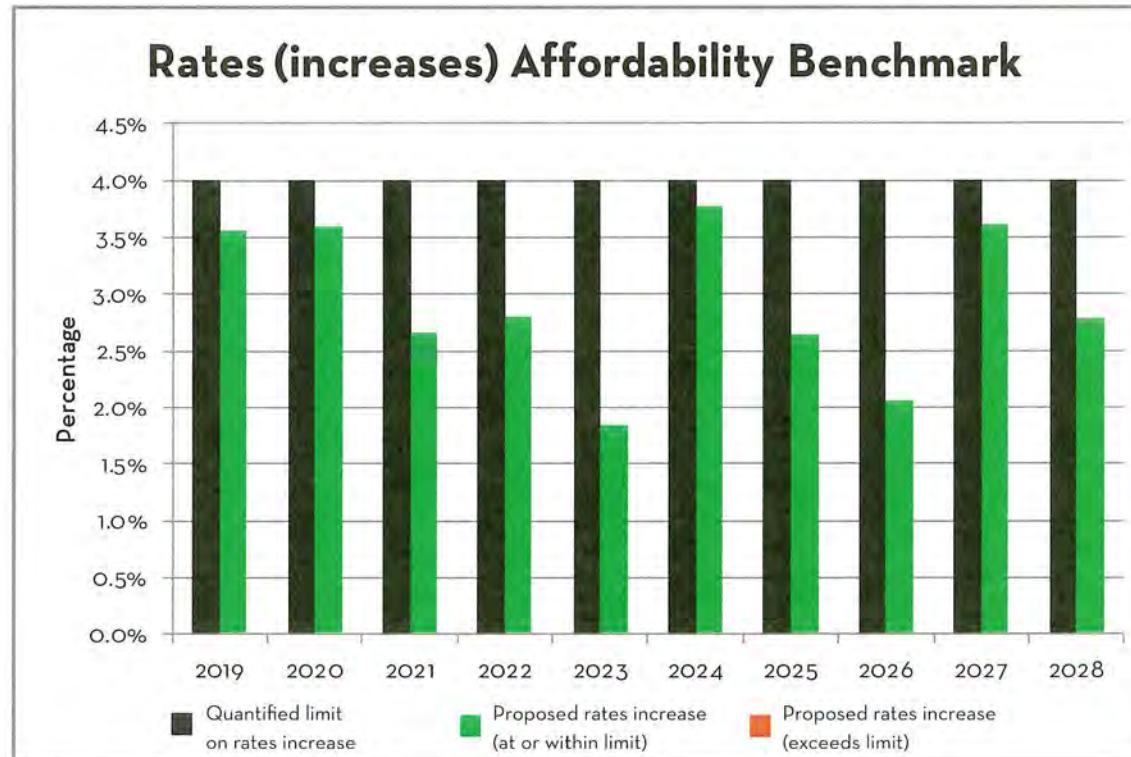
The Council meets the rates affordability benchmark if:

- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases.

Rates (Increases) Affordability Benchmark

The following graph compares the Council's planned rates with a quantified limit on rates contained in the Financial Strategy. The quantified limit is 4% (excluding growth).

Note: For the purposes of this benchmark rates income excludes rates penalties.

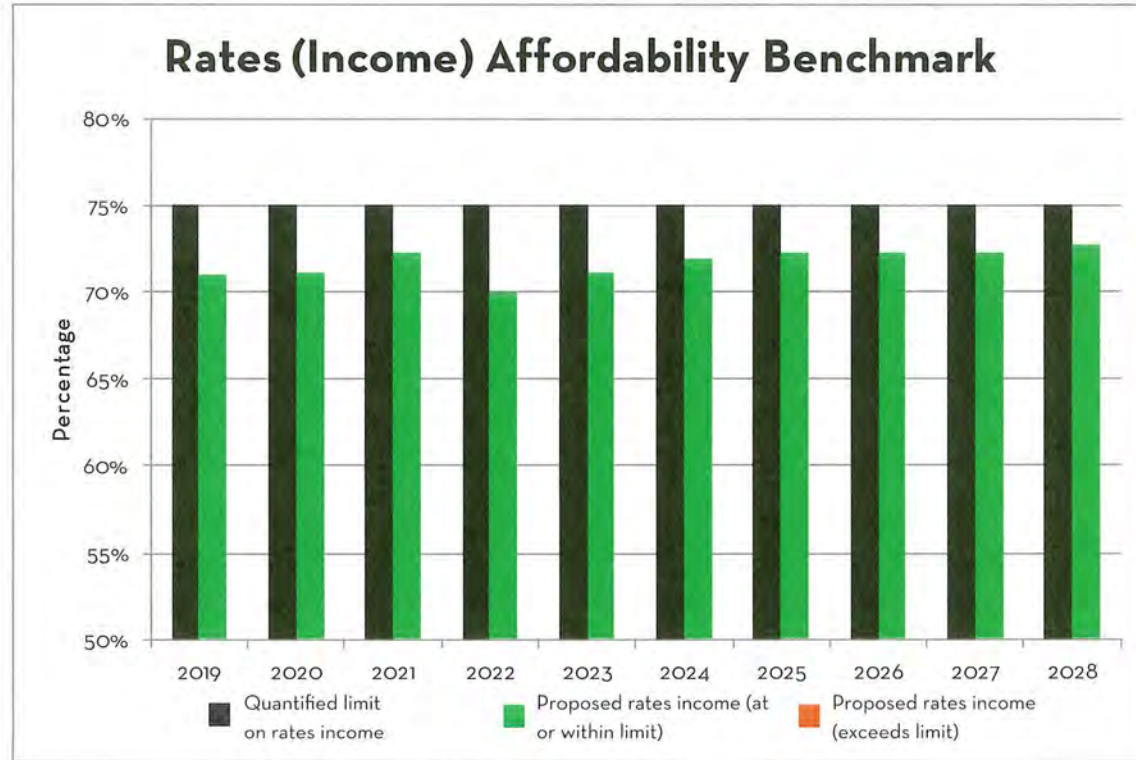


LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter one (page 20) of the existing Long Term Plan 2018-2028 - Long Term Plan disclosure statement section

Rates (Income) Affordability Benchmark

The following graph compares the Council's planned rates with a quantified limit on rates contained in the financial strategy included in this long-term plan. The quantified limit is limiting rates levels to a maximum of 75% of total revenue. For this benchmark total revenue excludes revenue from non-cash sources e.g. vested assets and revaluation movements.

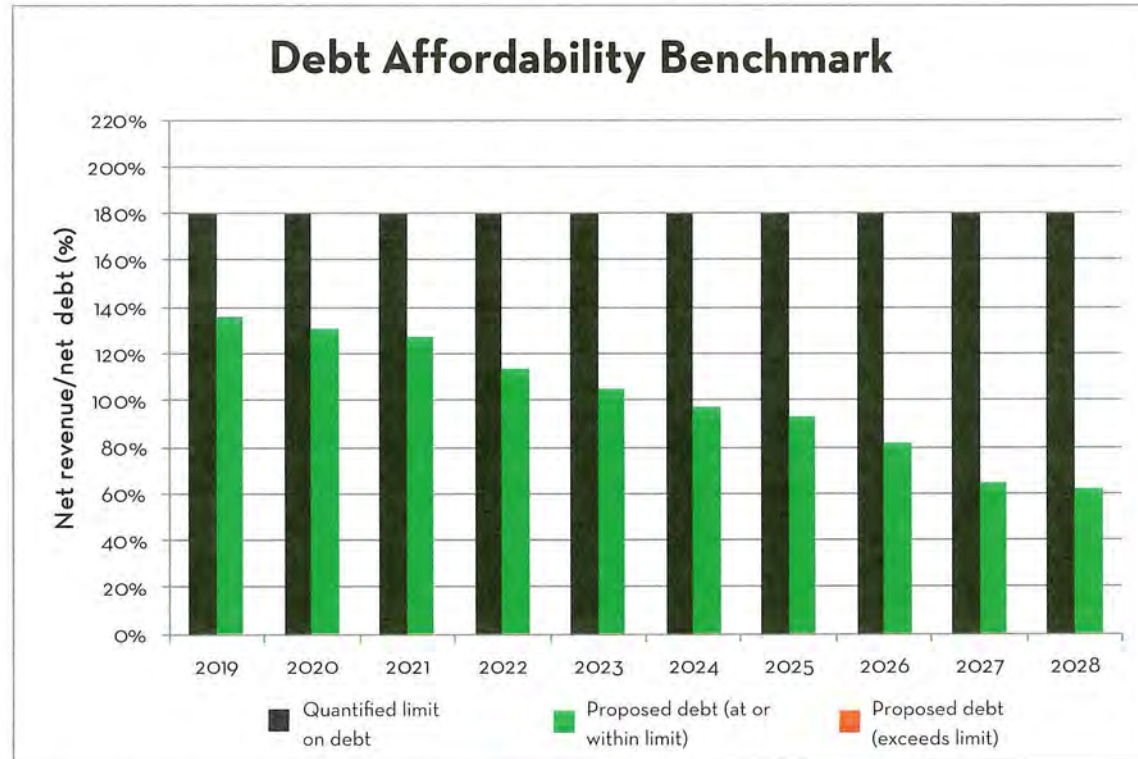


Note: Excludes vested assets.

Taken from chapter one (page 21) of the existing Long Term Plan 2018-2028 - Long Term Plan disclosure statement section

Debt affordability benchmark

The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing. The following graph compares the Council's planned debt with a quantified limit on borrowing contained in the financial strategy. The quantified limit is that debt will not exceed 180% of revenue (excluding financial contributions and vested assets) during 2019 - 2028.



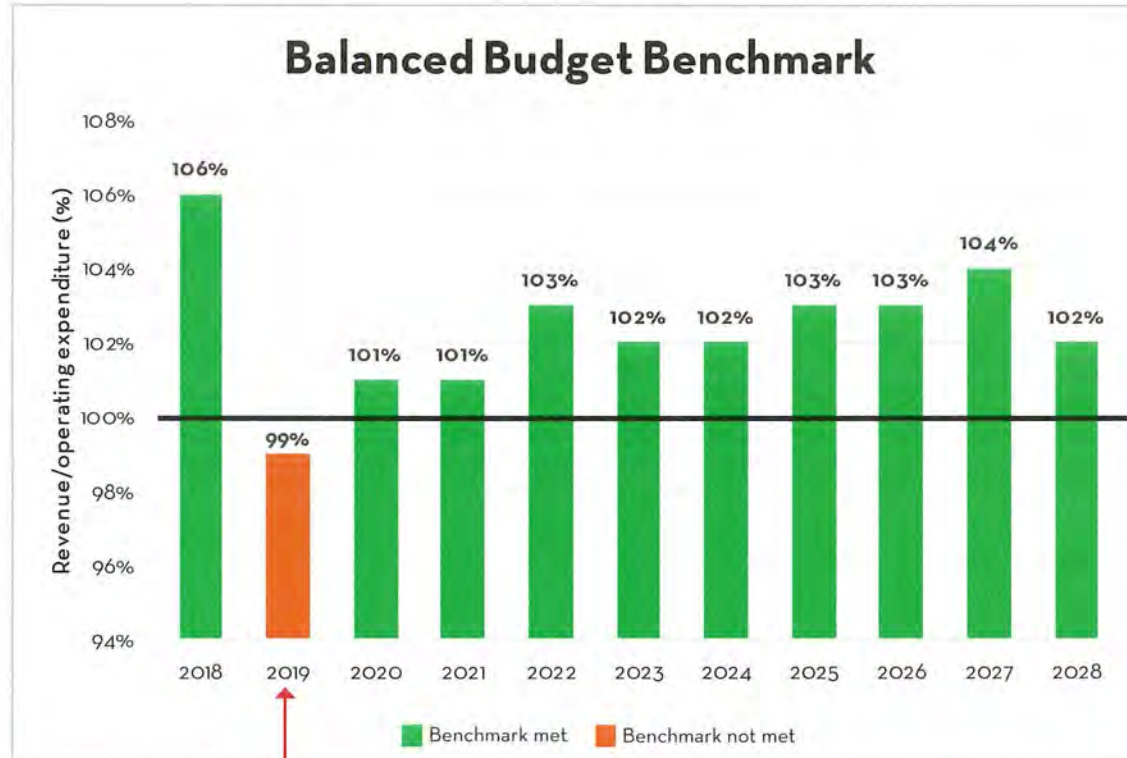
Note: Excludes financial contributions and vested assets.

LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter one (page 22) of the existing Long Term Plan 2018-2028 - Long Term Plan disclosure statement section

Balanced budget benchmark

The following graph displays the Council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment). The Council meets the balanced budget benchmark if its planned revenue equals or is greater than its operating expenses.



The reason for the benchmark not being met is due to financial contribution income being a higher proportion of total revenue in the year (excluded in this graph).

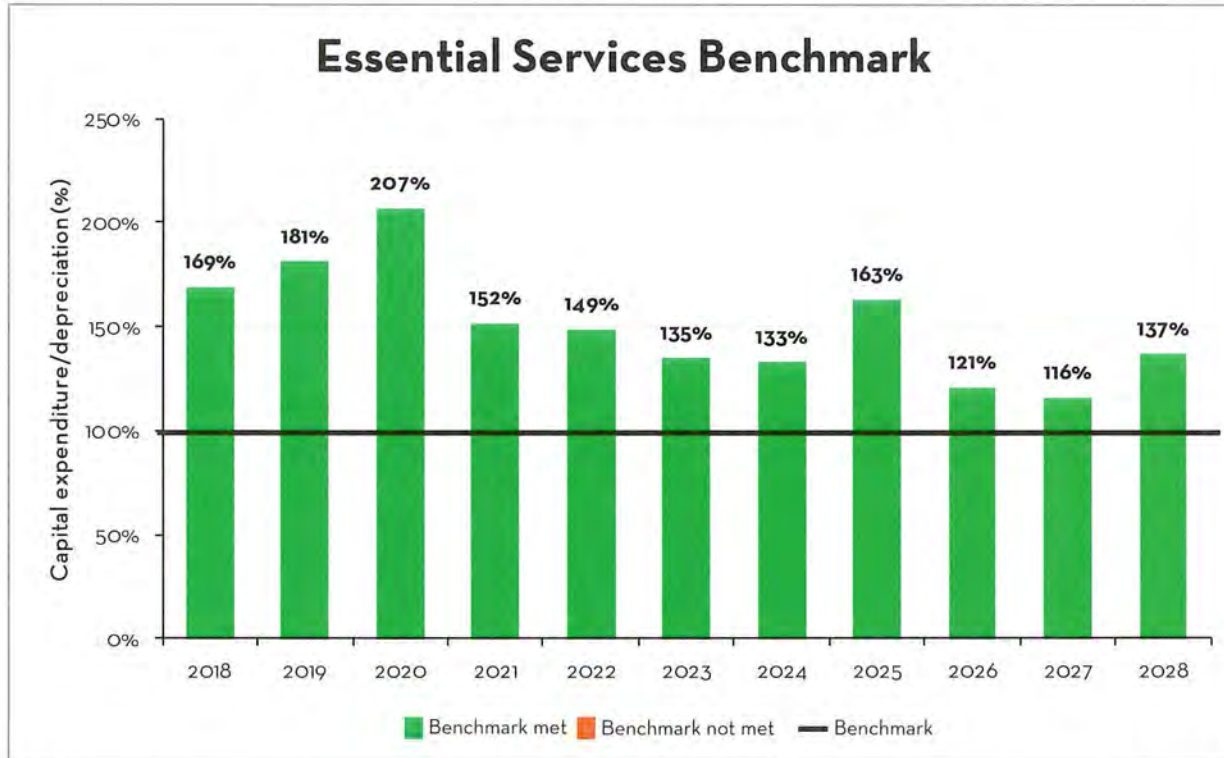
Note: Excludes financial contributions and vested assets.

Taken from chapter one (page 23) of the existing Long Term Plan 2018-2028 - Long Term Plan disclosure statement section

Essential services benchmark

The following graph displays the Council's planned capital expenditure on network services as a proportion of depreciation on network services.

The Council meets the essential services benchmark if its planned capital expenditure on network services (being; transportation, water, wastewater and stormwater) equals or is greater than depreciation on network services.



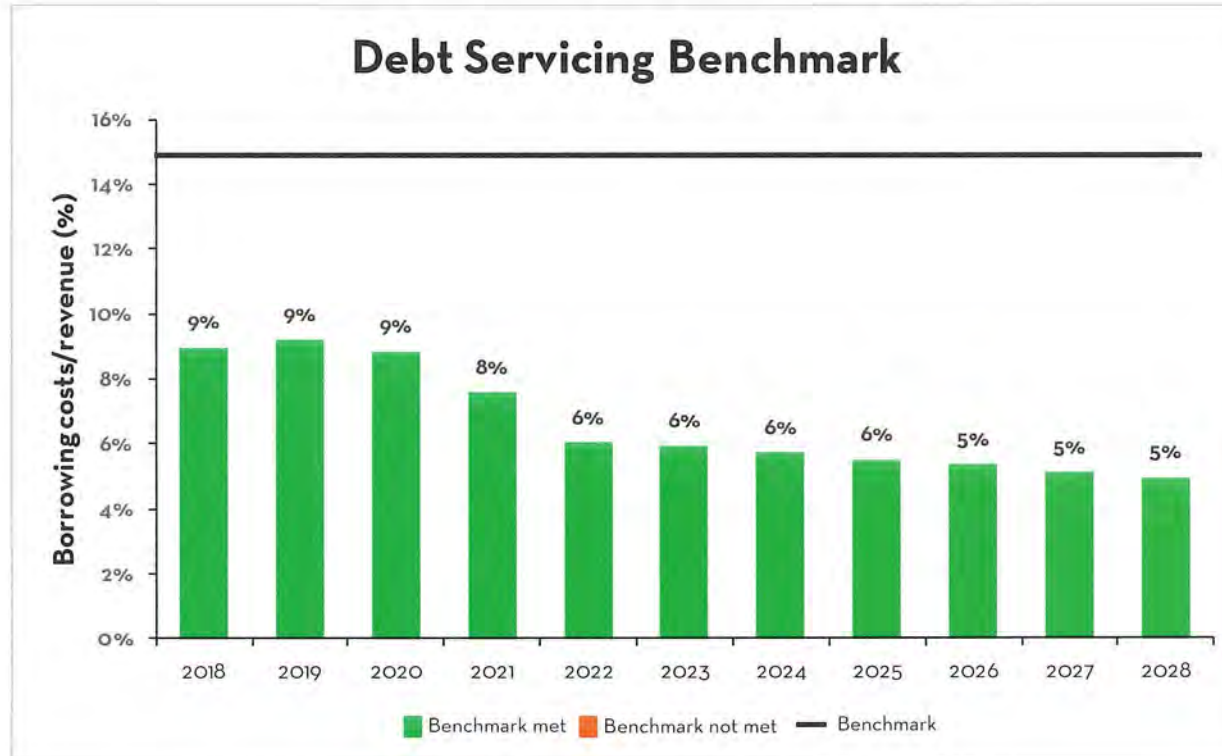
LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter one (page 24) of the existing Long Term Plan 2018-2028 - *Long Term Plan disclosure statement section*

Debt servicing benchmark

The following graph displays the Council’s planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment).

Because Statistics New Zealand projects the Council’s population will grow faster than, the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 15% of its revenue.



Note: Excludes financial contributions and vested assets.

LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter two (page 40) of the existing Long Term Plan 2018-2028 - Goal 2: we will continue to manage rates increases section

Figure 3: Planned increase in total rates excluding growth

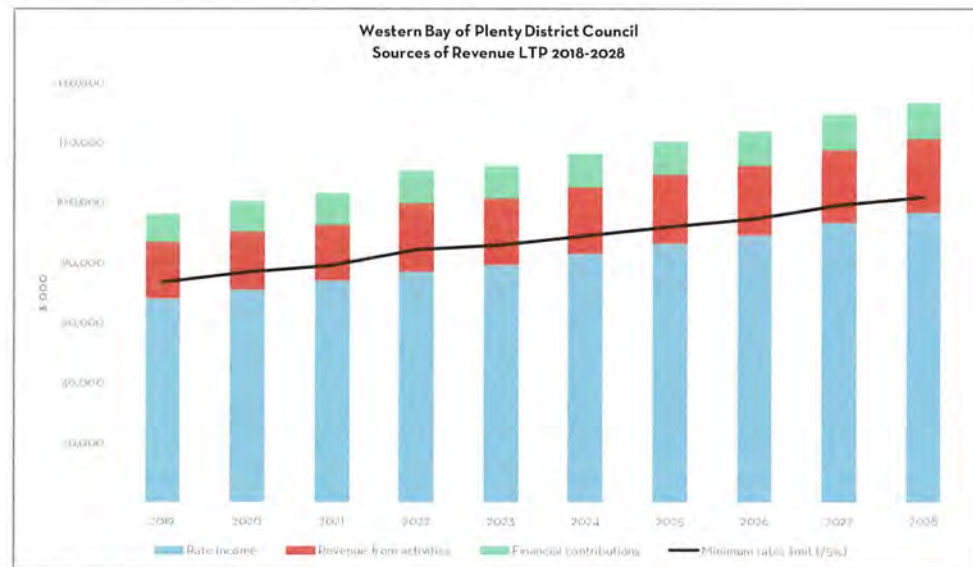
Total rates	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Rates before inflation	1.56 %	1.40 %	0.46 %	0.60 %	(0.46)%	1.48 %	0.24 %	(0.44)%	1.01 %	0.09 %
Inflation (LGCI)	2.00 %	2.20 %	2.20 %	2.20 %	2.30 %	2.30 %	2.40 %	2.50 %	2.60 %	2.70 %
Rates after inflation	3.56 %	3.60 %	2.66 %	2.80 %	1.84 %	3.78 %	2.64 %	2.06 %	3.61 %	2.79 %

Figure 4: Planned increase in total rates including growth

Total rates	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Rates before inflation	1.56 %	1.40 %	0.46 %	0.60 %	(0.46)%	1.48 %	0.24 %	(0.44)%	1.01 %	0.09 %
Inflation (LGCI)	2.00 %	2.20 %	2.20 %	2.20 %	2.30 %	2.30 %	2.40 %	2.50 %	2.60 %	2.70 %
Rates after inflation	3.56 %	3.60 %	2.66 %	2.80 %	1.84 %	3.78 %	2.64 %	2.06 %	3.61 %	2.79 %
Growth	1.28 %	1.25 %	1.28 %	1.25 %	1.23 %	1.12 %	1.10 %	1.09 %	1.07 %	1.06 %
Increase in rates (including growth)	4.84 %	4.85 %	3.94 %	4.05 %	3.07 %	4.90 %	3.74 %	3.15 %	4.68 %	3.85 %

Taken from chapter two (page 41) of the existing Long Term Plan 2018-2028 -

Figure 5: Sources of Revenue (excludes vested assets)



LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter two (page 50) of the existing Long Term Plan 2018-2028 - *The Challenges section*

Effect of changes in land use on service demand

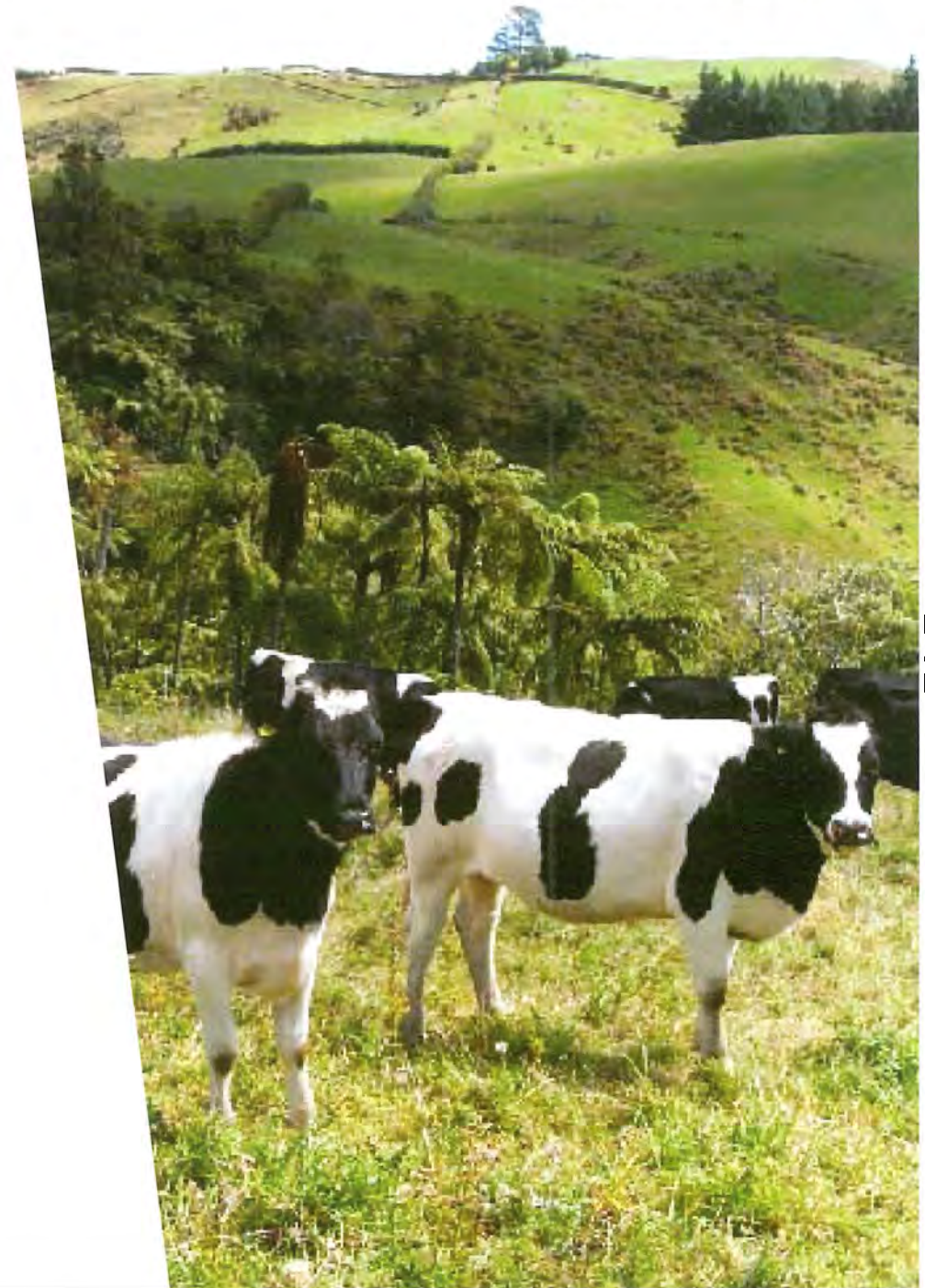
Demand for infrastructure services (roads, water supply, wastewater, stormwater, reserves, facilities) increases where development occurs. Development may be subdivisions for housing, new commercial or industrial areas or intensification of existing development. For our District, growth is mainly driven by housing development.

Within the rural sector land use changes could affect service demand, especially for water supply and roading. For example, if an area serviced by the water supply network changed from a dry land crop to a crop requiring irrigation there could be an increase in demand for water. Likewise, for roading, if the land use changed from forestry to lifestyle blocks the pattern of road use would change. The monitoring frameworks we have in place are important to understand actual growth and future growth projections for residential and other landuse activities. The annual Development Trends report and our new reporting requirements against the National Policy Statement on Urban Development Capacity are key ways that we can inform our infrastructure planning processes.

Long term financial information for some activities

From a long term planning perspective, there is good information in place for the three waters and transport to determine a financial capital and operational programme of expenditure and highlight any forecast issues over a 30 year period as required by the Infrastructure Strategy.

Recreation and leisure, solid waste and community facility activities currently only have robust financial information for the next ten years to 2028. It is expected that Council's new asset management system (AssetFinda) will provide improved capability to forecast beyond this and will be incorporated into the 2021-2051 Infrastructure Strategy process. The Solid Waste Investigations and Council's subsequent decision to introduce Council contracted kerbside services has provided clarity around the future direction of the activity and its funding needs. The Recreation and Leisure and Communities Strategy reviews in 2018/19 will also provide clarity on outcomes, goals and levels of service for these activities which will influence future capital programmes of delivery.



LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter two (page78) of the existing Long Term Plan 2018-2028 - Theme 3: protecting our environment and resources section

Issue	Why this is significant	2018-2028 LTP funding	Principal options	Implications
<p>10 Council's level of service for solid waste</p>	<p>Council intends to introduce a Council contracted kerbside service to most households in the district and rural recycling drop-off sites. This is a significant change in levels of service.</p> <p>The Waste Management and Minimisation Plan (2017) also includes the following actions:</p> <ul style="list-style-type: none"> • Council actively investigates alternative recycling and rubbish collection models to achieve better oversight and management of solid waste and recycling throughout the District. • Council agrees in principle to establish a recycling centre in Omokoroa similar, to the existing centres at Katikati and Te Puke. This is subject to the operational costs being agreed with the community, as part of the above investigation and consultation in 2018/19. • Investigation into a future transfer station is progressed. <p>These actions are significant as they could result in a potential change to Council's solid waste level of service.</p>	<p>Increase in operational expenditure of \$4,029,330 in the 2021/22 year, then increasing by inflation thereafter.</p> <p>\$1.29 million from 2020/21 to 2022/23 for development of a recycling centre at Omokoroa (note the existing greenwaste facility is being relocated and costs for this are included as part of this relocation).</p>	<p>Introduce new kerbside services and rural recycling drop-off sites. This was fully consulted on as part of the Long Term Plan Amendment in 2019.</p> <p>Implement actions from the Waste Management and Minimisation Plan. This reviewed Plan was adopted by Council in December 2017 following initial engagement with the community on potential changes to the current level of service provided by Council to achieve the vision and goals of the Plan and Council's Solid Waste Strategy.</p> <p>No other options are identified as the Plan and changes to kerbside services have only recently been adopted and reflect the community input received.</p>	<p>The changes will increase levels of service and reduce the amount of waste to landfill.</p>

LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter two (page 95) of the existing Long Term Plan 2018-2028 - *Activity overview: solid waste*

SOLID WASTE

Solid waste is the unwanted or unusable materials that are disposed of or discarded after their primary use. The type of waste is defined by its composition or source, for example organic waste and demolition waste. Council’s main role in this activity is planning for solid waste facilities, and education and enforcement to ensure individuals, households and businesses are dealing with their waste in the most responsible way. This includes provision of recycling and greenwaste facilities, waste management education, managing illegal dumping and supporting community initiatives to reduce waste. Currently Council does not provide rubbish collection services, however from the

2021/2022 year Council plans to introduce a Council contracted kerbside service for recycling, glass, food scraps (urban areas) and rubbish for most households in the District. A polluter pays principle applies, putting the onus on the individual to take responsible actions for waste minimisation.

The Waste Management and Minimisation Plan (WMMP) sets out what Council will do and how we will work together to reduce and manage waste in the most effective way. Waste minimisation initiatives in the WMMP can be partially funded by a Central Government waste disposal levy.

What influences our approach

Issue	Response
<p>Population Growth, Economic Growth, Environmental Sustainability, Climate Change</p>	<p>Urban areas have a greater concentration of people that produce waste and place greater demand on natural resources.</p> <p>An increase in commercial and industrial activity as a result (most likely) of improved economic conditions will have a direct impact on the amount of waste that is generated. Of particular importance to waste is the ongoing level of construction activity.</p> <p>A solid waste audit undertaken in 2016 identified that each week within the sub-region, the community is sending nearly 190 tonnes of paper and cardboard, 30 tonnes of plastic, and over 60 tonnes of glass to landfill that could instead be recycled. This is in addition to approximately 400 tonnes of food and garden waste sent to landfill each week. This is a significant amount of waste going to landfill that could be recycled or composted</p>
<p>Economic Growth (tourism)</p>	<p>Western Bay is a well-known holiday destination and experiences a significant increase in population over the holiday season. This influences the level of waste production in the Western Bay as the consumer patterns of holiday makers differ to that of residents. Consequently, demand for recycling and waste services increases noticeably over the holiday season.</p>

An analysis of factors driving demand for waste services in the future suggests that changes in demand will occur over time reflecting increasing population, increasing geographical size, changing household demographic, changing customer expectation (notably migration of residents from other areas with more comprehensive council kerbside services) and Central Government requirements (e.g. the introduction of product stewardship schemes). However, while steady growth is predicted, no dramatic shifts are expected. If new waste management approaches are introduced, then this could shift material between disposal and recovery management routes.

Council’s planned kerbside service aims to improve the rate of diversion and reduce the proportion of waste sent to landfill.

Other indirect drivers also impact upon the demand for waste services. Some examples are climate change (extreme storm events) and incidents such as the Rena oil spill which resulted in additional waste to landfill/compost.

Community awareness of recycling and waste services through education and signage.

What we want to achieve

Council aims to ensure effective waste management practices that minimise waste to landfill and encourage efficient use of resources to reduce environmental harm. This will help to achieve an environment that is clean, green and valued, and help us all enjoy a healthy and safe lifestyle.

The extent to which these goals are achieved is measured by customer surveys, the percentage of waste recycled or recovered as reported by licensed operators, the number of initiatives funded by the Ministry for the Environment Waste Minimisation Scheme, and waste audits.

In achieving this outcome, the focus over the next 30 years is to:

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

LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter two (page 96) of the existing Long Term Plan 2018-2028

How we will achieve this

Current approach

Following investigations and community consultation, Council plans to introduce new kerbside services in the 2021/22 year. This will be a significant increase in levels of services and will increase the level of diversion and reduce the proportion of waste sent to landfill. Until a new service comes into effect, Council will continue with the current approach and levels of service. The current level of service focuses on providing incentives (such as access to recycling and greenwaste facilities, and education programmes) to encourage responsible waste minimisation actions. Individual households purchase their own rubbish collection services and no Council subsidies are provided towards this.

Future thinking and planned changes to current approach

Council has been exploring options for a potential change to the level of service for solid waste. The review of the Waste Management and Minimisation Plan (WMMP) and Solid Waste Strategy in 2017 has resulted in a shared vision with Tauranga City Council (TCC) of "Minimising Waste to Landfill". This recognises the high proportion of garden waste, food waste, electronic waste and recyclable items that are going to landfill. Around 72% of kerbside rubbish collected from households could be recycled or composted instead of being sent to landfill.

The Council plans to introduce kerbside collections for recycling, glass, food scraps (urban areas) and rubbish. This is a significant increase in levels of service aimed to increase the rates of diversion.

The WMMP also includes the following actions:

Council actively investigates alternative recycling and rubbish collection models to achieve better oversight and management of solid waste and recycling throughout the District.

Council agrees in principle to establish a recycling centre in Omokoroa similar to the existing centres at Katikati and Te Puke. This is subject to the operational costs being agreed with the community, as part of the above investigation and consultation in 2018/19.

Investigation into a future transfer station is progressed.

Key activity assumptions

Relevant Strategic assumptions	Activity Assumption	Risk	Impact
Environmental Sustainability and Legislative Changes	The waste levy funding provided by the Waste Minimisation Act 2008 will not be removed or reduced.	The Act provides funding through a waste levy which is collected on waste delivered to landfill sites and applied to waste minimisation activities and product stewardship schemes. This is a key funding source for projects that deliver on the WMMP.	If the funds were not available this would either be a cost to the ratepayer or the project would not proceed.
Environmental Sustainability and Community Expectations	Council will undertake an increased role in waste management.	Poorly managed change can result in increased costs and project delays, and/or community discontent with the process.	Council's waste management role will change during the period of this strategy, primarily through the procurement and management of kerbside collections. A future role maybe to oversee development of a transfer station.

The recycling centres at Katikati and Athenree are operating at capacity within their current operating hours. Tauranga City Council is under increasing pressure for use of their recycling centres and transfer stations. Given the growth occurring in the sub-region, an assessment of the demand for and location of future transfer stations and recycling facilities needs to be undertaken on a sub-regional basis, and consider potential business models for procurement of services.

Expenditure Forecast 2018-2048

The solid waste activity currently only has robust financial information to 2028. It is expected that the new asset management system (AssetFinda) will provide improved capability to forecast beyond this and will be used for the 2021-2051 Infrastructure Strategy. Within the 2018-28 LTP the main delivery projects for this activity are:

Operation of a Council contracted kerbside collection - \$4,029,330 for the 2021/22 year, then increasing by inflation thereafter.

Omokoroa Recycling Centre - \$1.29 million from 2020/21 to 2022/23.

District solid waste minimisation - \$1.49 million from 2018-2028 (used to fund actions from the WMMP e.g. waste education programmes).

District wide trade waste implementation - \$559,250 from 2018-2028.

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LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter two (page 106) of the existing Long Term Plan 2018-2028 - *How we will manage our assets section*

Most infrastructure in the District is relatively new and only a short way into its asset life. This means that the majority of significant asset renewals sit outside the 30-year strategy. The focus is instead on regular monitoring of the condition and performance of the assets. The exception to this is water assets, and some recreation and leisure and road assets.

Changes in demand and growth

Growth and demand although related, have different implications for each activity. Growth generally relates to the growth or change in population, these changes will in turn create demand. Demand however may also be influenced by factors separate to growth such as a change in trends.

Council's infrastructure is analysed and modelled to determine when and how additional capacity should be implemented to cater for forecasted population growth. Growth rates are regularly monitored so that the investment programme can be adjusted if required to recognise a slowing down or speeding up of development on the ground. Other demand factors are identified in AMP's and in the activity overview section of this strategy.

Levels of service

Infrastructure planning allows the relationship between levels of service and the cost of the service to be determined. Council agrees levels of service with the community and then these provide the platform for infrastructure decisions. Climate change, natural hazards, community expectations, and improving public health and environmental outcomes tend to be the main drivers that result in a change to levels of service. While the strategy identifies a 'business as usual' approach for infrastructure, it also identifies where potential level of service changes may occur in the future. One area where levels of service will change is the planned introduction of a Council contracted kerbside rubbish and recycling collection across the District.

Public health and environmental outcomes

With increasing knowledge of public health and the environment, and corresponding increasing community expectations, the requirements to improve public health and environmental outcomes inevitably increase. The AMP's and activity overviews in this strategy identify the likely implication of these changes on the management of infrastructure, in particular wastewater and stormwater discharge and water quality.

Natural hazards and risk management

Council is aware of the importance of managing the effects of more intense storm events, rising sea levels and other natural hazards. Many initiatives are in place that seeks to better understand, plan for and respond to the impact of natural hazards on Council infrastructure and operations. Council takes a Regional and District approach to the management of natural hazards and risk.

At a Regional level, Council is part of the Bay of Plenty Lifelines Group along with other utility and service providers. The focus of this group is on investigating the resilience of our infrastructure, and understanding the interdependencies of the infrastructure network. The group aim to reduce the vulnerability of Bay of Plenty lifelines including improving disaster preparedness planning. The group assess the vulnerability of various types of infrastructure to hazards including floods, earthquake, volcanic eruption, tsunami, storm surge, fire, wind and landslide.

A Natural Hazards Charter is in place between Council, TCC and BOPRC. This outlines how the Councils will give effect to the natural hazard risk assessment requirements of the Regional Policy Statement, and includes implementation of a natural hazards research programme.

At a District level, the Risk Management Policy (2013) provides the framework for the management of risks by Council. The aim is not to eliminate risk but rather to manage the risks involved in all activities to maximise opportunities and minimise adversity. The Policy uses a standard methodology consistent with ISO 31000 2015 (international risk management standards). A risk register identifies the top level strategic and operational risks for the organisation and District. The most significant risks identified are Central Government influences, a major earthquake, and incorrect growth assumptions. Mitigation measures include the annual review of growth projections against actual uptake, civil defence planning and testing, annual review of insurance cover, and ongoing monitoring of emerging Central Government issues.

The risk framework is applied at an activity level within AMP's. Risk is assessed against the ability to achieve the activity outcome and levels of service. The risk category tables identify the type of risk, frequency and impact ratings, and mitigation approaches. Critical asset data is included in the AMP and the management approach to these assets. For example, in the AMP for water supply, it is recognised that severe failure of critical water assets could compromise levels of service, provision of supply or ability to meet normal demands or contamination of supply. A 'Vulnerability Analysis' for water assets identifies individual critical assets and the likely impact of failure from natural events and asset priority ratings. The Utilities Operational Emergency Manual deals with the practical effects of asset failure, impact and restoration methodology. The criticality of the asset is taken into account when developing the renewal profiles.

Planned improvements to the risk management framework seek to move from a quarterly monitoring and reporting process, to a more streamlined and consistent approach. The aim is to ensure risk management is a part of what we do on a regular basis and ensure that we focus on the areas that need the most attention.

The most vulnerable parts of our infrastructure to various hazards have been identified through the Regional Lifelines work and included in our GIS mapping information. This is Council owned infrastructure identified as 'almost certain' or 'likely' to be vulnerable to hazard and include water supply in each of the three zones with vulnerability to earthquakes (and flooding, storm surge in the central zone) and roads such as Welcome Bay Road which is vulnerable to flooding.

Council has a Disaster Contingency Fund which currently sits at \$8 million and insurance cover. However, in the event of major infrastructure failure this amount would not cover the total cost of replacement or repair. The Financial Strategy outlines the options for funding infrastructure repairs if this situation was to occur.

Council have commissioned infrastructure modelling to better understand the impact of extreme events on underground and above ground assets and ensure that the appropriate level of insurance is in place for replacement. This will highlight areas of vulnerability and ensure that the appropriate financial and management response is in place.

LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter three (page 271) of the existing Long Term Plan 2018-2028 - *Solid Waste Activity*

SOLID WASTE

OVERVIEW

Our Solid Waste Strategy sets out our sustainable development approach to the management of solid waste activities across our District. Human activity is inextricably linked to the health of our natural environment. A healthy environment is essential for overall well-being and prosperity. With our population growing, so demands on our natural resources will increase. The challenge is to lessen our impacts on the environment and reduce consumption and waste.

The Solid Waste Strategy aligns to Council's Waste Management and Minimisation Plan (adopted in December 2017 as part of this LTP, to align with the Waste Management and Minimisation Plan which was adopted in December 2017. The primary aim of this Strategy is to reduce the amount of waste produced by reducing, reusing, recycling and recovering waste going to landfill. We will do this through effective waste management practices that minimise waste to landfill and encouraging efficient use of resources to reduce environmental harm.

Our Strategy and actions have been developed in response to the changing waste management environment. Our community expectations have changed, with an increasing awareness and support for Council to take a more substantial role in waste management. Council is planning to introduce a Council contracted, ratepayer funded kerbside recycling and rubbish collection service (recycling, glass, food scraps (urban areas) and rubbish). We will also replace the Omokoroa greenwaste facility with a new green waste and recycling centre.

Our strategy seeks to progress our Waste Management and Minimisation Plan's vision of reducing waste to landfill. The Plan is available on our website at:

www.westernbay.govt.nz/Documents/Services/A-Z%20Services/Joint-waste-minimisation-Plan.pdf

There are no significant variations between the proposals in the Waste Management and Minimisation Plan and this Solid Waste Strategy. The Waste Management and Minimisation Plan will be reviewed in 2022/23.

We see our role continuing in planning for solid waste activities, education and enforcement to ensure individuals, households and businesses are dealing with their waste in the most responsible way. The provision of kerbside services will help make this easier for our communities. Our 'polluter-pays' principle guides our planning for this activity. This principle requires that those producing waste should pay the appropriate cost for its disposal and that by paying for its disposal people are more likely to change their behaviour and attitudes towards waste minimisation. This has been reflected in the planned kerbside services through a pay-per-throw approach to rubbish collections.

The Waste Minimisation Act 2008 puts a levy on all waste disposed of to landfills to generate funding to help local government, communities and businesses reduce the amount of waste. Territorial authorities receive 50% of the total money collected through the waste disposal levy and these payments are made on a population basis. The money must be spent on promoting or achieving waste minimisation in accordance with our Waste Management and Minimisation Plan.

We will continue to investigate suitable waste-related projects that could be either District-wide or benefit a specific area, subject to approval through the Annual Plan or Long Term Plan processes.

A Council contracted kerbside collection service is planned to become operational in 2021/22. The service would be available for most households in our District. The service would provide:

- a Council-contracted recycling collection and separate glass collection
- a Council-contracted urban food scraps (urban areas) collection, and
- a Council-contracted user-pays rubbish collection.

Free drop-off points for recyclable materials are provided at the Council owned and operated Community Recycling Centres at Athenree, Katikati and Te Puke. They accept:

- Glass bottles and jars
- Paper and cardboard
- Steel cans
- Aluminium cans
- Fluorescent light bulbs
- Used motor oil
- Plastic (number 1)
- Plastic (number 2)
- Ferrous and non ferrous metal
- Batteries
- Whitewear (a fee applies)

and we offer greenwaste disposal services at the above sites and also Omokoroa at a fee.

Greenwaste is collected from the drop-off points by contractors for composting. At the recycling centres we also take small quantities of domestic hazardous waste.

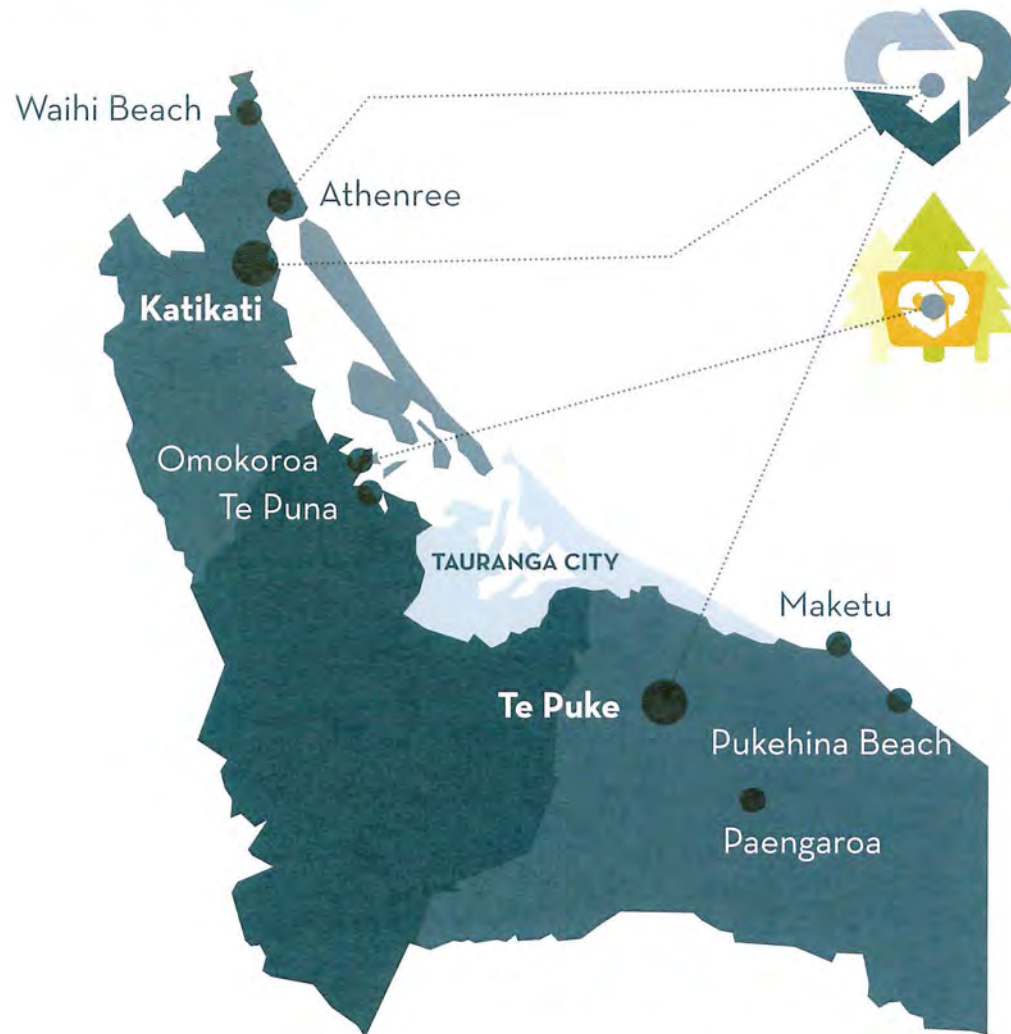
Additional unmanned rural recycling drop off sites are planned for 2021/22 onwards. This will make recycling more easily accessible for those in our remote rural areas and will complement the kerbside service planned for most other households.

We maintain closed and capped landfills at Te Puke, Waihi Beach and Athenree in accordance with consent conditions.

LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter three (page 272) of the existing Long Term Plan 2018-2028 - *Solid Waste Activity*

WHAT WE PROVIDE



RECYCLING & GREENWASTE CENTRES

Katikati, Te Puke, Athenree

GREENWASTE DROP-OFF

Omokoroa



EDUCATION PROGRAMMES

ONGOING MONITORING OF
CLOSED & CAPPED LANDFILLS

Athenree, Te Puke, Waihi Beach

MONITOR
ILLEGAL DUMPING (FLY-DUMPING)

across our District

LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter two (page 273) of the existing Long Term Plan 2018-2028 - *Solid Waste Activity*

WHY WE PROVIDE IT

OUR COMMUNITY OUTCOME

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

OUR GOALS

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

HOW WE WILL ACHIEVE OUR COMMUNITY OUTCOME

GOAL	OUR APPROACH	OUR ROLE
Reduce and recover more waste.	<p>Advocacy</p> <p>Advocate where possible for stronger responsibility by producers, brand owners, importers and retailers for the minimisation of waste accompanying their goods, e.g. packaging and product stewardship.</p>	Advocate
	<p>Education and information</p> <p>Education and information are vital tools for changing attitudes and behaviours towards waste minimisation and management.</p>	
	<p>Partners in providing education and distributing information</p> <p>Partner with organisations that specialise in waste matters, for example Tauranga City Council the Bay of Plenty Regional Council, Bay of Plenty / Waikato Waste Liaison Forum, Ministry for the Environment, Environmental Education for Resource Sustainability Trust, Waste Watchers, Pare Kore, Zero Waste Education Ltd and waste service businesses to ensure a co-ordinated, consistent and up-to-date response to education and information needs.</p>	Partner
	<p>Schools</p> <p>Support the waste minimisation education programme in schools across our District.</p> <p>Advocate for central government to assume responsibility for waste minimisation education as a core part of the education curriculum.</p>	Partner/Advocate
	<p>Community</p> <p>Assist in funding waste minimisation education programmes for the wider community, targeting community groups and organisations in the first instance, as well as community events.</p>	Partner

LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter three (page 274) of the existing Long Term Plan 2018-2028 - *Solid Waste Activity*

GOAL	OUR APPROACH	OUR ROLE
<p>Reduce and recover more waste (cont).</p>	<p>Business and rural sectors</p> <p>Support key business and rural sector groups to establish waste minimisation education programmes that each sector can own and sustain into the future.</p>	<p>Facilitator/Advocate</p>
	<p>Communication</p> <p>Provide user-friendly access to waste services information available through our libraries and service centres, on our website and our online Waste Services Directory. We respond to waste services and information requests.</p>	<p>Lead</p>
	<p>Welcome pack</p> <p>Include information on weekly kerbside collections and drop-off facilities within the welcome pack we distribute to all new residents in our District.</p>	<p>Lead</p>
	<p>Signage</p> <p>Ensure that industry-standard signage is provided showing where waste materials can be disposed of at known fly-dumping trouble spots.</p>	<p>Partner</p>
	<p>Composting/worm composting</p> <p>Educate communities, households and workplaces on the benefits of composting organic waste and greenwaste.</p> <p>Provide workshops in the District to assist the community to set up home worm composting units and partner to reduce organic/food waste.</p> <p>Provide greenwaste drop-off facilities that accept garden waste for composting off site.</p>	<p>Advocate/Facilitator</p>
	<p>Kerbside collections</p> <p>Planned provision of Council contracted kerbside collections, to improve the diversion of waste from landfill.</p>	<p>Lead</p>
	<p>Recycling services</p> <p>Recycling drop-off facilities</p> <p>Where viable options for recycling are proposed by private or community sectors, we will investigate whether these options can enhance or replace our operated services. Planned provision of rural recycling drop-off sites to increase accessibility.</p>	<p>Lead</p>
	<p>Public recycling</p> <p>Subject to community demand and willingness-to-pay, work with community boards to establish public recycling facilities in public places.</p>	<p>Facilitator</p>

LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter three (page 275) of the existing Long Term Plan 2018-2028 - *Solid Waste Activity*

GOAL	OUR APPROACH	OUR ROLE
Reduce and recover more waste (cont).	<p>Illegally dumped waste</p> <p>Change attitudes toward fly-dumping by ensuring people know where they can dispose of their waste safely</p> <p>Work with local communities to achieve clean roadsides and waterways</p> <p>Monitor public spaces where fly dumping occurs and where appropriate install mobile closed circuit television cameras at problem sites</p> <p>Pursue infringements and prosecutions where there is sufficient information to support such action.</p>	Lead
	<p>Waste Management and Minimisation Bylaw</p> <p>Enforce the Waste Management and Minimisation Bylaw to ensure that all people in our District take responsibility for the proper disposal of their waste.</p>	Lead
Apply the latest proven and cost effective waste management and minimisation approaches.	<p>Hazardous Waste Management</p> <p>Small quantities (30kg or litres) of household hazardous waste will be accepted at the Katikati, Athenree and Te Puke centres. All waste must be accompanied by a completed household hazardous waste declaration form that can be ordered from Council customer services.</p>	Lead
	<p>Landfills</p> <p>Continue with our aftercare responsibilities for closed landfills at Athenree, Strang Road, Te Puke and Waihi Beach as required by the conditions of resource consent. Landfill facilities and user-pays drop-off sites for specific waste are provided by the private sector.</p>	
	<p>Trial and pilot schemes</p> <p>Unmanned recycling stations in District.</p>	Facilitate/partner
	<p>Kerbside services</p> <p>Organic food collection (for urban areas) to address the biggest component of household waste.</p>	Lead

LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter three (page 276) of the existing Long Term Plan 2018-2028 - *Solid Waste Activity*

GOAL	OUR APPROACH	OUR ROLE
To collect information to enable informed decision making.	Solid Waste Analysis Procedure Undertake regular solid waste audit procedure which will follow the Ministry for the Environment (MfE) Solid Waste Analysis Protocol (SWAP) ¹	Lead
	Monitoring and target setting Set targets for: <ul style="list-style-type: none"> • Business waste minimisation • Nappy lady • Pare kore • Kerbside recycling 	Lead
	Kerbside services <ul style="list-style-type: none"> • Require accurate and regular data from the contractor on waste volumes, put-out rate, rates of contamination, and other information as necessary. 	Lead/Partner
To create benefit for our community.	Community waste initiatives (a) Provide grants to community groups interested in establishing local waste management initiatives that adopt environmentally sound practices.	Partner/Advocate/Facilitator
	(b) Support community organisations in their applications to appropriate funding sources to establish new community waste initiatives.	Partner/Advocate
	Events and promotions National promotions <ul style="list-style-type: none"> (a) Assist in the promotion of national campaigns that contribute to the goals for solid waste by providing community group contacts and local administrative support. 	Partner
	Recognition of community actions <ul style="list-style-type: none"> (b) Advocate for the introduction of local awards to recognise outstanding contributions and innovations by communities and businesses to achieving our solid waste goals. 	Advocate
	Mobile recycling and waste services <ul style="list-style-type: none"> (c) Provide event organisers with a resource kit to encourage waste reduction and recycling at major events in line with the Western Bay of Plenty Sub-regional Events Strategy. 	Advocate
	Design principles for new developments Eco-design principles result in well-planned, well-executed and sustainable developments. We support the application of eco-design principles in developments when opportunities are available and will consider the inclusion of these principles in Council plans.	Facilitator

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¹It should be noted that the SWAP may not be required when a Council contracted kerbside recycling and rubbish collection is implemented as Council will be able to use other methods such as weighing trucks.

LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter three (page 277) of the existing Long Term Plan 2018-2028 - *Solid Waste Activity*

WHAT WE ARE PLANNING TO DO

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

PROJECT NUMBER	PROJECT NAME	\$'000									
		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
318601	District Solidwaste Waste Minimisation Funding Pool	130	133	136	139	143	147	150	166	171	175
318605	Alternative Recycling and Rubbish Collection	25	-	-	-	-	-	-	-	-	-
318606	Envirohub	20	21	21	-	-	-	-	-	-	-
319902	District-wide Trade Waste Implementation	50	51	52	54	55	56	58	59	61	63
344401	Omokoroa Green Waste Facility / Recycling Centre	-	-	52	1,019	220	-	-	-	-	-
348504	Rural Recycling Drop Off Point	-	-	279	-	-	-	-	-	-	-
348501	Kerbside Waste Collection	-	-	-	3,957	4,053	4,156	4,260	4,374	4,496	4,621
348502	Kerbside Waste - Commercial Services	-	-	-	52	54	55	56	58	59	61
348503	Rural Recycling Drop Off Points	-	-	19	20	20	21	21	22	23	23

MAJOR PROJECTS PLANNED FOR 2018 - 2028

The introduction of Council contracted kerbside services in 2021/22 is a significant new component of the solid waste activity. This was the key component of the Long Term Plan Amendment adopted in June 2019.

The replacement of Omokoroa's Greenwaste facility includes a \$1.2m allocation towards adding a recycling centre to the relocated green waste facility.

The introduction of rural recycling drop-off points is a significant project for the activity.

Waste Minimisation Funding Pool

This pool of funding allocates \$1.8m over the duration of this plan.

Future projects include:

- Investigation into Council led kerbside recycling and rubbish collection.
- Investigate a possible future transfer station near Omokoroa or Katikati.
- Investigate additional community recycling drop-off points.
- Investigate opportunities to recover construction and demolition waste.

HOW OUR PLANS HAVE CHANGED

The timing and costs of some of our projects have been updated since we adopted our 2015 - 2025 Long Term Plan (LTP).

To see how our plans have changed click [here](#) for the complete list of the projects/programmes that have been revised or alternatively visit our website www.westernbay.govt.nz.

LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter three (page 278) of the existing Long Term Plan 2018-2028 - Solid Waste Activity

HOW WE WILL TRACK PROGRESS TOWARDS OUR GOALS

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

GOAL	WE'LL KNOW WE'RE MEETING OUR GOAL IF	ACTUAL			TARGET		
		2017	2019	2020	2021	2022-24	2025-28
<p>Reduce and recover more waste. Apply the latest proven and cost effective waste management and minimisation approaches.</p> <p>To collect information to enable decision making.</p> <p>To create benefit for our community.</p>	<p>Key Performance Measure</p> <p>Percentage of actions identified in the Solid Waste Action Plan for the year that have been completed. This identifies the total annual actions required for this strategy. Actions are required within specification and budget.</p>	100%	≥97%	≥97%	≥97%	≥97%	≥97%
	<p>Key Resident Measure</p> <p>Level of customer satisfaction with household rubbish disposal methods.</p>	79%	≥80%	≥80%	≥80%	≥80%	≥80%
	<p>Supporting Measures</p> <p>Number of initiatives funded by the Ministry for the Environment Waste Minimisation</p>	1	≥1	≥1	≥1	≥1	≥1
	<p>Percentage of waste recycled or recovered as estimated by solid waste two yearly audit. The audit will be undertaken as per the Solid Waste Analysis protocol issued by the Ministry for the Environment</p>	New	≥33%	No audit	≥45%	≥47%	≥48%

HOW WE WILL TRACK PROGRESS - LEVELS OF SERVICE

WHAT WE PROVIDE	WE'LL KNOW WE'RE MEETING THE SERVICE IF	ACTUAL			TARGET		
		2017	2019	2020	2021	2022-24	2025-28
All Council-owned solid waste facilities' including closed landfills, meet environmental standards.	Number of abatement / infringement notices issued.	0	0	0	0	0	0
Provide and maintain drop-off recycling services.	Number of greenwaste and/or recycling facilities provided.	4	≥4	≥4	≥4	≥4	≥4
Assist in the provision of opportunities for the removal of hazardous waste.	Number of hazardous waste drop off points.	3	3	3	3	3	3

LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter three (page 279) of the existing Long Term Plan 2018-2028 - *Solid Waste Activity*

KEY ASSUMPTIONS

	ASSUMPTION	RISK
Council will undertake an increased role in waste management	Council's waste management role will change during the period of this LTP, primarily through the procurement and management of kerbside collections. Council's future role may also be to oversee the development of a transfer station.	Poorly managed change can result in increased costs and project delays, and/or community discontent with the process.
Solid waste generation rate, including diverted materials	An estimated 640kg per year of residential municipal solid waste will be generated per household, reducing over ten years.	Progress towards waste minimisation is not achieved. Without tangible action there is a potential for more waste to go to landfill.
Solid waste environmental consciousness profile	Communities in the Western Bay district are more conscious of the environmental impact of their actions. Communities are demonstrating an increasing willingness to reduce this acknowledged impact.	Council is unable to keep up with the increased environmental awareness and is slow to meet community expectations.
Recycling facilities are already reaching capacity.		
Waste Minimisation Act	The Waste Minimisation Act was passed in September 2008. The Act provides for, among other things, additional funding through a waste levy to be collected on waste delivered to landfill sites and applied to waste minimisation activities and product stewardship schemes.	Change to the Act could result in reduced funding or the elimination of the waste levy. This may lead to additional costs or a reduction in the services offered.
Waste Management and Minimisation Plan	Council will continue to have an up to date Waste Management and Minimisation Plan as required by section 41 of the Waste Minimisation Act 2008.	If the WMMP is not updated every 6 years funding from the Waste Levy may be at risk.
Solid waste changes in technology	Technology could potentially reduce operational and disposal costs and reduce impacts on the environment.	Innovative technologies may increase costs in the short term if economies of scale cannot be easily achieved.

DID YOU KNOW...

Weights for whiteware on average/per piece:

- Dishwasher - 40kg
- Refrigerator - 80kg
- Oven/stove - 75kg
- Dryer - 32kg
- Microwave - 10kg
- Washing Machine - 45kg

Total percentage by weight of recyclables from Katikati & Waihi Beach Recycling Centres:

- Glass - 70%
- Paper - 17%
- Plastic - 4%

Total percentage by weight of recyclables from Te Puke Recycling Centres:

- Glass - 48%
- Paper - 28%
- Plastic - 4%

Average weights for recyclable material per loose cubic metre

- On average: Kg/m3
- Aluminium: 30kg (Source: Recyclonomics)
- Glass: 220kg (Source: Recyclonomics)
- Steel cans: 90kg (Source: CMA recycling)
- Plastics: 25kg (Source: Recyclonomics + averages)
- Solid steel: 700kg (Source: CMA recycling)
- Food waste - 500g
- Cardboard: 90kg (Source: Recyclonomics)
- Paper: 160kg (Source: Full Circle)

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LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter three (page 280) of the existing Long Term Plan 2018-2028 - Solid Waste Activity

SIGNIFICANT EFFECTS OF PROVIDING THIS ACTIVITY

WELL-BEING	POSITIVE	NEGATIVE	HOW WE ARE ADDRESSING THESE EFFECTS
Social	<ul style="list-style-type: none"> ✓ Providing recycling facilities and kerbside services promotes environmental consciousness. ✓ Community and school involvement in programmes. ✓ Better awareness of waste minimisation methods fosters improved community health, safety and well-being. ✓ Community participation in services and events provides positive social feedback. 	<ul style="list-style-type: none"> ✗ Under-provision of recycling facilities fails to promote a positive shift in the community's attitude to waste. 	<ul style="list-style-type: none"> • Each main urban community in our District has greenwaste and/or recycling facilities. • We will introduce a Council contracted kerbside service and rural recycling drop-off points to encourage recycling and diversion.
Environmental	<ul style="list-style-type: none"> ✓ The hazardous waste collection removes household quantities potentially harmful substances. ✓ Protection and enhancement of our District's environment. 	<ul style="list-style-type: none"> ✗ Landfill sites can create leachate that infiltrates groundwater and gases that are discharged into the environment. ✗ Collection services can lead to visual pollution on roadsides. 	<ul style="list-style-type: none"> • We will continue to manage and monitor the closed landfill sites to meet compliance with Resource Consent conditions. • We will not develop additional landfill sites. • We will continue to license and monitor waste collection operators. • We will implement a Council contracted kerbside service.
Economic	<ul style="list-style-type: none"> ✓ Provision of user-pay services ensures that the generator of waste pays for the provision of the service. 	<ul style="list-style-type: none"> ✗ User-pays can lead to illegal dumping of rubbish to avoid payment. ✗ Financial cost of recycling and disposal services. The cost of recycling services is affected by the world markets for recyclable materials, for example glass and plastic. 	<ul style="list-style-type: none"> • We monitor trends in these markets and revise the expected costs of our recycling services through the Annual Plan or Long Term Plan processes. These cost are weighed against the environmental benefits of recycling. • The provision of kerbside services and rural recycling drop off points will make recycling more accessible.
Cultural	<ul style="list-style-type: none"> ✓ Waste disposal services protect culturally sensitive Māori land and water resources. 	<ul style="list-style-type: none"> ✗ Waste entering water bodies affects the mauri of the environment. 	<ul style="list-style-type: none"> • We will continue to take enforcement action against fly dumping.

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LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter three (page 281) of the existing Long Term Plan 2018-2028 - *Solid Waste Activity*

COUNCIL'S ADDITIONAL ASSET REQUIREMENTS

SOLID WASTE

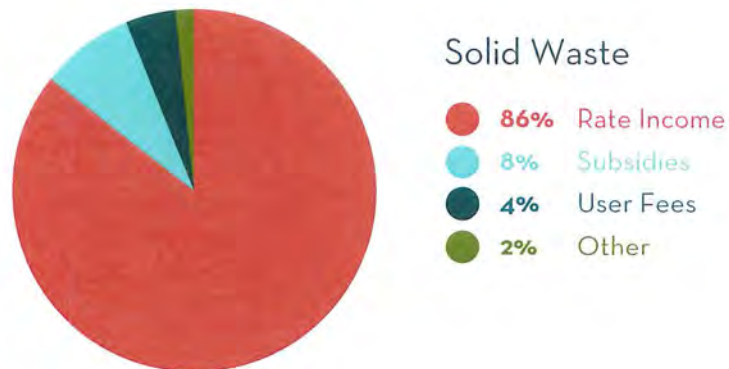
All information from 2020-2028 includes an annual adjustment for inflation.

CAPITAL EXPENDITURE	\$'000									
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
To meet additional demand (capacity for future residents - growth)	-	-	52	1,019	220	-	-	-	-	-
To improve the level of service	-	-	279	-	-	-	-	-	-	-
To replace existing assets (renewals)	-	-	-	-	-	-	-	-	-	-
Total capital expenditure	-	-	331	1,019	220	-	-	-	-	-

WHERE THE MONEY COMES FROM

Please refer to Chapter 5 'Policies, Summaries & Statements' for the Revenue and Financing Policy for solid waste.

FUNDING SOURCES FOR SOLID WASTE 2018/19



LONG TERM PLAN AMENDMENT 2018-2028Taken from chapter five (page 446) of the existing Long Term Plan 2018-2028 - *Summary of financial contributions policy section***PROJECTED CAPITAL EXPENDITURE FOR GROWTH**

COUNCIL ACTIVITY	FORECAST \$'000									
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Transportation	9,103	5,970	4,023	7,193	2,524	2,944	11,566	4,550	9,256	14,171
Water supply	1,562	3,971	2,787	1,502	2,894	4,196	4,094	1,483	-	1,319
Communities	169	79	916	96	67	76	362	415	457	6,298
Recreation and leisure	3,032	2,168	946	1,630	831	644	3,257	3,189	1,576	660
Wastewater	280	4,584	-	2,468	-	1,352	3,130	474	207	2,005
Solid waste	-	-	331	1,019	220	-	-	-	-	-
Stormwater	2,000	3,008	2,648	-	1,044	2,096	116	2,052	-	-
Economic	460	929	690	387	778	353	363	373	384	396

FINANCIAL CONTRIBUTIONS SOUGHT

COUNCIL ACTIVITY	FORECAST \$'000									
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Transportation	2,113	2,671	2,876	2,942	3,011	3,141	3,220	3,304	3,394	3,486
Water supply	1,203	1,505	1,641	1,680	1,721	1,525	1,563	1,605	1,650	1,696
Recreation and leisure	2,130	2,173	2,297	2,346	2,396	2,260	2,312	2,367	2,424	2,487
Wastewater	2,010	1,885	1,952	1,998	2,047	2,179	2,233	2,293	2,357	2,423
Stormwater	1,140	1,351	1,476	1,511	1,547	1,566	1,604	1,647	1,693	1,741
Natural environment	191	221	229	-	-	-	-	-	-	-
Total	8,786	9,806	10,471	10,477	10,722	10,671	10,933	11,217	11,518	11,833

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LONG TERM PLAN AMENDMENT 2018-2028

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

WESTERN BAY OF PLENTY DISTRICT COUNCIL

SUMMARY FUNDING STATEMENT 2018 - 2028

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

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LONG TERM PLAN AMENDMENT 2018-2028

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

WESTERN BAY OF PLENTY DISTRICT COUNCIL

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

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

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LONG TERM PLAN AMENDMENT 2018-2028

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

WESTERN BAY OF PLENTY DISTRICT COUNCIL PROSPECTIVE STATEMENT OF FINANCIAL POSITION

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

LONG TERM PLAN AMENDMENT 2018-2028

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

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

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

LONG TERM PLAN AMENDMENT 2018-2028

Taken from chapter four (page 331) of the existing Long Term Plan 2018-2028 - *Prospective financial statements section*WESTERN BAY OF PLENTY DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF CASH FLOWS 2018 - 2028

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

LONG TERM PLAN AMENDMENT 2018-2028

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

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

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

LONG TERM PLAN AMENDMENT 2018-2028

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

WESTERN BAY OF PLENTY DISTRICT COUNCIL

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

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

LONG TERM PLAN AMENDMENT 2018-2028

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

WESTERN BAY OF PLENTY DISTRICT COUNCIL

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

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

LONG TERM PLAN AMENDMENT 2018-2028

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

SOLID WASTE

COMMUNITY OUTCOME

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

GOALS

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

DISCUSSION / RATIONALE

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

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

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

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

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

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

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

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

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

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

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

As of 2020/21 year onwards:

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

FUNDING APPROACH

Capital expenditure excluding renewals

Initially financed by loans and serviced from solid waste targeted rates (uniform annual charges), over the applicable area of benefit (currently Eastern, Western and Omokoroa).

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

Operational, maintenance and renewals expenditure

Provided from:

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

LONG TERM PLAN AMENDMENT 2018-2028

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

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

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

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

LONG TERM PLAN AMENDMENT 2018-2028

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

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

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

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

your
DISTRICT
-COUNCIL-



Western Bay of Plenty
District Council

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

Western Bay of Plenty District Council
Policy Committee
Waste Management and Minimisation
Investigations

Purpose

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

Recommendation

1. *THAT the Senior Policy Analyst's report dated 29 November 2018 and titled 'Waste Management and Minimisation Investigations' be received.*
2. *THAT the report relates to an issue that is considered to be of high significance in terms of Council's Significance and Engagement Policy.*
- Kerbside Waste Services*
 3. *THAT in relation to Issues and Options Paper – Kerbside Waste Services (Attachment B), the Committee resolves its preferred option as Option [1,2,3, or 4], being:...*
- Commercial Services*
 4. *THAT in relation to Issues and Options Paper – Commercial Services (Attachment C), the Committee resolves its preferred option as Option [1 or 2], being:....*
- Rural Recycling Drop-off Points*
 5. *THAT in relation to Issues and Options Paper – Rural Recycling Drop-off Points (Attachment D), the Committee resolves its preferred option as Option [1 or 2], being:....*
- Construction and Demolition Waste*
 6. *THAT in relation to Issues and Options Paper – Construction and Demolition Waste (Attachment E), the Committee resolves its preferred option as Option [1 or 2], being:....*

Date 29 November 2018
Subject Waste Management and Minimisation Investigations

Open Session

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

.....
Matt Leighton
Senior Policy Analyst

Date 29 November 2018
Subject Waste Management and Minimisation Investigations

Open Session

1. Background

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

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

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

Timeline

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

The project

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

The investigations have progressed through three key phases.

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

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

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

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Next steps

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

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

2. Significance and Engagement

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

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

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

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

3. Engagement, Consultation and Communication

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

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

4. Issues and Options Assessment

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

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

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

5. Statutory Compliance

The recommendations of this report meet the requirements of:

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

6. Funding/Budget Implications

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

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

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Attachment A

Timeline

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

2016

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

TCC and WBOPDC agree to separate processes.

2017

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

2018

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

2019

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

2020

- Tender process
- Service set-up and establishment

2021

- Service goes live

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Attachment B

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

Attachment C

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

Attachment D

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

Attachment E

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

Annual Plan 2019-20

Issues and Options Paper

Issues and Options Paper



Project Re-budget



(Also complete detail in Appendix A)

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

Staff Narrative**Background**

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

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

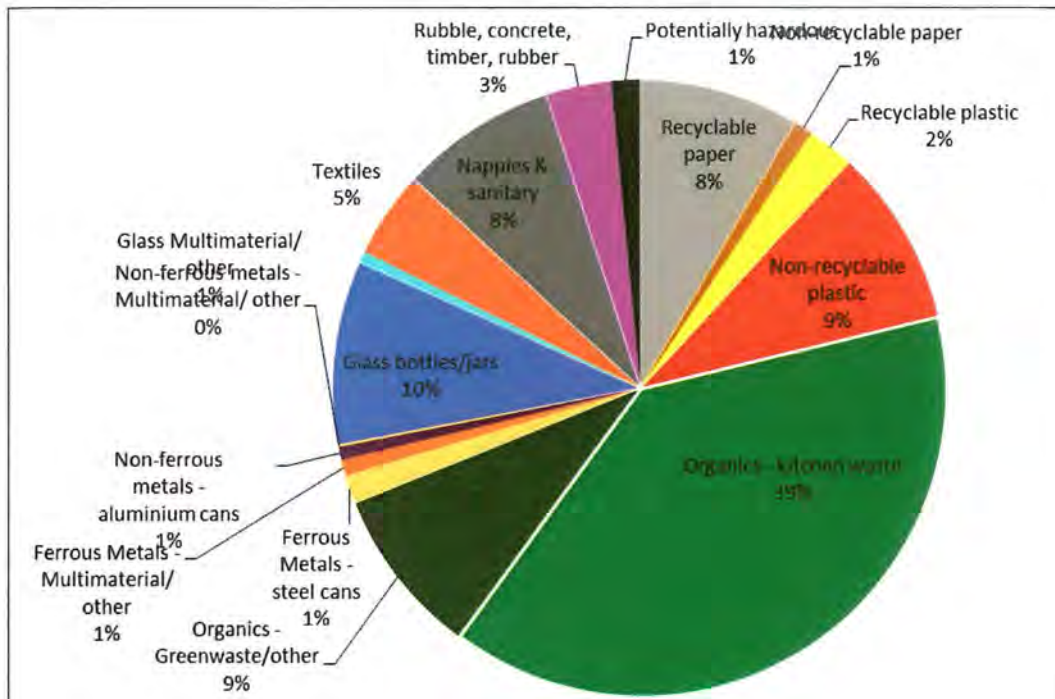
In order to make progress towards achieving this target, Council will need to consider which steps it may be prepared to take in order to change the status quo. The WMMP identified a Council kerbside collection as the biggest potential contributor to reduce waste landfill.

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

Issue and Trends*What do we throw away?*

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

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



Why is this a problem?

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

Due to the way in which biodegradable (food) waste breaks down in a landfill, it produces methane (approximately 25 times more powerful as a greenhouse gas compared to CO²) and leachate. Composting food waste separately reduces the environmental footprint (producing CO² rather than methane) and provides a useful composting product.

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

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

What are people saying?

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

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

The process so far

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

The investigations have progressed through three key phases.

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

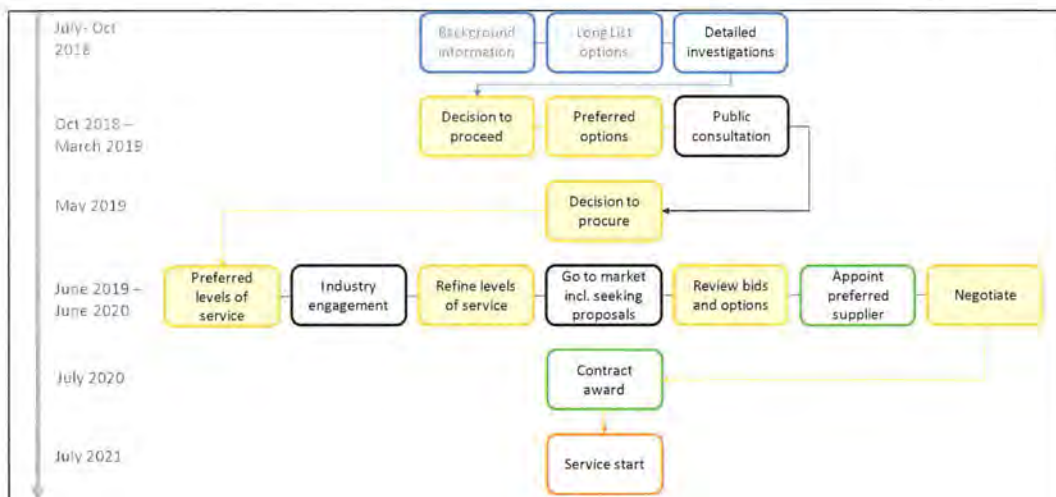
The Committee identified five key outcomes which have driven this work:

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

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

The process going forward

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



Service development

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

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

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

Service Range

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



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

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

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

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

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

This option comprises:

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

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

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

Advantages	Disadvantages
<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Significant quantities of divertible waste going to landfill, which has environmental and financial implications. • Does not make progress on our WMMP targets and requires Council to reconsider its WMMP. • Comparatively high average cost to households than other options.

Option 1: Implications for Work Programme/Budgets										
y/e June	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2027/28 \$000	Comments
Capital cost <i>e.g. Asset</i>										
Capex funding										
• Rates										

<ul style="list-style-type: none"> • Fin Contribution 										
<ul style="list-style-type: none"> • External 										
<ul style="list-style-type: none"> • Other (specify) 										
Opex cost <i>e.g. grants, service delivery, maintenance</i>	50									Cost to rework WMMP.
Opex funding										
<ul style="list-style-type: none"> • Rates 										
<ul style="list-style-type: none"> • External 										
<ul style="list-style-type: none"> • Other (specify) 										

Option 2:

That Council takes an increased role in waste management

AND

That Council delivers a kerbside collection service for glass and recyclables, to become operational in 2021 funded through a targeted rate;

AND

That Council deliver a kerbside collection service of food waste in urban areas, to become operational in 2021 funded through a targeted rate.

(Note: Option 2 in Eunomia report)

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

This option comprises:

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

Food Waste	Glass	Recycling	Rubbish
Council led urban collection.	Council led collection	Council led collection	Led by private companies as per status quo
<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 \$191 for private rubbish collection.

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

Advantages

Disadvantages

- Recycling capacity for households is limited.

<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"> Health and safety risks with manual handling need to be managed Relatively high cost to households in comparison to other options 					
Option 2: Implications for Work Programme/Budgets										
y/e June	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2027/28 \$000	Comments
Capital cost <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>	70	70	1,329	1,329	1,329	1,329	1,329	1,329	1,329	<i>Costs for tender work, pre-implementation education, and then service delivery from 2021/22 onwards. Not accounted for growth or inflation.</i>
Opex funding										
• Rates	70	70	1,329	1,329	1,329	1,329	1,329	1,329	1,329	<i>Service provision funded through targeted rates. One for glass and recycling collection. One for urban food waste</i>

										<i>collections. Not accounted for growth or inflation.</i>
• External										
• Other <i>(specify)</i>										

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

That Council takes an increased role in waste management

AND

That Council delivers a kerbside collection service for glass and recyclables, to become operational in 2021 funded by a targeted rate;

AND

That Council delivers a kerbside collection service of food waste in urban areas, to become operational in 2021 funded by a targeted rate;

AND

That Council delivers a pay per pick-up kerbside rubbish collection service, to become operational in 2021.

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

This option comprises:

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

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

<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 \$160 for rubbish collection (pre-paid tags/RFID system).

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

Advantages

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

Disadvantages

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

Option 2: Implications for Work Programme/Budgets

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

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

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

That Council takes an increased role in waste management

AND

That Council delivers a kerbside collection service for glass and recyclables, to become operational in 2021 funded by a targeted rate;

AND

That Council delivers a kerbside collection service of food waste in urban areas, to become operational in 2021 funded by a targeted rate;

AND

That Council delivers a kerbside rubbish collection service, and that this be charged as a subscription on a volume basis, to become operational in 2021.

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

This option comprises:

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

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

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

Advantages	Disadvantages
<ul style="list-style-type: none"> Improves diversion of recyclable or compostable waste from landfill, aligning to overarching WMMP vision High quantity of recyclables can be collected Some flexibility in rubbish collection, as can opt for smaller or larger bin Administration and billing is simpler than for pay per pickup systems Cost savings for households and increased level of service. 	<ul style="list-style-type: none"> Recycling contamination can be high Recycling requires a sorting plant Some market share uncertainty (less risk than pay per pickup) Once households have selected a bin size, does not encourage waste minimisation.

Option 3: Implications for Work Programme/Budgets

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

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

Recommended Decision *(to be completed by staff prior to decision-making meeting)*

Option 3 (option 5A in Eunomia report)

*That Council take an increased role in waste management
and*

*That Council deliver a targeted-rate funded kerbside collection service for glass
and recyclables, to become operational in 2021;*

and

*That Council deliver a targeted-rate funded kerbside collection service of food
waste in urban areas, to become operational in 2021;*

and

*That Council deliver a pay per pick-up kerbside rubbish collection service, to
become operational in 2021.*

Decision

(To be completed in the decision making meeting)

Reason

(To be completed in the decision making meeting)

Annual Plan 2019-20

Issues and Options Paper

Issues and Options Paper



Project Re-budget



(Also complete detail in Appendix A)

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

Staff Narrative**Background**

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

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

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

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

Extending Council led services to commercial property

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

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

will offer a specific level of service such as early morning or late-night collections (so as not to interfere with shoppers), bag collections so there are no issues with bins remaining on the footpath or bins having to be wheeled through shops, or collections of flattened cardboard.

Provision of a household-type kerbside recycling and food waste service to some businesses could increase diversion from landfill, and achieve improved environmental outcomes in a more general sense.

The Proposal

Businesses in the 'commercial' or 'commercial transition' zones could be supplied with a kerbside recycling and food waste service and, depending on Council's direction, could also participate in a Council user pays rubbish service. This is approximately 350 properties.

For the purposes of modelling it has been assumed that the service would be essentially the same as the standard household service; with the exception of rubbish, where bags could be provided where required instead of wheeled bins to minimise any issues with wheeled bins remaining on the footpath (noting this can be further developed through any future tender discussions).

Due to the small number of properties involved, an opt-in or opt out service may be a viable option for collections from commercial properties.

When the costs are calculated on a per property basis there is negligible difference with the additional properties. However, for the commercial properties, the cost is slightly lower (about \$75 per property for recycling, glass and food waste collections, not including GST, as opposed to \$85 per household). This reflects the fact that the additional properties are assumed to be in urban areas and therefore have better collection logistics than the district as a whole. Alternatively, Council could determine to charge at the same rate as households, reflecting the same level of service received.

The proposal requires increased funding, but will see increased revenue. It does not affect the overall impact on households, due to the small number of properties involved.

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

Options	
<i>1 Status Quo</i>	<i>That Council does not offer a Council led rubbish, recycling, glass or food waste service to commercial properties.</i>
<i>2 Commercial Services</i>	<i>That any Council led waste service includes 'commercial' and 'commercial transitional' zoned properties; AND That this be funded through a targeted rate, for glass, recyclables and food waste; AND That this rate be set at the same level as a residential property; AND</i>

	<p><i>That a Council led rubbish collection service would be paid on the same basis as the household;</i></p> <p><i>AND</i></p> <p><i>That this be an opt in service.</i></p>
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Option 1: <i>That Council does not offer a Council led rubbish, recycling, glass or food waste service to commercial properties.</i>	
Status Quo Council does not provide any services to the commercial sector.	
Advantages <ul style="list-style-type: none"> Does not add increased costs to rates. Commercial owners take ownership of their waste and can procure private services 	Disadvantages <ul style="list-style-type: none"> May not encourage recycling, or increased diversion. Does not provide a service to businesses that could easily access it.
Option 1: No implications for Work Programme/Budgets	

<p>Option 2: Opt-in commercial services <i>That any Council led waste service includes 'commercial' and 'commercial transitional' zoned properties;</i> <i>AND</i> <i>That this be funded through a targeted rate, for glass, recyclables and food waste;</i> <i>AND</i> <i>That this rate be set at the same level as a residential property;</i> <i>AND</i> <i>That this be an opt in service;</i> <i>[AND ALSO</i> <i>That a Council led rubbish collection service would be payed on the same basis as the household service]</i></p>
<p>Opt-in commercial services This option comprises:</p> <ul style="list-style-type: none"> A rates funded council-provided kerbside recycling service for commercial properties that opt-in to the service; A rates funded council-provided food waste collection for commercial properties that opt-in to the service; (Depending on the decision made in IOP AP14 – Kerbside waste services) A Council-contracted user-pays rubbish collection service for commercial properties that opt-in to the service; and

<ul style="list-style-type: none"> Approximately 350 properties would be eligible to opt-in to the service. <p>Costs per property would be similar to those as per household and outlined in IOP AP14 – Kerbside waste services.</p>	
<p>Advantages</p> <ul style="list-style-type: none"> Recycling made more easily available for some businesses Food waste diversion more easily available for businesses Little work required to extend the service to commercial properties in the urban area (should a residential service also be provided) Flexibility possible for businesses 	<p>Disadvantages</p> <ul style="list-style-type: none"> Opt-in methodology does not bring certainty on numbers and requires some additional administration. Some properties waste is unsuitable for 'residential' sized services and will still require private solutions.

Option 2 Opt-in commercial services (Recycling, glass and foodwaste – NO RUBBISH): 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>			25.5	25.5	25.5	25.5	25.5	25.5	25.5	<i>Cost of service provision for recycling, glass and foodwaste collection services. Service provision funded through targeted rates.</i>
Opex funding										

• Rates			25.5	25.5	25.5	25.5	25.5	25.5	25.5	<i>Service provision funded through targeted rates.</i>
• External										
• Other (specify)										

OR

Option 2 (Recycling, glass, foodwaste - INCLUDES RUBBISH): 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 (specify)										
Opex cost <i>e.g. grants, service delivery, maintenance</i>			48.7	48.7	48.7	48.7	48.7	48.7	48.7	<i>Cost of service provision for recycling, glass, foodwaste and rubbish collection services.</i>
Opex funding										
• Rates			27	27	27	27	27	27	27	<i>Cost of service provision for recycling, glass and foodwaste collection services. Service provision funded through targeted rates.</i>
• External										

<ul style="list-style-type: none"> Other – user fees 			21.5	21.5	21.5	21.5	21.5	21.5	21.5	<i>User fees charged for rubbish collection. Methodology to reflect the household service.</i>
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Recommended Decision *(to be completed by staff prior to decision-making meeting)*

That any Council led waste service includes 'commercial' and 'commercial transitional' zoned properties;

AND

That this be funded through a targeted rate, for glass, recyclables and food waste;

AND

That this rate be set at the same level as a residential property;

AND

That this be an opt in service;

[AND ALSO

That a Council led rubbish collection service would be payed on the same basis as the household].

Decision

(To be completed in the decision making meeting)

Reason

(To be completed in the decision making meeting)

Annual Plan 2019-20

Issues and Options Paper

Issues and Options Paper



Project Re-budget



(Also complete detail in Appendix A)

Issue and Options (IOP)		
	Number	Description
Topic	AP14	Solid Waste
Issue	03	Rural Recycling Drop-off Points
Related strategies	Solid Waste Strategy, Waste Management and Minimisation Plan	

Staff Narrative**Background**

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

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

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

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

Rural Recycling Drop-off Points

As discussed in the previous issue and options report it is not proposed that Council led kerbside collection services extend to remote rural households. The current modelling is based on approximately 83% of households receiving a proposed kerbside services.

One option is to provide recycling services to remote rural households by providing additional recycling drop off sites in strategic locations.

A number of councils have continued to develop the way that sites are designed and managed and there are now a number of effective, well-functioning examples in place around NZ that do not suffer from the issues encountered by drop-off sites in the past. The key characteristics for these sites are:

- The recycling bins are modified shipping containers
- The sites are serviced regularly

- The sites are monitored by a local resident (or group) who is responsible for keeping the site generally tidy, and notifying the council/contractor of any issues and if additional pickups are needed
- Any dumping etc. is cleaned up immediately
- The sites are established in consultation with the local communities and the conditions for their use are made clear

This is very similar to the model used by Hastings District Council (which operates 7 sites) and adopted by other councils. These utilise 20ft modified shipping containers with material appropriate apertures and a number of size adjustable compartments in the container to accommodate different volumes of material. When the bins are full they can be loaded on a hook truck, which makes transportation and emptying very efficient. Spare exchange units are used to enable continuous service and reduce transport costs.



The Proposal

To supplement the existing recycling centres, a number of additional small drop-off sites in rural locations are proposed.

Three of sites are proposed to cover strategic locations where services would otherwise be unavailable.

Possible locations would be determined in consultation with the specific local communities over the coming year. There may also be an opportunity through the tendering process to include some additional households in the serviced area, which currently don't have access to existing private services.

It is proposed that the households that would be unable to access a Council led 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 (excluding GST).

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

Options	
<i>1 Status Quo</i>	<i>That Council does not budget for rural recycling drop-off points.</i>
<i>2 Rural Recycling Drop-off Points</i>	<i>That Council includes \$266,000 in the 2020/2021 year to establish three rural recycling drop-off points; AND That the Council include \$18,521 in operational costs for the 2020/2021 year onwards; AND That Council recover the expenditure through a targeted rate; AND That Council consult with the relevant communities to determine suitable locations in the 2019/20 year.</i>

Option 1: <i>That Council does not budget for rural recycling drop-off points.</i>	
Status Quo Council takes no further action regarding rural recycling drop-off points.	
Advantages <ul style="list-style-type: none"> Does not add increased costs to rates. 	Disadvantages <ul style="list-style-type: none"> 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	

Option 2:
That Council includes \$266,000 in the 2020/2021 year to establish three rural recycling drop-off points;
AND
That the Council include \$18,521 in operational costs for the 2020/2021 year onwards;
AND
That Council recover the expenditure through a targeted rate;
AND
That Council consult with the relevant communities to determine suitable locations in the 2019/20 year.

Rural Recycling Drop-off Points
 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 (excluding GST).

Advantages

- 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 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>		266								<i>Cost of site works and four 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>		<i>18.5</i>	<i>18.5</i>	<i>18.5</i>	<i>18.5</i>	<i>18.5</i>	<i>18.5</i>	<i>18.5</i>	<i>18.5</i>	
Opex funding										
• Rates		<i>18.5</i>	<i>18.5</i>	<i>18.5</i>	<i>18.5</i>	<i>18.5</i>	<i>18.5</i>	<i>18.5</i>	<i>18.5</i>	<i>Operating costs including income from sale of recyclables</i>
• External										
• Other <i>(specify)</i>										

Recommended Decision *(to be completed by staff prior to decision-making meeting)*

That Council includes \$266,000 in the 2020/2021 year to establish three rural recycling drop-off points;

AND

That the Council include \$18,521 in operational costs for the 2020/2021 year onwards;

AND

That Council recover the expenditure through a targeted rate;

AND

That Council consult with the relevant communities to determine suitable locations in the 2019/20 year.

Decision

(To be completed in the decision making meeting)

Reason

(To be completed in the decision making meeting)

Annual Plan 2019-20

Issues and Options Paper

Issues and Options Paper



Project Re-budget



(Also complete detail in Appendix A)

Issue and Options (IOP)		
	Number	Description
Topic	AP14	Solid Waste
Issue	04	Construction and Demolition waste
Related strategies	Solid Waste Strategy, Waste Management and Minimisation Plan	

Staff Narrative**Background**

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

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

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

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

Construction and demolition waste

Construction and demolition waste can represent a large portion of the overall waste stream. About 10% of what goes to a class 1 landfill can be considered as construction and demolition waste; it is the third largest component by source. However a lot of construction and demolition waste goes to the three other classes of landfill. The lack of precise data about disposal of waste to Class 2-4 landfills makes it impossible to reliably monitor the disposal of some major waste streams. Given the very active construction sector in Tauranga and the Western Bay at present, it would be expected that there would be much more construction and demolition waste in the waste stream.

It is unlikely that a kerbside collection service of construction and demolition waste, even at commercial projects, would be feasible under current conditions, and for these reasons construction and demolition waste recovery is more likely to be an option as a community or non-profit partnership.

A construction and demolition waste recycling facility would typically separate concrete, bricks, timber, metals, plasterboard, and cardboard. Such facilities can divert 80-90% of input material. Concrete and brick is crushed for use as aggregate, timber recovered for hog fuel, metals for recycling, and plasterboard (gypsum) for reuse or as an additive to soil amendments. A centre with a wider focus is also likely to separate out reusable items such as joinery and fittings.

Provision of a construction and demolition waste recovery facility, particularly one that incorporated re-use, does have the potential to increase diversion from landfill and achieve improved environmental outcomes in a more general sense. This would also offer a wider range of services to customers. A successful community non-profit operation would mean no additional ongoing charges (once established) to the community, meeting many of the key preferred outcomes for waste services. Operations like these are successfully being run elsewhere in New Zealand.

The Proposal

That Council work with Tauranga City Council to investigate the establishment of a community non-profit construction and demolition waste recovery facility.

This may be located at Te Maunga Resource Recovery Centre or another suitable location.

This would involve staff time, and no direct costs at this point. However, funding to aid establishment of such a facility may be required in the future. A future Council decision would be sought on this following progress exploring this issue.

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

Options	
<i>1 Status Quo</i>	<i>That Council does not actively progress the establishment of a community led non-profit construction and demolition waste recovery facility in the Western Bay of Plenty – Tauranga area.</i>
<i>2 C&D facility</i>	<i>That Council actively works with Tauranga City Council to investigate the establishment of a community led non-profit construction and demolition waste recovery facility in the Western Bay of Plenty – Tauranga area.</i>

<p>Option 1: <i>That Council does not actively progress the establishment of a community led non-profit construction and demolition waste recovery facility in the Western Bay of Plenty – Tauranga area.</i></p>	
<p>Status Quo Council takes no further action regarding establishment of a community led non-profit construction and demolition waste recovery facility.</p>	
<p>Advantages</p> <ul style="list-style-type: none"> • Does not add increased costs to rates. • Does not commit staff time. • Acknowledges that a kerbside service for construction and demolition waste facility is not considered feasible at this time. 	<p>Disadvantages</p> <ul style="list-style-type: none"> • Does not support cooperation between Councils and community groups. • Does not encourage recovery of construction and demolition waste for reuse or recycling.
<p>Option 1: No implications for Work Programme/Budgets</p>	
<p>Option 2: <i>That Council actively works with Tauranga City Council to investigate the establishment of a community led non-profit construction and demolition waste recovery facility in the Western Bay of Plenty – Tauranga area.</i></p>	
<p>Construction and demolition waste recovery facility This option comprises:</p> <ul style="list-style-type: none"> • Working with TCC to investigate the viability of a community led non-profit construction and demolition waste recovery facility in the Western Bay of Plenty – Tauranga area • Working community groups to explore their future role in such a facility. 	
<p>Advantages</p> <ul style="list-style-type: none"> • 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. 	<p>Disadvantages</p> <ul style="list-style-type: none"> • Requires staff time. • May require Council investment at a future point.

	Option 2: No implications for Work Programme/Budgets

Recommended Decision *(to be completed by staff prior to decision-making meeting)*

That Council actively works with Tauranga City Council to investigate the establishment of a community led non-profit construction and demolition waste recovery facility in the Western Bay of Plenty – Tauranga area.

Decision

(To be completed in the decision making meeting)

Reason

(To be completed in the decision making meeting)



Kerbside Waste and Recycling Services – Background Information

Prepared for Western Bay of Plenty District Council

16 July 2018

Report for Western Bay of Plenty District Council

Prepared by Duncan Wilson & Lisa Eve

Approved by

.....

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Disclaimer

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E.1.0 Executive Summary

E.1.1 Introduction

Western Bay of Plenty District Council adopted a new Waste Management and Minimisation Plan in December 2017. A key action in the WMMP is to 'investigate alternative recycling and rubbish collection models to achieve better oversight and management of solid waste and recycling throughout the District'.

Council is currently considering these alternative models and has commissioned Eumonia Research & Consulting (Eumonia) to provide background research and cost modelling to support this process.

At this stage, a long list of potential collection options is available to Council. This longer list needs to be narrowed down to a selection of preferred options to enable cost modelling to be carried out. The aim of this report is to establish a starting point and knowledge base amongst all staff and elected members, to enable an informed and productive discussion regarding preferred collection options and scenarios.

E.1.2 Strategic and Legal Context

- The key legislation is the Waste Minimisation Act (2008)
- Councils have a statutory requirement to provide effective and efficient waste management and minimisation, and to protect public health, which does not necessarily involve providing services directly
- The waste hierarchy must be considered, with options that provide for reducing, reusing, and recycling waste preferable to those further down the hierarchy
- Waste must not create a 'nuisance'
- Councils must 'have regard to' the New Zealand Waste Strategy (2010) – reducing harm and improving resource efficiency

E.1.3 Kerbside Collection Options

E.1.3.1 Kerbside Collection Waste Streams and Interactions

- Design the system to encourage desirable behaviour, and discourage undesirable behaviour – e.g. make it easier to recycle than to throw things in the rubbish
- Systems should be economical, efficient, and safe
- The three main components are recycling, organics, and residual waste (rubbish)
- Waste management systems interact and a change to one part can have a significant impact on another part
- A system that is convenient and has generous capacity will be well used
- Systems should be economical, efficient, and safe

- Design of a kerbside system needs to take into account the wider waste management system

E.1.3.2 Organic Waste

- Organic waste is the single most common material found in rubbish collections
- The majority is food waste and virtually every home, even those with composting and animals, will have food waste in their rubbish
- There can be some garden waste, especially where rubbish is collected in large (240L) wheeled bins. Garden waste is rare in bagged rubbish collections.
- Due to the way in which biodegradable waste breaks down in a landfill, and the negative impacts of this process, any biodegradable waste should be kept out of landfill if possible

E.1.3.3 Recyclables

Traditionally recycling collections have taken two forms:

Comingled	Sorted at Kerb
<ul style="list-style-type: none"> • Collect more material • Wheeled bins enable automation • Less frequent collections possible • MRF required • Higher loss in later stages due to contamination 	<ul style="list-style-type: none"> • Takes longer • Unwanted items can be left behind • High quality material streams • No MRF required • Low loss at later stages as unwanted materials are rejected and contamination is low

A more recent approach is to collect one recyclable item, such as glass, separately to the others; making the recyclables much easier to sort to a higher quality

E.1.3.4 Residual Waste

- Residual waste collection methodology is crucial to the success of the overall kerbside collection system
- Large rubbish collection containers, such as 240L wheeled bins, contain higher quantities of recycling and organic waste
- Council-run user-pays systems can minimise quantities of recycling and organic waste, but can also lose market share to the private sector (in particular to 240L wheeled bin services)

E.1.3.5 Container Options

The three main types are bags, crates and lidded bins (with or without wheels)

Container	Usual Use in New Zealand
Bags	Rubbish collections (often user-pays)

Crates	Kerbside-sort recycling collections (multiple crates required); can accompany a comingled collection (glass out)
Small lidded bins	Food waste, alongside vented kitchen caddy with compostable liners
Small/medium wheeled bins	Rubbish collections
Large wheeled bins	Comingled recycling collections (often fortnightly), rubbish collections (private), mixed organic waste (food and garden)

E.1.3.6 Kerbside Recycling Performance

- Wheeled bins for recycling enable more material to be collected - 25% - 33% more than a crate-based system
- Loss through contamination and unwanted items is higher – 6 % - 15% compared to less than 2% in a kerbside sort system using crates
- Collecting one material separately – such as glass – reduces the rate of loss through contamination

E.1.3.7 Kerbside Organics Performance

- Food waste makes up around 40% of the rubbish collected in Western Bay
- Garden waste is a further 6 – 10% depending on time of year, and is likely to be higher in 240L wheeled bin collections than in bag-based collections
- A well-run kerbside food waste collection can capture 55%-60% of this food waste for an estimated \$40 per household cost
- A mixed food and garden waste collection is likely to cost around \$80 per household, due to the increase in overall quantities collected and the need to process all of the organic waste in a way that suits food waste

E.1.3.8 Service Provision to Rural Areas

It is extremely rare for a council to provide a kerbside service to every household, especially district councils. Typical proportions of households served in similar districts range from 33% (Otorohanga) to 89% (Thames-Coromandel)

E.1.3.9 Common Service Packages

The most common kerbside collection packages being offered by councils in New Zealand at present are:

- 240L fortnightly recycling wheeled bin collection alternating with a fortnightly glass crate collection, small wheeled bin for organics, moderate wheeled bin for rubbish collected fortnightly

- Two or three recycling crates collected weekly, small food waste container collected weekly, bagged rubbish collected weekly
- 240L fortnightly recycling wheeled bin collection alternating with a fortnightly glass crate collection, small food waste container collected weekly, moderate wheeled bin for user-pays rubbish collected weekly.

E.1.4 Other Considerations

Council Services across New Zealand were surveyed by MfE in 2013. The survey showed that only four councils out of the 53 that responded to the survey provided no kerbside collection services at all.

Drop-off Facilities provide a low-cost method of gathering materials for recovery, requiring minimal supervision. The frequency of servicing can vary depending on need, and these can play an important role in supplementing kerbside collection systems and other infrastructure.

Construction and Demolition (C&D) Waste arises from smaller household project and larger commercial builds. Kerbside collections of C&D waste are unusual except at larger commercial building sites. C&D recovery points at transfer stations and/or resource recovery centres are more common.

Commercial waste is rarely collected by councils in New Zealand. Those that do usually simply extend the household-type service to non-household customers on a user-pays basis. Commercial waste tends to vary significantly in type and quantity per customer. Design of kerbside collection systems should focus primarily on the householder, and then this service (with or without slight modifications) could be extended to the commercial market on a user-pays basis.

Initial Industry Engagement can be summarised in the following four groupings:

1. Small local companies – nervous about possible Council plans (although resigned) and reluctant to discuss specific operational details
2. Larger cross-regional/national companies – willing to discuss operational issues, but no strong views. Willing to meet the service provision required by Council
3. Garden waste collectors – believe the garden waste collection market is best retained as a private-sector service
4. Processors of diverted material – would like to see Council design a service that will deliver high quality sorted material streams, that can be processed within New Zealand where possible

Operating Models within New Zealand vary in a number of ways:

- Contracting out versus in-house service delivery;
- Integrated contracts versus individual service contracts;
- Ownership of recyclable commodities;
- Council versus private sector service provision;

- Contract structuring; and
- Joint procurement.

These issues are discussed in detail in the main body report.

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1.0 Introduction

1.1 Introduction

In December 2017, Western Bay of Plenty District Council (Council) adopted a revised Waste Management and Minimisation Plan (WMMP). A key action in the WMMP is to 'investigate alternative recycling and rubbish collection models to achieve better oversight and management of solid waste and recycling throughout the District'.

Council is currently considering these alternative models and has commissioned Eunomia Research & Consulting (Eunomia) to provide background research and cost modelling to support this process.

1.2 Background

Eunomia has already completed some collection options and modelling work for Council in early 2016. However this work was carried out in conjunction with Tauranga City Council, and therefore the packages of options chosen (or 'scenarios') and the relevant costs may not necessarily be applicable to Western Bay. Some further high-level modelling was completed in 2017 to inform the WMMP public consultation process, but options were not explored in any detail.

The scenarios chosen for the joint modelling work were:

- Baseline – the status quo
- Scenario 1 – status quo plus a comprehensive licensing and data collection system
- Scenario 2 – status quo plus a Council-managed kerbside recycling system
- Scenario 3 – conventional high recovery (Council-managed kerbside rubbish and recycling system, with food and garden waste in urban areas)
- Scenario 4 – full resource recovery (as above, plus investment in the resource recovery park at Te Maunga)

A joint Waste Assessment was also completed for the two councils in 2016.

Tauranga City Council have since progressed their investigations into alternative collection options, and plan to introduce a kerbside glass recycling collection service in October 2018. This will be followed by a full council-managed kerbside collection system, to be introduced by the 2020/21 financial year.

At this stage, a long list of potential collection options are available to Council. This longer list needs to be narrowed down to a selection of preferred options to enable cost modelling to be carried out.

1.3 Scope

The aim of this report is to establish a starting point and knowledge base amongst all staff and elected members, to enable an informed and productive discussion regarding preferred collection options and scenarios.

This report takes the view that, while there are a wide range of waste streams and materials that could be diverted from landfill, the priority for kerbside collections is to develop something that is going to be useful for the average householder. Once these options have been identified, other factors such as potential use of the service by businesses, supporting the service through drop off centres, and inclusion of less common material streams can be addressed.

Issues covered include the strategic and legislative context, implications of various service design factors, technical waste concepts, and experiences of other similar councils.

2.0 Strategic and Legal Context

City and district councils have a statutory role in managing waste. Councils are required under the Waste Minimisation Act 2008 (WMA) to promote effective and efficient waste management and minimisation within their city/district. A key part of doing this is to adopt a Waste Management and Minimisation Plan (WMMP). Councils also have obligations under the Health Act 1956 to ensure that our waste management systems protect public health.

There are also key strategic documents that should be reflected, such as the New Zealand Waste Strategy.

Of course, as in the case of Western Bay, these statutory requirements can be met without actually providing waste services directly.

2.1 The WMA

The WMA is the key piece of legislation relating to waste management in New Zealand. There are several key points in the Act that should be kept in mind when planning waste services. Councils must:

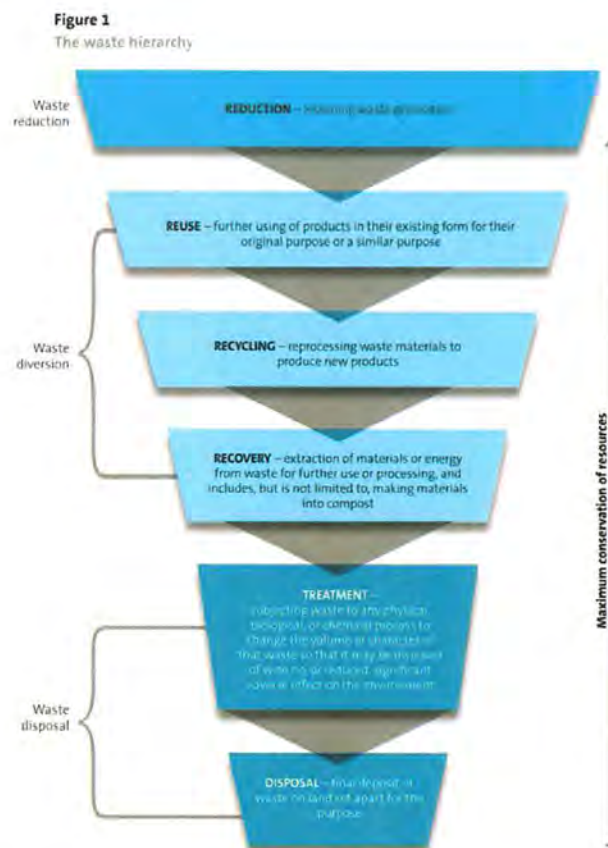
- Consider the 'waste hierarchy' which sets priorities for how we should manage waste (see below)
- Ensure waste does not create a 'nuisance'
- 'Have regard to' the New Zealand Waste Strategy and other key government policies, which emphasise reducing harm and improving the efficiency of resource use
- Consider the outcomes of the 'Waste Assessment' (this is a review of all information that we have about the current waste situation in Western Bay, including rubbish from households and businesses)
- Follow the Special Consultative Procedure set out in the Local Government Act (2002).

More detail on the waste hierarchy and the New Zealand Waste Strategy is provided in the following sections.

2.1.1 The Waste Hierarchy

When developing Waste Management and Minimisation Plans, the Waste Minimisation Act requires that the waste hierarchy be considered. The 'waste hierarchy' refers to the idea that reducing, reusing, recycling and recovering waste is preferable to disposal (which in New Zealand usually means a landfill).

This means that time, effort, and resources should be focused at the higher levels of the hierarchy where possible, and that any service options or choices considered should be evaluated through this lens. The waste hierarchy can be shown like this:



Source: Ministry for the Environment website www.mfe.govt.nz

2.1.2 The New Zealand Waste Strategy

The WMA also requires councils to ‘have regard to’ the New Zealand Waste Strategy when preparing their WMMPs.

The current New Zealand Waste Strategy ‘Reducing Harm, Improving Efficiency’ was published in 2010 and sets out the Government’s long term priorities for waste management and minimisation.

The Strategy includes two goals that are intended to provide direction to councils that are considered where to focus their efforts in order to deliver environmental, social, and economic benefits in their districts. These two goals are:

- Reducing the harmful effects of waste; and
- Improving the efficiency of resource use.

2.2 Other Relevant Strategies and Plans

As well as aligning to Council’s LTP and Annual Plans, the joint WMMP must also support or align with other strategies and plans.

Relevant government policy for local government over the current term and the last two terms (2009 – 2017) has focused on the following areas:

- Fiscal responsibility, transparency and accountability;

- Efficiency; through service reviews, joint working, and amalgamation;
- Sustainable procurement, with a particular focus on innovation and partnership working; and
- Economic growth.

Other key strategies related to waste include the Bay of Plenty Regional Waste and Resource Efficiency Strategy (2015).

The Bay of Plenty regional document has a vision of “working together towards a resource-efficient region”. The regional strategy recognises waste as a resource, and includes five goals:

- To protect our communities, land, water and air from harmful and hazardous wastes;
- To encourage resource efficiency and beneficial reuse of wastes that create sustainable economic growth in the region;
- To work together to encourage and support innovative affordable solutions, with a preference for local solutions;
- To reduce waste to landfill; and
- To promote consistent regulation and compliance monitoring requirements.

2.3 Recycling Markets

2.3.1 Overview

When material is collected for recycling it is sold on commodity markets. These markets have historically been relatively volatile. Established recycling operators recognise this and take a medium-term view of commodity pricing and risk to manage typical commodity market fluctuations. They therefore tend to price recycling collection contracts based on modest recycling income and look to operate services as efficiently as possible to minimise risk. This should allow recycling services to remain viable even in poor commodity price environments.

However, changes to international commodity markets following moves from China to severely restrict the quantity of recyclable materials they accept have significantly altered the viability of the current model.

Historically China has been the largest buyer for mixed plastic and mixed paper and purchased over 50% of all the world’s recyclables.¹

In July of 2017, China announced restrictions on the import of 24 types of material into the country. The new policy was termed ‘National Sword’. National Sword has now

¹ <https://www.pri.org/stories/2018-01-01/mountains-us-recycling-pile-china-restricts-imports>. Velis C.A. (2014). Global recycling markets - plastic waste: A story for one player – China. Report prepared by FUELogy and formatted by D-waste on behalf of International Solid Waste Association - Globalisation and Waste Management Task Force. ISWA, Vienna, September 2014.

been replaced by 'Blue Sky' which essentially extends the restricted imports policy until the end of 2018.

The part of the policy that has created issues in the recycling industry are new strict standards for mixed paper and mixed plastic. These materials can still be imported into China, but they are required to have very low levels of contamination – 0.5%. The majority of kerbside recycling systems are not able to produce levels of contamination this low (around 2-4% is typical).

So, while China has not directly banned imports of recyclable materials, National Sword/Blue Sky has had the effect of drastically reducing demand in the biggest market. The reduction in demand has seen prices for these and related grades of material fall dramatically. Sellers of these commodities have sought other markets, but there is not sufficient capacity currently in the plants outside of China to process all the materials. This has meant stockpiles are building up and some material may not be able to find an end market.

It should be clarified that the current market issues do not affect all commodities. Glass and metals are essentially unaffected. Grades of separated high-quality paper and cardboard and separated plastics 1 (PET) and 2 (HDPE) have suffered some price falls but viable markets still exist.

The materials that are most affected are plastic grades 3-7, and mixed grades of paper. These are typically grades of material that come from household kerbside collections – in particular co-mingled collections.

2.3.2 What effect has it had in New Zealand?

New Zealand can process approximately half of the paper and cardboard that is collected here but only a small proportion of the plastic – with no local processing of 3-7 plastics. Like most other countries with kerbside recycling, New Zealand has sent a lot of its collected recyclables to China, in particular, mixed paper and mixed plastic.

Paper and plastics are usually two of the most valuable kerbside commodities for recyclers in terms of revenue. Paper because it makes up the largest amount by weight (40-50%) and plastic because it can command high prices (up to NZ\$800 a tonne for PET plastics, for example). The large falls in price, and the difficulty in finding markets for these grades of material is therefore severely affecting the economic viability of local collections.

A recent survey of councils and recycling operators² found that:

- Four of the nine operators surveyed are stockpiling mixed plastics 3-7
- 82% of the councils surveyed indicated that they have been affected by the Chinese restrictions and are selling 3-7 plastics at a lower price, stockpiling, or struggling to find new buyers.

² WasteMINZ March 2018. Responses were received from 38 Councils, and 9 recycling operators.

- Although the issue with mixed paper is less pronounced, 40% are still indicating they are having to sell mixed paper at a lower price, stockpiling, or struggling to find new buyers.

2.3.3 What is likely to happen next?

It is not expected that market prices and demand will return to pre-National Sword levels in the foreseeable future.

The restrictions that China has imposed are due to expire at the end of 2018, however just as 'Blue Sky' replaced 'National Sword' in March this year, it is likely that there will be further extensions of the restrictions. China has in fact recently announced it's intention to end all recyclables imports by 2020.³ These moves by the Chinese are officially "To protect China's environmental interests and people's health"⁴, but it is also believed that the move is designed to encourage the development of higher levels of their own domestic recycling. The latest policy changes are part of a history of China having to deal with significant quantities of contaminated material coming into the country.⁵

It remains to be seen to what degree processors outside of China scale up to process the material that is looking for a market. Some scaling up is occurring, but it is not expected to match the capacity of China. Alternative markets to China have already started to impose stricter standards and block imports of recycling in the face of large quantities of contaminated material being imported⁶.

In other countries such as Australia there have been announcements of significant funding for the recycling industry to enable adaptation to the new market conditions.⁷ In New Zealand, Government has convened two working groups to help formulate a national response to the problem, but it is not known at this point what the Government response will be.

In summary, kerbside recycling services are likely to remain as viable and preferable alternatives to sending material to landfill, however the costs associated with provision may rise, and there may need to be some re-evaluation of the materials collected.

³ https://resource-recycling.com/plastics/2018/07/11/breaking-down-recent-china-developments/#.W0arQs_J74.linkedin

⁴ WTO Notification G/TBT/N/CHN/1211 18 July 2017

⁵ The most notable of these was the 'Green Fence' initiative in 2010 which placed similar but not as strict conditions on recycling imports and which led to a fall in the market at that time.

⁶ <https://resource-recycling.com/plastics/2018/06/27/thailand-bans-scrap-plastic-imports/>

⁷ <http://www.abc.net.au/news/2018-07-03/recycling-crisis-victoria-24-million-funding-for-sector/9933962>
https://myaccount.news.com.au/sites/adelaidenow/subscribe.html?sourceCode=AAWEB_WRE170_a&mode=premium&dest=https://www.adelaidenow.com.au/news/south-australia/sa-government-announces-12m-support-package-for-councils-and-recycling-industry-to-deal-with-china-ban/news-story/f2ec1c2c2b24838e8315f555415bb867?memtype=anonymous

3.0 Kerbside Collection Options

3.1 Kerbside Collection Waste Streams and Interactions

Kerbside collection systems internationally usually have three components; recycling, organics, and residual rubbish. The three components of the system interact closely, so a change made to one part of the system will have an impact on the other parts. For example, providing a large (240L) wheeled bin for residual rubbish will mean that less will be diverted to the organic and recycling collection streams.

The more capacity and convenience (which includes being low cost) provided by the system as a whole, the more it will be used.

The aim when designing a kerbside collection service is to encourage the desirable behaviour, and discourage the undesirable behaviour. In New Zealand, this usually means trying to encourage users of the service to recycle items rather than throwing them in the rubbish. To encourage this, the recycling collection should be made easier and more convenient than the rubbish collection. While goodwill and desire to do the right thing on the part of householders go a long way, this can be reinforced and extended by careful design of the collection system.

A collection system should be economical, efficient, and safe. These three factors can sometimes be at tension with each other – for example it would be more economical to collect rubbish in large containers, infrequently. However this would not be considered as ‘safe’ as collecting the rubbish on a weekly basis.

The design of the kerbside collection system needs to take into account other parts of the wider waste management system. There is little point collecting food waste separately at the kerbside if there is no processing facility nor markets for the end product. Similarly, collecting recyclables comingled at the kerbside can initially seem economical and efficient. However when the requirement for a costly MRF, and the acknowledgement of the loss incurred at the MRF, is considered; a fully comingled kerbside collection will not appear as effective or economical.

3.1.1 Organic Waste

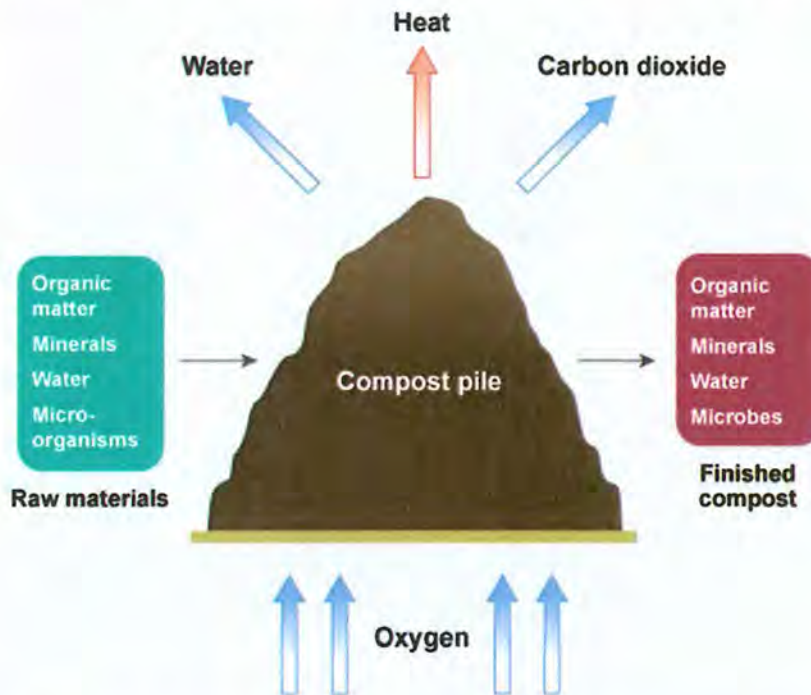
In most districts, organic waste is the most common material in the residual waste stream. Usually, the majority of the organic waste is food. Even households that have a home composting or vermicomposting system will have food waste in their residual waste, as there are food waste types that most people avoid putting into these systems such as cooked food, dairy, and meat.

There may be an occasional household that has very little organic waste in their residual waste stream. Those with livestock (particularly chickens and pigs) are usually able to minimise the amount of organic waste they throw in their rubbish. However, these households are not very common.

In some cases, usually districts where rubbish is collected in wheeled bins, there can be a reasonable proportion of garden waste. Rubbish collected in bags usually contains a very small proportion of garden waste – around 5% or less.

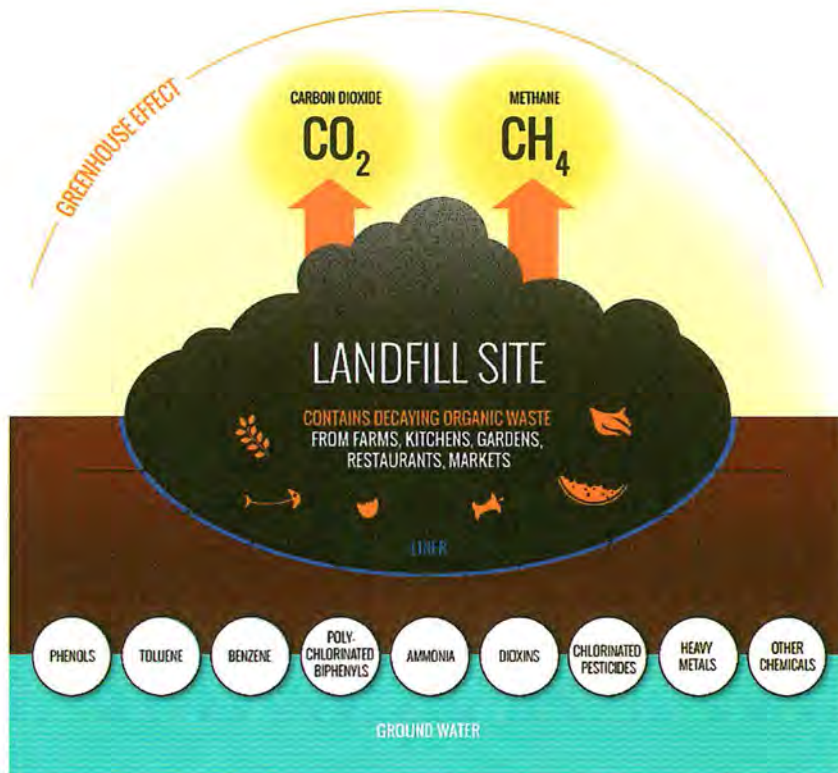
Organic waste is particularly problematic in the residual waste stream due to the way it behaves in a landfill.

In a normal composting situation, organic waste breaks down in the presence of oxygen to form a final compost product, and in the process emits heat, water, carbon dioxide and perhaps a very small amount of methane. Use of the end product can reduce the need for manufactured fertilisers, such as water-soluble nitrogen fertiliser.



Source: *Urban Sanitation and Solid Waste Management, composting module*, www.open.edu

In a landfill however, oxygen is in short supply as the waste is placed in a landfill cell, compacted, and then sealed. The goal of a landfill is to contain the contents as closely as possible. Biodegradable waste breaking down in an anaerobic environment (without oxygen) goes through a different decomposition process, and emits methane (rather than CO₂) and leachate. Methane is around 25 times more powerful as a greenhouse gas than CO₂.



Source: www.gazasia.com

While the methane and leachate are both captured in modern sanitary landfills, it is inevitable that some methane escapes the landfill cell before it is capped. Methane can also be used as a fuel to produce electricity, and this does occur at the large modern municipal landfills in New Zealand. The rates of methane capture can vary. The large well-engineered sites usually claim around 70%-80% capture during operation; however when the full emissions over the life of the landfill (i.e. including before and after gas capture systems are put in place) international evidence suggests that capture rates exceeding 60% would be rare.⁸ The use of the electricity generated from a landfill can be limited by the needs in the immediate area as connection to the main power grid is costly. Some landfills end up flaring off methane as there isn't sufficient demand for electricity in the immediate area. As landfills tend to be located in areas without significant residential developments (for obvious reasons!) this is fairly common. Some companies are using the energy from the landfill to power electric vehicles.⁹

Further, there is no useful end product that comes out of a landfill.

⁸ ERM (2006) *Carbon Balances and Energy Impacts of the Management of UK Wastes*, Final Report for Defra, December 2006

⁹ https://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11705404

All things considered, it is commonly accepted that biodegradable waste should be kept out of landfills where possible.

3.1.2 Recyclables

The recent changes to acceptance criteria in the Chinese recyclables markets (called National Sword) has highlighted a key issue with kerbside recycling collections.

The two main strategies for kerbside recycling in New Zealand have traditionally been:

1. Collect as much as possible, as quickly as possible, at the kerbside and then rely on subsequent processing to separate the recyclables into marketable material streams; or
2. Sort recyclables at the kerbside, leaving behind any undesirable material and preventing any (or most) subsequent need for processing.

The former strategy tends to be heavy on infrastructure, but keeps staffing to a minimum (at the roadside at least). Containers are usually wheeled bins, which can be emptied using a mechanical side-arm lift. Contamination is difficult to control and enforce, as often unwanted materials aren't seen until they reach the subsequent processing stages, and glass breaks resulting in small shards contaminating other materials, particularly paper. Loss through contamination (both of unwanted materials, and between desired material streams) can be as high as 15%, and 6-10% is typical.

The latter strategy tends to be lighter on infrastructure investment, but requires staffing to carry out the manual sorting at the kerbside. This manual handling also raises health and safety issues. The quality of the recyclables collected tends to be much higher, meaning that markets are more easily found. Loss through contamination is much lower and is more usually around 2-3% or even less.

Since around 2010, a hybrid option has emerged where one material is collected separately to all others. In New Zealand, this material is usually glass. This minimises cross-contamination from glass, but doesn't resolve the issues of unwanted materials.

3.1.3 Residual Waste

The residual waste collection system can have a particularly significant impact on the rest of the waste management system. National data shows that wheeled bins, and large wheeled bins in particular, contain a higher proportion of recyclables and organic waste than plastic bags or sacks.


A user pays approach for residual waste can partially alleviate this effect; although if user pays charges are unusually high, councils can lose a significant proportion of the market share to the private sector. This can also be the outcome of an unusually inconvenient residual waste collection service.



Removing organic waste, in particular food waste, from the residual waste stream makes a less frequent collection viable for the residual waste. It also makes user pays rubbish collections more feasible, as food waste makes up such a large proportion of the residual waste stream, and by removing the putrescible material households are able to more easily choose how often to put out their rubbish for collection.

3.2 Kerbside Collection Container Options


The three main container types used for kerbside collections are plastic bags/sacks, lidded bins (with or without wheels), and open crates.

The table below shows the various options and summarises what material and collection types they are usually used for.

Container Type	Material Types	Advantages	Disadvantages
<p>Plastic bag/sack (15L – 60L)</p> 	<p>Residual waste. Sometimes used for recyclables, but needs to be a clear bag so contamination can be identified.</p>	<p>Works well with user-pays systems</p> <p>If council-provided bags, can carry variable marketing messages</p> <p>Collection is total i.e. no container to return to the householder</p>	<p>Can be vulnerable to animal strike</p> <p>Ongoing cost of providing bags</p> <p>Logistics of getting bags or stickers to the householders</p> <p>Due to manual handling requirements, maximum size is usually 60L and maximum weight 15kg</p>

Container Type	Material Types	Advantages	Disadvantages
<p data-bbox="225 658 309 685">Crates</p> 	<p data-bbox="722 779 871 806">Recyclables</p>	<p data-bbox="927 389 1107 456">Contents can easily be seen</p> <p data-bbox="906 479 1107 725">Where multiple crates are provided, material can be sorted before being placed at the kerb</p> <p data-bbox="906 748 1107 927">Capacity can be adjusted depending on the household need</p> <p data-bbox="906 949 1107 1016">Kerbside sorting is possible</p> <p data-bbox="906 1039 1107 1106">Contamination can be very low</p> <p data-bbox="948 1128 1107 1196">Can be used indoors</p>	<p data-bbox="1134 309 1345 376">Can cause wind-blown litter</p> <p data-bbox="1134 398 1345 725">Manual handling by both householder and collector is required, and therefore maximum size is usually 60L</p> <p data-bbox="1134 748 1345 972">Several crates are required to accommodate recyclables from average household</p> <p data-bbox="1134 994 1345 1285">Recycling collected used wheeled bins usually has a 25-30% increase in the quantity of recycling collected</p>
<p data-bbox="225 1323 576 1350">Small lidded bin (25L – 45L)</p> 	<p data-bbox="722 1570 871 1597">Food waste</p>	<p data-bbox="922 1368 1107 1503">Prevents animals accessing food waste</p> <p data-bbox="922 1525 1107 1659">Capacity enables weekly food waste collections</p> <p data-bbox="895 1682 1107 1794">Small size makes manual handling easy</p>	<p data-bbox="1134 1335 1345 1480">Light – can be blown around in windy areas when empty</p> <p data-bbox="1134 1503 1345 1816">Best-practice systems also provide a vented bench caddy and compostable liners, which means ongoing cost</p>

Container Type	Material Types	Advantages	Disadvantages
<p>Wheeled bin (60L)</p> 	<p>Any waste stream</p>	<p>Appropriate for apartment blocks and high-density housing areas, and other areas with limited space</p> <p>Possibly small enough to be used indoors</p> <p>Appropriate for rear load collection vehicles</p>	<p>Low centre of gravity and low height means a narrow target for mechanical arms, which can slow collection</p> <p>Unlikely that manual collection can be made due to likely weight when full</p>
<p>Wheeled bin (80L)</p> 	<p>Recyclables, residual waste, mixed organic waste</p>	<p>Appropriate for apartment blocks and high-density housing areas, and other areas with limited space</p>	<p>As with any wheeled bin collection, encourages the householder to fill the bin each collection.</p> <p>Suitable for side arm loader trucks which are safer and faster than rear load.</p>
<p>Wheeled bin (120-140L)</p> 	<p>As above</p>	<p>Roughly the same size as two rubbish sacks</p> <p>Commonly used for weekly residual collections. Also used for mixed organic collections in Christchurch.</p>	<p>As with any wheeled bin collection, encourages the householder to fill the bin each collection.</p> <p>Suitable for side arm loader trucks which are safer and faster than rear load.</p>

Container Type	Material Types	Advantages	Disadvantages
<p data-bbox="225 658 475 689">Wheeled bin (240L)</p> 	<p data-bbox="663 719 871 931">As above. Large enough to use as a shared container for multi-unit dwellings.</p>	<p data-bbox="922 517 1107 882">If used for a residual waste collection, fortnightly collections (in conjunction with a food waste collection) are possible.</p> <p data-bbox="903 904 1107 1084">Appropriate size for a fortnightly comingled recycling collection.</p>	<p data-bbox="1145 309 1345 712">If used for a mixed organics collection (as in Timaru, Waimakariri) adds unwanted quantities of garden waste into the collection system</p> <p data-bbox="1145 734 1345 1137">If used for a residual waste collection weekly, doesn't support kerbside recycling and organics as household will seek to fill the bin</p> <p data-bbox="1134 1160 1345 1339">Suitable for side arm loader trucks which are safer and faster than rear load.</p>

Wheeled bin size comparison:



Source: <http://www.stuff.co.nz/the-press/news/81127961/Council-to-spend-4-5m-to-microchip-Christchurch-wheeler-bins-to-stop-thieves>

3.2.1 Delivery, Maintenance and Replacement of Containers

3.2.1.1 Delivery

Providing containers on a large scale adds significant logistical challenges, particularly if every container is numbered, barcoded or chipped and must be supplied to a specific house.¹⁰ This adds to the cost of container supply – typically in the order of \$5-\$6 per household. Rollouts are often undertaken by the container providers who have specialist expertise. The rollout will entail, for example:

- Securing appropriate depot space for the rollout
- Auditing, finalising, and mapping the delivery database
- Allocating numbered containers to vehicles on rounds
- Ensuring all containers have any stickers/labels/information packs attached
- Delivery and assembly at each address (containers are transported without wheels to enable stacking for efficient transport)
- Recording and stock reconciliation.

3.2.1.2 Maintenance and Replacement

Containers typically experience a loss rate of around 2-5% (2-3% for wheeled bins, 5% for crates) per annum over their lifetime due to theft, loss, damage, and wear and tear.

¹⁰ This is common practice

Crates are relatively prone to getting lost or stolen as they are a handy size for a multitude of uses.

Theft can be reduced by ensuring containers, particularly wheeled bins (which are individually more costly), can be uniquely identified, and maintaining a database showing which bin is allocated to which property. It is necessary to have arrangements in place to maintain the container asset and provide replacements. These services are either provided by the contractor (generally the case on smaller contracts) or by a specialist provider. This will typically entail:

- Management and updating of container database
- Scheduling of services
- Assessment of damage – repair or replacement
- Assembly and delivery of replacement container
- Collection of old container for recycling/disposal

3.2.1.3 Radio Frequency Identification (RFID)

One of the options available to wheeled bin fleet managers is to fit the bins with RFID tags. If they are fitted at the time of manufacture they typically cost in the order of \$2-\$3 per bin. The fitting of tags can serve several purposes, including tracking and management of the wheeled bin fleet, recording set-out and participation data, and recording lifts for the purposes of user-pays charging. The use of RFID tags is well established in the UK, Europe and Australia, particularly for fleet management and participation purposes, but has only been used extensively for charging purposes in Europe. To date RFID tags are relatively new in their use in waste management in New Zealand, only currently being rolled out in Christchurch where the wheeled bin fleet is being retrofitted, and in use on a trial basis in Ashburton.

There have been issues with RFID tags including reliability, multiple reads when bins are in close proximity, and problems with reading due to bin orientation. The technology has been undergoing rapid improvement, however, and modern higher-quality chips are considered to have few issues.

The tags used in residential waste management applications are generally read-only passive tags – in other words they store only set programmed information that cannot be changed and they do not actively transmit information.

3.2.1.4 Vehicle Requirements

The most efficient method of collection for wheeled bins is considered to be using large-capacity compactor vehicles with mechanical side arm lifters. These can be operated by a single driver who does not have to get out of the cab. This means cycle times can be in the order of 8-10 seconds per lift (excluding driving between lifts). This type of configuration is ideal for most suburban streets where terrain is not too steep and where the bin can be placed close to the kerb. The bin lifts can reach between cars if there is sufficient space, but not over them.

A side arm lift vehicle is relatively expensive (in the order of \$350,000) but delivers very good efficiency.

Where there are narrow streets and/or cars parked on the road, runners are required who can move the bins to a suitable location for pickup. This methodology is often employed in central city locations. For narrow streets with on-street parking, rear load vehicles may be required (as is used by Wellington Council) as there is insufficient space for the side arm to perform the lift. This methodology is significantly slower as the bin must be manually manoeuvred to the rear of the vehicle, emptied and then returned to the kerb. Although rear load comb lifters can pick up two bins at once, cycle times per pickup are roughly twice that of the side arm methodology.

Where RFID tags are fitted to bins the vehicle will require readers and appropriate software. These typically add around \$20,000-\$25,000 to the cost of each vehicle.

3.2.1.5 Health & Safety

Given the increased responsibility placed on Principals under the new Health and Safety in Employment Act (2015), this is currently a particular area of focus for councils considering their collection options.

One of the reasons often touted for a move to wheeled bins is their superior health and safety record compared to manual collection. However, while the comingled bin would mostly be subject to automated rather than manual collection, in a two-stream system manual collection is still generally used for kerbside collection and sorting of glass¹¹. Collection from steep and narrow streets would also still require the use of runners and manual manoeuvring of bins.

It is worthwhile therefore considering the potential health and safety risks presented by manual systems.

On the face of it manual systems expose workers to greater levels of risk simply because workers are undertaking tasks such as lifting and carrying that, in automated systems, are handled by machines. Furthermore, accident statistics from the industry show that there are more injuries caused to workers by manual systems than by automated ones.

The most significant piece of work in this field to date is that produced by the WasteMINZ Health and Safety Sector Group in March 2010 entitled "An assessment of the health and safety costs and benefits of manual vs automated waste collections" prepared by Morrison Low consultants, and subsequently peer reviewed and re-issued in 2012. The report comes out strongly in favour of automated collections and suggests the best way to reduce injuries associated with manual collections is to move to automated systems.

Our view, based on our review of the data and other studies we are familiar with, is that the characterisation of manual versus automated handling is overly simplistic. Specifically:

¹¹ Automated collections of comingled glass are being considered by industry, however this is not yet considered viable as it will depend on improvements to the glass sorting and beneficiation process prior to acceptance by the OI glass factory in Auckland.

- Some types of manual systems present higher levels of risk than others; for example bag collections and loose collections present higher risks compared to container-based systems
- A well designed manual system can effectively mitigate the most significant risks, for example by employing left side only collection, single operative, low lifting heights & weights, isolation from sharps etc.
- Different operators, their H&S practices, and cultures and methodologies can have significant impacts on accident rates. For example, operators with high staff turnover, high use of agency staff, poor drug and alcohol practices, and inadequate training present far greater risks, and accident data from these practitioners will tend to skew outcomes.

Eunomia Research & Consulting (UK) released a report in 2011 into the economic, environmental and social impacts of kerbside sort, comingled and two-stream collection. H&S issues were considered as part of the report. The overall conclusion was that the evidence for one type of system being significantly 'safer' than another was inconclusive, with more properly targeted and designed research required to answer the question definitively¹². The study noted that:

Regardless of the operational systems that an organisation has in place, proper application of control measures required by law or provided for in approved codes of practice as well as industry specific guidance ... can reduce risks to levels that are acceptable in terms of being reasonably practicable¹³

This accords with our experience in NZ which suggests that, while there are some genuine issues with H&S and manual handling, there are also a number of examples where companies operating manual handling systems have extremely good H&S records.

Our view is that issues to do with H&S are less about the type of system employed and more about how the systems are designed and implemented. This does not always relate strictly to the presence of H&S policies and procedures, but can have much to do with issues such as staff retention, company culture and structures, the use of experienced supervisors, use of agency staff, drug and alcohol policies etc.

We suggest that a case by case approach needs to be taken when considering options involving manual collection-based methodologies. Some systems, for example manual rear-load collection of loose inorganic material, present high risks even if well operated and should best be avoided where possible; while others such as manual collection of food waste can be effectively designed to avoid or mitigate most risks. Overall, on the basis of available evidence, there is not sufficient rationale to exclude manual systems outright from the options council may wish to consider, and it is possible for many manual systems to be operated safely, provided that all reasonable steps are taken to

¹² It should be noted that the system used for wheeled bin collections in the UK are generally different to those used here. In the UK bins are collected on rear loading compactors using runners, whereas most wheeled bin collections in NZ use automated side arm loaders.

¹³ WRAP (2011) Kerbside Collections Options: Wales. Report prepared by Eunomia Research & Consulting, Resource Futures, and HCW Consultants for WRAP and The Welsh Assembly Government.

ensure effective H&S practices are in place when the services are procured and operated.

3.2.1.6 Litter and Street Scene

Using bags or lidded and/or wheeled bins is considered in the industry to generally reduce issues of litter compared to open containers like crates.¹⁴ The lid prevents material being blown around, and bins are harder to knock over as they are relatively heavy.

There are at least two available products currently on the market designed to stop material spilling out if wheeled bins are tipped over: Binspring and Safewaste. Both are designed for aftermarket attachment.

3.3 Kerbside Recycling Performance

All kerbside recycling collections offered in the Western Bay at present involved a comingled wheeled bin collection.

The majority of recyclables that are collected at the kerbside in the Western Bay of Plenty are processed at the Waste Management-operated materials recovery facility (MRF) in Te Maunga, Tauranga. Waste Management have struggled for quite some time to separate glass effectively at the MRF, and in early 2018 they signalled clearly that they would no longer accept recyclables that contained glass at the MRF.

Additional issues with recyclables markets have eventuated following the tightening of import rules in China, where much of New Zealand's recyclables are shipped for processing.

As discussed above, wheeled bins are an easy way to provide large capacity for recyclables, compared to crates. Available data suggests providing more capacity encourages householders to put more material in their recycling bin. Depending on a range of factors (capacity and performance of previous systems, education, materials accepted etc.), a wheeled bin based system could increase the weight of material collected by around one quarter to one third compared to a single crate based system.

The table below shows a selection of available data from NZ territorial authorities that use wheeled bin or crate/bag based recycling systems:

Table 1: Crate vs Wheeled bin Recycling Performance

Crate/bag Based		Wheeled Bin-Based	
District	Kg/capita/annum	District	Kg/capita/annum
Napier City Council	52 kg	Invercargill City Council	69 kg

¹⁴ Solutions are available for crate based systems.

Wellington region	53 kg	Dunedin City	77 kg
Ashburton District	62 kg	Auckland Council	84 kg
Waipa District	73 kg	Waimakariri District Council	85 kg
Waikato District	74 kg	Palmerston North City	87 kg
Horowhenua District	81 kg	Christchurch	109 kg
Hamilton City Council	86 kg		
Average:	68.7 kg	Average:	85.2 kg
Difference	16.45kg	Difference %	24%

Source: Eunomia/Waste Not. 2016 Wellington Region Waste Assessment

This aligns with data from the UK which suggests that 70% of the top performing councils for recycling used 240 L wheeled bins for recycling while only 10% of the bottom performing councils used wheeled bins for recycling¹⁵.

However the downside of making it easier to put material in bins is that, while putting in more material, households also put more non-recyclable material in the bins. Increased proportions of non-recyclable material, i.e. an increased contamination rate, is most frequently an issue when the wheeled bin collections are paired with user pays and bag-based rubbish systems. Contamination rates vary due to a range of factors, but two-stream wheeled bin recycling systems normally have contamination rates in the order of 6-12%, with 8% being typical. By comparison crate-based systems that are sorted at the kerb normally have contamination rates of less than 2%.

Where kerb-sort systems enable contamination to be left behind at the kerb (and often stickered), resulting in direct and effective education of households; wheeled bin systems have limited opportunities to avoid contamination or provide feedback to householders. Some local authorities (for example Auckland Council) require bin monitors to be employed by the contractors. The bin monitors usually target areas where there are high levels of contamination and undertake inspections, providing feedback and education to households in an effort to control contamination levels.

As material in wheeled bins is collected comingled, it must be sorted at a MRF. In the Western Bay/Tauranga sub-region there is the Waste Management-operated MRF that accepts all comingled recyclable except glass. This suggests that any kerbside recycling system used in Western Bay should ensure that glass is kept separate to the rest of the recyclables.

¹⁵ WYG Review of Kerbside Recycling Collection Schemes in the UK in 2011/12 June 2013

The use of large bins (such as 240 litre wheeled bins) enables less frequent collection (such as fortnightly), especially in a two-stream (e.g. glass out) collection system. This helps reduce collection costs while still ensure good levels of capacity. However fortnightly collections can result in householders missing collections, and good ongoing communications are required to remind householders of their collection days. There is no evidence to suggest however that fortnightly recycling collections lead to lower levels of participation.

3.4 Handling and Household Use

Wheeled bins are generally popular wherever they are introduced; however they are not without issues. As noted, one of the advantages of wheeled bins is that the wheels make them easy for householders to handle relative to their size. However (depending on the size) the bin itself can be relatively heavy. An empty 240 L wheeled bin for example weighs 13kg¹⁶, which is greater than the typical weekly weight of recycling set out by a household. Particularly when the bins are full, this can present issues for households with steep and or long driveways, or where the residents are elderly or infirm. Assisted collections can be offered for households that are unable to safely handle the bins. On roads where there is not a proper kerb, such as rural roads, setting out bins on the roadside can be problematic as the bins may be unstable or too near the carriageway.

It is noted that in Wellington City where there are a large number of steep and narrow streets, some 40% of households¹⁷ do not participate in the wheeled bin recycling collection service and instead are offered plastic bags in which to put recyclables.

Another issue can be storage space for the bins. A single bin does not usually present significant issues but multi-bin systems can be problematic. Multi-unit dwellings and apartments may need special arrangements depending on the layout and access. Options include smaller wheeled bins, shared wheeled bins, and assisted collections. Some multi-unit dwellings or apartments may need to opt out of the council service and have a bespoke private service (for example with larger front end loader bins). Service provision is generally determined on a case-by-case basis and residents can be required to ensure that their alternative service still enables diversion through recycling collections.

As wheeled bins are not appropriate for inside use (unlike crates), households need to collect recycling in smaller containers and transfer the material to the wheeled bin when needed.

3.5 Kerbside Organics Collection Performance

SWAP audits show that around 40% of the waste collected in kerbside rubbish collections in the Western Bay is food waste. A further 6 – 10%, depending on the time

¹⁶ <http://www.sulo.co.nz/shop/twofortylitre/>

¹⁷ Estimate provided by WCC 2016.

of year, is garden waste. Although this data is not available for Western Bay, it is likely that the quantity of garden waste is higher in larger collection containers like 240L wheeled bins while being virtually non-existent in a bag collection, while the food waste quantities would remain fairly constant¹⁸.

3.5.1 Potential Diversion – Food Waste

No kerbside collection system will extract 100% of targeted materials from the waste stream, and collection services are not used consistently by every householder every week. This means that introducing a food waste collection service will not remove all of the food waste from the kerbside rubbish. Experience from overseas systems, and trials and services provided in NZ, suggest that the capture rate for food waste varies between 40% - 80% (depending on a range of factors) with most food waste collections successfully diverting around 55% -60% of food waste.

Assuming no other changes to a collection system (for example introducing a council-run kerbside rubbish collection) a food waste collection service could be expected to cost in the order of \$40 per household served.¹⁹

3.5.2 Potential Diversion – Garden Waste

An alternative organic waste diversion option is to provide a garden waste collection service (or a large container for garden waste that can also be used for food waste).

The table below shows the comparative figures for garden waste from two 2017 SWAP audits carried out in another district where a range of containers are used for kerbside rubbish collections. There is a significant difference between the July and November audits; SWAP audits carried out in spring usually observe a higher quantity of garden waste. This is particularly noticeable in those households that have wheeled bins and in particular 240L wheeled bins. This is also why, while the actual quantities of food waste were similar between the two audits, the percentage of food waste is lower in the November 2017 audit; especially for householders with 240L wheeled bins.

There is very little garden waste in the refuse bag collection stream. This indicates that the householders using this service have no or very little garden waste (i.e. they live in an apartment or unit with no or very little outdoors space) or they are finding other ways to manage their garden waste such as home composting, a private garden waste collection, or taking it to the transfer station.

¹⁸ This has been shown in waste audits from several other locations, where the audit data can be split by container type – for example Palmerston North City Council in July and November 2017.

¹⁹ Please note these are rough order costs only based on per household costs in other centres. A full cost modelling exercise would be necessary to determine probable costs for Western Bay with confidence, particularly alongside any other possible changes.

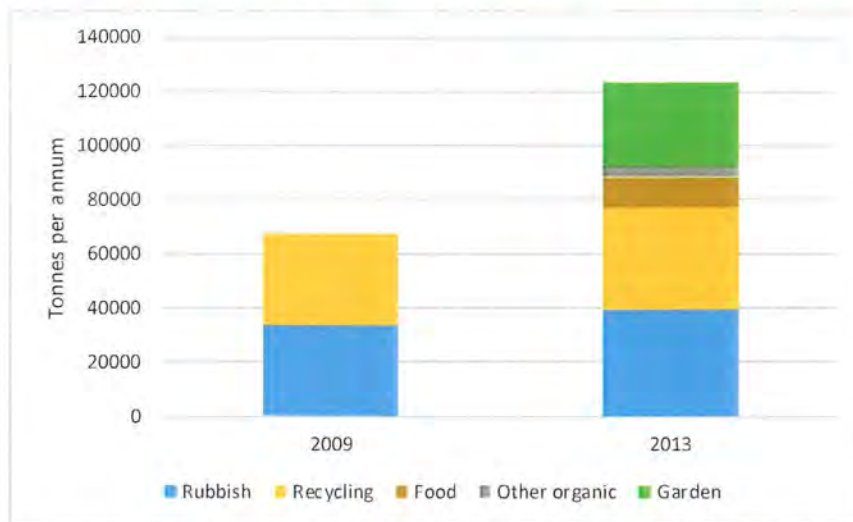
Table 2: Maximum Diversion Potential for Garden Waste

Collection container	SWAP July 2017	SWAP November 2017
Rubbish bag (per bag)	1.6%	3.7%
	0.10kg	0.26kg
120/140L wheeled bin	25.3%	25.0%
	3.41kg	3.60kg
240L wheeled bin	36.7%	38.2%
	7.42kg	9.89kg

However, when a garden waste collection service is introduced (even if mixed with food waste), it has been observed in other New Zealand councils (and internationally) that the *total* amount of material collected increases significantly. This means that if a council garden waste collection service was introduced the collection systems would then be handling a large quantity of waste that previously was managed through other methods – either composted at home, collected in a private garden waste collection system, or taken directly to a transfer station or garden waste facility for processing. Collecting this extra material also has the effect of increasing the total council collection and processing costs significantly.

This can be seen clearly in the case of Christchurch City Council. In 2010, Christchurch changed from a black bag rubbish service, with a crate for kerbside recycling, to a '3 bin system': collecting rubbish fortnightly in a 140L wheeled bin, recycling fortnightly in a 240L wheeled bin and garden and food waste weekly in an 80L wheeled bin. The figure below shows the breakdown of waste collected before the new collection service was introduced and after.

Figure 1: Christchurch City Council's Kerbside Collected Material 2009 and 2013



Source: <https://www.ccc.govt.nz/services/rubbish-and-recycling/learning-resources/waste-statistics/>

The table below shows a cost comparison for Christchurch City Council's collection services in 2008 (the last year of the 'old' system), 2010 (the first full year of the 'new' system), and 2017.

Table 3: Christchurch City Council's Kerbside Collection Costs 2008/2010/2017

	2008	2010	2017
Rubbish	\$5,616,000	\$11,565,000	\$14,094,000
Recycling	\$8,519,000	\$6,617,000	\$5,566,000
Organic		\$12,919,000	\$11,403,000
Total	\$14,135,000	\$31,101,000	\$31,063,000

Source: CCC Annual Report data 2008, 2010, 2017

As this table shows, between 2008 and 2010 the Christchurch City Council's kerbside collection cost almost doubled. The largest part of this additional cost is the kerbside organics collection, as would be expected. However, most of this cost is in collecting and processing garden waste – waste which was never in the kerbside collection system in the first place. The composition of the kerbside rubbish prior to the service changes showed that there were approximately 3,000 tonnes per annum of garden waste in the rubbish collection. After the service changes, there were still approximately 2,500 tonnes per annum of garden waste in the rubbish collection. In other words, the

quantity of garden waste diverted from landfill was only 500 tonnes, but the cost of the system to the council doubled.

Depending on the processing facility costs a garden waste collection service could be expected to add in the order of \$80 per household to waste service costs.²⁰

3.6 Service Provision to Rural Areas

Providing a council service to every household in an area is extremely rare. Even councils with a strongly urban customer base, such as Hamilton City Council, still don't provide their services to every household (in the case of Hamilton, an inner-city area and some multi-unit dwellings are excluded).

This distinction becomes even more marked in councils that serve a mixed area with urban, suburban, and rural customers.

For example, Whakatane District Council has four distinct customer groups:

- Whakatane township households provided with a weekly recycling collection (alternating between a glass crate and a comingled wheeled bin), weekly rubbish collection, and a fortnightly green waste collection;
- Other township households such as Edgecumbe, Matata, Murupara, and Taneatua that receive the same service excluding the green waste collection;
- Suburban and rural households that are on a collection route and can choose to use the council kerbside collection (excluding the green waste collection); and
- Rural households that are not on a collection route and cannot choose to use the council kerbside service.

There are just over 13,000 households in Whakatane. Of these, 5,500 are in Whakatane township and are provided with the full complement of services. Another estimated 1,800 are in the smaller townships and receive all services excluding the green waste collection. Of the remaining households, 1,200 are eligible to receive a kerbside collection. Of these households, approximately 15% or 180 choose to use the service.

It is a similar situation in other districts. The percentage of households to which the council service is offered is shown below:

- Hauraki – 64%
- Matamata-Piako – estimated between 57% to 64%
- Otorohanga – 33%
- Rotorua – 90%
- Thames-Coromandel – 89%

The cost of providing a kerbside collection service to all households in a rural district would be extremely high. The actual cost would depend on the distances that would

²⁰ Please note, these are rough order costs only based on per household costs in other centres. A full cost modelling exercise would be necessary to determine probable costs for Western Bay with confidence.

need to be travelled to reach every property in a district, and the frequency of collection that would be required.

3.7 Common Kerbside Collection Packages

As previously discussed, kerbside collection components interact strongly and so various combinations are more successful than others. Some potentially viable kerbside collection systems options are shown below:

Recycling	Organics	Rubbish
		
240L Fortnightly	80L Weekly	140L Fortnightly
		
2x 55L Weekly	23L Weekly	1 bag weekly
		
240L Fortnightly	23L Weekly	140L pay per pickup weekly

4.0 Other Waste Streams and Considerations

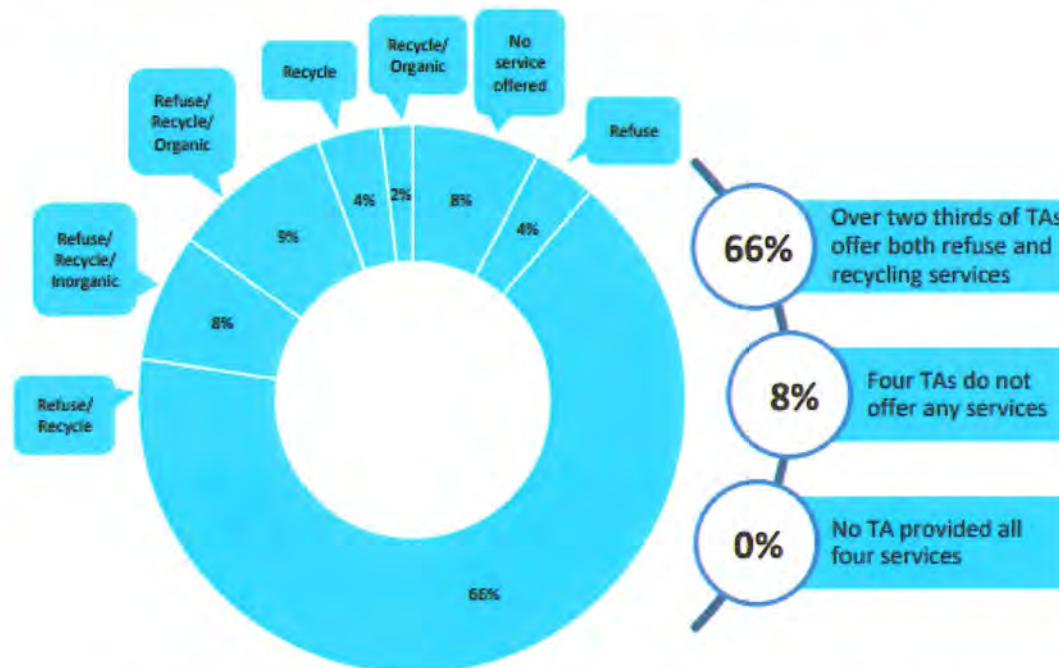
Beyond the immediate kerbside collection system are a number of other waste streams, customer groups, and considerations.

4.1 Service Provision in Other Districts and Cities

In 2013, the MfE carried out an audit of waste services provided by councils throughout New Zealand²¹.

The figure below summarises service provision across the country.

Figure 2: Waste Service Provision by Councils in New Zealand



Source: Ministry for Environment "Territorial Authorities Waste Infrastructure and Services Survey", 2013 available on www.mfe.govt.nz

Every council that provides a kerbside recycling service reported that they accepted paper and cans. Over 90% of councils also collect glass, cardboard, and types #1 and #2 plastics. The collection of plastics types #3 to #7 varied significantly, with between 68% and 77% of councils collecting some or all of these material types. 17% of councils also accepted tetrapak in their kerbside recycling collection.

²¹ Ministry for the Environment (2013) "Territorial Authorities Waste Infrastructure and Services Survey", available on www.mfe.govt.nz

Of the 53 councils that responded to the survey, six provide a kerbside collection for organic waste. Of these, two collect only green waste, one collects only food waste, and the remainder collect mixed organic waste.

It should be noted that this survey did not attempt to quantify the performance of individual service provision.

4.2 Drop-off and Other Facilities

Drop-off facilities provide a low cost method of gathering materials for recovery. Drop-off points can require minimal supervision, can be serviced as required and are capable of providing economic quantities of good quality material. With their flexibility in size and collection frequency, drop-off facilities can be particularly useful in areas with fluctuating populations due to holiday visitors.

Drop-off facilities can have issues however, including becoming a focal point for dumping and litter, and being subject to vandalism. These issues, coupled with the increase in kerbside recycling, has resulted in drop-off facilities largely falling out of favour in New Zealand. Many councils expect that rural residents will use facilities closer to town, combining this with other required visits to urban centres. Anecdotally this can instead result in an increase in the use of burning, burying, or bulk storage as management methods in rural areas²².

Notwithstanding this, such facilities can play an important role in supplementing other collection systems and infrastructure, particularly for materials that are more difficult to collect as kerbside such as plastic bags, textiles and batteries. Issues with drop off facilities can be largely overcome through the use of modern, attractive infrastructure and signage, carefully location and good servicing.



LoveNZ Drop off point at BP



Tesco recycling centre UK

Hastings District Council (HDC) has trialled several different drop-off point approaches in rural areas, including banks of wheeled bins, modified hook bins, and specially modified shipping containers. This latter system incorporated adjustable interior dividers, and

²² Atkins, A (2014) "Rethinking Rural Recycling in the Regions", WasteMINZ conference presentation and paper

separate collection bins that can be removed and emptied or replaced by the collection contractor.

HDC ensured that they engaged with the local communities when deciding where to locate the facilities, and what form they would take. HDC believe that it is partly due to this engagement that there were so few incidences of illegal dumping or vandalism at the various drop-off points. One drop-off point had a CCTV camera installed and some infringement notices have been issued as a result, under the Litter Act (1979).

Figure 3: Hastings District Council's 'Green Bins'



Source: Hastings District Council

Raised access platforms adjacent to the shipping containers enabled the access slots to be placed towards the upper edge of the shipping container side, ensuring that maximum storage space inside the container was provided.

Hastings District Council found a number of advantages with the modified shipping container 'Green Bins':

- Reduced health and safety implications due to avoided manual lifting (no wheeled bins)
- Reduced service costs as large quantities of material could be accommodated
- Positive community reaction to consistent approach across rural areas
- Cost-effective and good quality material achieved through careful signage and design, including the size of intake slots
- Reduced litter due to the use of enclosed collection containers.

Variations on the 'Green Bin' system are now used by other district councils including Ruapehu and Marlborough.

4.2.1 Construction and Demolition Waste

Construction and demolition (C&D) waste can be broken down into two main categories: household and industrial. Household-type C&D waste comes from 'DIY' projects, and usually involves quite small quantities. It is almost impossible to predict where this type of waste will arise as usually building consents or permits are not required or sought.

Industrial C&D waste relates to formal building projects, and has the double benefits of being predictable in location, and larger in quantities. The quantity of individual waste material types is easier to predict and separate for processing.

Generally in New Zealand C&D waste is not well served by targeted waste management services. This is partly due to the fact that landfill and other fill charges are too low to make C&D recovery services economic. C&D waste that is diverted is usually items of high individual value that are able to be reused, rather than recycled or otherwise recovered.

There are two relatively small C&D businesses operating in the Tauranga/Western Bay area. A recent research report by Community Resources Whakatane/Pou Whakaaro²³ concluded that there is likely to still be scope to recover C&D wastes for reuse on a non-profit basis, operating as a drop-off facility.

It is unlikely that a kerbside collection service of C&D waste, even at commercial projects, would be feasible under current conditions. Council may wish to pursue the topic further with Tauranga City Council with a view to establishing a C&D recovery service at the Te Maunga Resource Recovery Centre.

As the name suggests this type of facility focuses on construction and demolition waste. They will typically separate concrete, bricks, timber, metals, plasterboard, and cardboard. Such facilities can divert 80-90% of input material. Concrete and brick is crushed for use as aggregate, timber recovered for hog fuel, metals for recycling, and plasterboard (gypsum) for reuse or as an additive to soil amendments.

4.3 Commercial Waste

Very few councils in New Zealand provide collection services to customers other than householders. Those that do usually simply extend the household-type service to non-household customers on a user-pays or opt out rates basis. The household service may be appropriate for small shops and offices.

Commercial waste tends to vary significantly in type and quantity per customer, unlike household waste which is usually predictable in composition and only varies a little in quantity between households. Some commercial premises will have household-type waste, in similar quantities, but most will have larger volumes of more homogenous waste types. The type of service that this latter customer group require will therefore vary significantly in volume, frequency of collection, and collection type required.

For this reason, Council should focus collection systems design on the householder market, and then extend this service (with or without slight modifications) to the commercial market on a user-pays basis.

4.4 Initial Industry Engagement

In preparation of this report, Eunomia attempted to contact the main industry players in the Western Bay.

²³ Eunomia (2018) "Kawerau Transfer Station Audit – Potential for Reuse" report provided to Kawerau District Council on behalf of Community Resources Whakatane/Pou Whakaaro

Of these, around one third have undertaken lengthy discussions, including recommendations or requests for any future waste management system in the Western Bay. These can be further broken down into four groups:

1. Smaller local collection companies;
2. Larger cross-regional or national collection companies (usually also undertaking a range of other waste management activities);
3. Garden waste collection companies; and
4. Processors of recovered material.

The responses of these three groups have been fairly consistent thus far and are summarised below.

4.4.1 Small Local Companies

The local companies that were successfully contacted are, understandably, nervous about the potential implications for a council-delivered waste management service. Generally, they appear resigned to the idea that this might happen, but are still reluctant to share much insight into the preferred collection systems for the district.

4.4.2 Larger Cross-Regional/National Companies

This group are more willing to discuss various collection and service provision issues, but still have no strong views on which system might suit the Western Bay best. In general, the companies are willing to provide whichever approach the Council resolves to adopt. They are very open to discussions on more specific operational issues once Council is further progressed with their planning.

These companies also have the view that Western Bay will logically follow a very similar approach to services as Tauranga City Council.

4.4.3 Garden Waste Collectors

This group of industry operators have no strong views on the system as a whole, but (unsurprisingly) would not like to see Council introduce a kerbside garden waste collection service. They are of the opinion that many households in the district don't need this service, and that those which do need the service have already made arrangements directly with one of these collection companies.

4.4.4 Processors of Recovered Material

These companies are both local, such as scrap metal merchants and the MRF operator, and national such as OJ Fibre Solutions (operating the Full Circle fibre recycling plants) and O-I (operating the glass recycling plant in Penrose, Auckland).

The unanimous view of those contacted was that Council should design kerbside collections to maximise the quality of the material that requires processing, and to ensure where possible that this processing can be carried out within New Zealand. They point out that this will help to insulate Council and the community from the ongoing uncertainties with international commodity markets, and support local employment and industry development.

4.5 Operating Models in New Zealand

Regardless of the service configuration selected it will require an operator who is capable of delivering the service well. Without the right operator even the best system can fail. Deciding on the service delivery model, selecting the right operator and providing a framework in which the service can be delivered is therefore critical.

There are a number of issues to be considered in this context. These include the following:

- Contracting out versus in-house service delivery;
- Integrated contracts versus individual service contracts;
- Ownership of recyclable commodities;
- Council versus private sector service provision;
- Contract structuring; and
- Joint procurement.

These issues are discussed in the following subsections.

4.5.1 Contracting Out Versus In-house Service Delivery

Currently services are predominantly delivered by independent waste management operators. If Council is to take back management of waste collection services, the two main delivery options are a contracted independent waste management operator, or in-house service delivery.

Contractors offer the possibility of increased efficiency and innovation as well as the ability to access and transfer-in a wider range of skills than might be available in an in-house operation. In situations where contractors work across territorial authority boundaries they can also offer the possibility of improved economies of scale.

However the ambition to increase waste minimisation or delivery of a wider range of services may best be achieved by having a flexible approach which is not ideally suited to a contracted out arrangement.

While contracting of services is now the default model for councils, it may be worth giving some consideration to delivery of service through an in-house structure such as a solid waste business unit or council-controlled organisation (CCO²⁴). These types of organisations can operate in a similar manner to a private sector enterprise (and hence be incentivised to enhance efficiency and innovation), but offer a greater level of Council input and control. It would potentially be easier under this type of arrangement to, for example, initiate functional working relationships with community enterprises that wish to operate in this area.

²⁴ Or Council Controlled Trading Organisation (CCTO)

4.5.2 Integrated Contracts versus Individual Service Contracts

There are a number of advantages and disadvantages of integrated contracts:

4.5.2.1 Advantages

- Allows effective transfer of resources between services. This is particularly important where recycling and waste minimisation (such as food waste collections or home composting) will reduce rubbish volumes and set out rates. Savings in resource on the refuse side can be transferred to the recovery side of the operations. This gives increased flexibility in a contract.
- Allows control of the recovered materials through the value chain. This enables a contractor to determine the most efficient way of delivering quality materials. In other words, the contractor can determine how much separation to do at source versus at a MRF, and what grade of product gives the best net return.
- There is a single point of contact for all contract issues.
- Boundary issues are minimised. In all areas of service delivery there is potential for dispute as to where responsibility for certain actions lies in different situation (for example is windblown litter from recyclables a recycling contractor issue or a litter contractor issue?). Integrated contracts minimise these issues and increase administrative efficiency.
- Overheads can be spread across a wider range of activities reducing overall cost.

4.5.2.2 Disadvantages

- Contractors may have the expertise to do one or two elements of the contract well but not others.
- Larger contracts can become exponentially more complex (if not well managed) than a number of smaller ones.

On balance our view is that there are likely to be more potential advantages through contract integration than through issuing of separate contracts – bearing in mind that the realising of any advantages will depend on the contractor employed and the contract structure they operate under. A well-structured contract should enable many of the potential disadvantages to be overcome, for example through enabling sub-contracting of local or expert services where desired.

There is however at least one element which we would caution against including in an integrated contract, and that is landfill disposal. Although including landfill disposal can have cost advantages there are also potential downsides. If landfill disposal is included in a contract this will:

- a) Favour companies that own/operate landfills as they will effectively be able to cost in a cheap internal rate to allow them to bid low on the contract; and
- b) Mean that any such company awarded the contract will potentially have an incentive to landfill material rather than maximise recovery.

4.5.3 Ownership of Commodities

There are a number of possible approaches to ownership of recovered materials. Options include full ownership of commodities by the contractor, full ownership by Council or some form of a sharing of risk/reward between Council and the contractor. This is of particular relevance given current market conditions and should be given due consideration.

4.5.3.1 Contractor Owns the Commodities

This has the advantage of the contractor potentially being incentivised to maximise recovery and returns on recovered materials. The extent to which this actually takes place will depend in large part on the business model used by the contractor. Some contractors may determine it to be more cost effective to not invest in recovery but to run very efficient disposal operations. This will particularly be the case if they view returns from recyclables as risky.

A disadvantage of full contractor ownership of materials is that they may regard recycling income as uncertain and price the contract as if the income is low or non-existent, increasing the overall cost of the contract. On the other hand this approach will favour companies that have a more aggressive approach to recycling and confidence in their abilities to operate successfully in the commodities markets over the longer term.

Council should ensure that a contract protects them from covering any shortfall in income should the materials market crash, and the contractor's income significantly reduces.

4.5.3.2 Council Owns the Commodities

If council owns the materials they accept all the risk in terms of returns and so they can be more confident of paying the true contract price. However, this also means that strategic future planning is required to ensure that any outgoings relying upon income from recyclables can be covered in such a time that the materials markets crash.

The significant disadvantage is that there is no incentive for contractors to maximise the volume or quality of recyclable material collected.

4.5.3.3 Sharing of Risk and Reward

There are a number of ways this can be structured but they will generally involve parties agreeing to either split the recyclables income (enabling the contractor to price a lower level of risk associated with the income) or agreeing a minimum income from recyclables for the contractor which Council will top up to if commodity prices fall. This is often paired with a ceiling rate, with the council receiving all or a portion of the additional income if recycling rises above this ceiling.

These types of arrangements attempt to limit the contractor's risk, (and hence enable them to price the contract more accurately), while providing the potential for some reward for Council when commodity prices are high.

As the shared risk approach provides a balance between risk and reward, we would generally favour this approach. However it may be worth negotiating with potential

contractors on this point if they are willing to offer favourable terms for an alternative arrangement.

4.5.4 Contract Structures

The way a contract is structured and procured is either where strategic plans come to fruition or not. In an ideal waste management contract the incentives for the contractor are structured in such a way that the aims of the contractor and the council align in perfect harmony. In other words the ideal contract is one where it is in the contractor's interests to continually innovate and drive efficiencies that deliver ever increasing levels of service to households, waste minimisation and reduced cost to council, while reducing contract administration burdens. This is of course an ideal that is rarely, if ever, achieved, but certain contract structures and procurement processes are more likely to deliver better outcomes than others.

4.5.4.1 Procurement Processes

With increasing levels of change in the waste sector, the form of service that is being delivered at the start of a 7-10 year contract may be very different to what is required at the end. The emphasis therefore needs to shift from specifying a contract and finding someone who will deliver that specification for the cheapest price (hopefully without going out of business or requesting endless 'variations' to recoup costs), to selecting a contractor that Council is able to work with effectively over the contract term to deliver optimal outcomes at each point in time. The procurement process therefore should reflect this and should place more emphasis on finding the 'right' contractor rather than one that is most cost effective against a given specification.

In our experience this is not a common approach in NZ at this time. Some ways that the selection process can be better structured to deliver good outcomes over the longer term include:

- Undertake pre-qualification interviews with potential contractors to discuss the Council's contract intentions and to learn what the contractors would like to see in respect of contract structure and content
- Utilise a multi-stage process aimed at selecting several short-listed parties for further negotiation
- Specifically set out the Council's 'partnership' working intentions and request ideas from tenderers as to how they would see the structure working and potentially developing over time
- Request evidence of innovation, flexibility in contract delivery, and strong working relationships.

4.5.4.2 Contract Specifications

There are several basic approaches to contract specifications: input-based, output-based, and cost-plus. In the input-based model the exact actions and form of service that the contractor must adhere to are specified, and penalties are applied for failing to meet KPIs. Most NZ contracts use an input-based approach. The principal dangers with this approach are that it can lead to long and exhaustive detail, listing every possible

action and the standards that must be achieved, and that it constrains innovation by the contractor. This type of approach is not flexible and is not strictly compatible with a partnership working approach.

The output-based approach specifies desired outcomes and leaves it largely to the contractor as to how they are delivered. While this provides freedom for the contractor it can also lead to a lack of control by the council (with contractors potentially undertaking activities the Council and/or ratepayers don't want), and unless the outputs are very thoroughly specified can lead to disparate aims between the contractor and Council.

In the cost plus or 'open book' model, the contractor agrees to undertake whatever is specified by Council for cost plus an agreed margin. The contractor provides access to the company accounts in order to provide assurance that the costs are not being 'padded out'. Innovation can be incentivised by the fact that contractors will get a percentage of new services (although this raises the issue of needing to be confident of the need for the new services). The disadvantage of an open book model is that efficiency is not incentivised as the contractor will get a smaller total margin if they reduce cost.

4.5.5 Joint Working

Joint working with other councils does not necessarily imply a joint procurement of services. It could for example consist of:

- Undertaking joint waste management and minimisation planning;
- Harmonising service delivery for example: materials recycled, services offered to households, communications;
- Establishing a joint administrative structure for the management of waste and recycling services.

We see there are potential benefits in pursuing a joint working approach through more cost-effective administration. As long as the broad waste minimisation objectives of the different councils are aligned, the only potential downside to this type of arrangement is likely to be a perceived loss of direct control by the councils. Any issues in this regard should be able to be overcome by establishing the correct accountability and reporting structures. The chief barrier to this type of arrangement is likely to be in obtaining agreement through the political processes of the respective councils.

The more difficult question is whether or not Council should enter into a joint procurement arrangement with other councils, and if so what form it should take.

Joint working in the broad sense is likely to lead to some minor benefits. The issue of whether or not to engage in a joint procurement is not so straightforward. As these are issues that have a political dimension it may be that this is where the decision must ultimately lie.

4.5.6 Service Funding Options

There are a number of ways that Council can fund its waste management and minimisation services. These include:

- Targeted rate
- User pays
- Transfer station gate fees
- General rate
- Levy funding

At present the services are primarily funded by user charges paid directly to the private sector provider.

Each of the scenarios outlined will present different options for the introduction of new fees or charges aimed at offsetting or covering the cost of providing the waste management service.

5.0 Summary

The service option elements presented here can be combined in a variety of ways. All of the methods presented are used with varying degrees of success by different councils and waste collection companies. It should be acknowledged that selection of different methodologies can occasionally best be made with input from the contractor during a procurement process.

It is also important to understand the implications that choosing certain elements of the waste management system will have on the waste service as a whole. The selection of different elements or development of infrastructure needs to be done holistically with a view to how all the elements fit together. The scenarios to be identified later in this process will illustrate these interactive effects. The broad types of scenarios can be modified to allow different elements to be subsequently selected which best meet the overall objectives.



Solid Waste Services Options – Modelling Report

Prepared for Western Bay of Plenty District
Council

15 August 2018

Report for Western Bay of Plenty District Council

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Disclaimer

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1.0 Introduction

This report presents the results of a modelling exercise undertaken for Western Bay of Plenty District Council (Council) on the likely costs and performance of different waste and recycling collection options.

The current report is a relatively high-level exercise that considers a range of scenarios. Up to two preferred scenarios will then be identified and more detailed modelling and research undertaken on these to determine a preferred way forward for Western Bay of Plenty District.

2.0 Scope

Council have commissioned Eunomia Research & Consulting (Eunomia) to provide consultancy support in respect of determining potential new waste services. The scope of work involves relatively detailed consideration of collection services and options to increase the quantity of diverted materials, so Council can determine the best mix of services required and the level of Council involvement necessary.

Council have requested that Eunomia help identify likely service options and undertake cost modelling to provide estimated costs. These costs will be included in public consultation and engagement material, and will inform Council and elected members when considering possible service changes.

3.0 Methodology

3.1 Introduction

To carry out a service review, the following steps are required:

1. Understand the current service provision;
2. Develop a 'baseline' model that reflects the key dynamics of the current services;
3. Consider alternative service provision options;
4. Model alternative services using the same parameters as the baseline except for agreed service changes;
5. Report the outcomes, including cost and likely diversion potential.

A good understanding of the current service provision was achieved through the Waste Assessment development process, which Eunomia was involved in, and this was supplemented through some more detailed research for this modelling exercise.

A list of possible alternative service options was developed with officers and elected members, and a number of preferred service 'scenarios' were identified from this list.

For each scenario, the modelling calculates requirements for containers, staffing, and vehicles as well as expected waste diversion performance and a range of system costs. Cost modelling doesn't necessarily predict actual contract costs, but is useful to compare relative costs given a set of common assumptions.

3.2 Collection Model Overview

For this exercise the main modelling tool we are using is Eunomia's proprietary collection cost model 'Hermes', which has been developed and used extensively since 2003 in modelling systems both in New Zealand and in the UK. The model provides a high level of flexibility in application with the ability to adjust an extremely large range of parameters. It is able to model the performance and interaction of up to five different collection systems (e.g. recycling, organics, residual waste etc.) and account for up to six different housing type profiles within each system (e.g. urban, rural, apartments etc.). Furthermore, it is designed with the ability to run multiple scenarios and allows the user to quickly switch between them - a fundamental feature for option appraisal.

The modelling typically entails developing a 'baseline' model that reflects local conditions and existing systems as closely as possible. Once this baseline model has been developed and is producing figures that accord with measured data, different scenarios and systems can be overlaid to ascertain how they would perform within the set parameters. In the context of this project a range of private service providers offer kerbside collections and there is no existing council collection service. This means that, without detailed data from the private collectors that is likely to be considered commercially sensitive, it is not possible to construct a baseline model as such. Instead we will construct a 'baseline' that reflects the current levels of service (based on available information) and calculates the resource requirements if this service were delivered by a single operator. As there are currently multiple operators servicing the district this is less efficient than a single operator and so current costs would be expected to be higher.

Under each scenario the model calculates the container, staffing and vehicle requirements as well as expected kerbside capture, and a range of system costs.

It should be emphasised that cost modelling exercises cannot necessarily predict actual contract costs but are useful to compare relative costs of different service options given a common set of assumptions.¹

¹ There are a wide number of variables than can serve to alter the actual costs including how competitive the procurement process is, the degree to which other elements (e.g. transfer station operation etc) are wrapped up in a contract, whether a company is bidding for strategic reasons (e.g. to establish a base for commercial operations), recycling markets, the level of risk the council is asking the contractor to carry, contract structure, contract term, the pricing of variations and escalations, to name a few.

While modelling does have limitations, it is a valuable tool in identifying key variables and risks and therefore enabling decisions to be made on the basis of the best available information.

3.3 Key Parameters

Key parameters used in the modelling are shown in the following tables. These and other technical parameters were discussed and agreed with Council officers prior to undertaking the modelling.

Table 1: Households Modelled as Receiving Services

Classification	2018 LTP Projection	Receive Council Rubbish and Recycling Collection	Receive Council Food Waste Collection
Urban	9,956 (45%)	9,956 (45%)	9,956 (45%)
Semi Urban	1,591 (7%)	1,591 (7%)	1,591 (7%)
Semi Rural	3,724 (15%)	3,724 (15%)	
Rural	7,293 (33%)	3,581 (16%)	
TOTAL	22,114	18,402	11,547
	<i>100%</i>	<i>83%</i>	<i>52%</i>

Table 2: Estimated Quantities Available for Collection in WBOP

	Tonnes per Household per Annum	Tonnes per Person per Annum	Assumed Total Tonnes WBOP
Kerbside Rubbish	0.498	0.213	11,005
Recycling (kerbside and dropoff)	0.142	0.060	3,000

4.0 Modelled Options

4.1 Current (Baseline) Services

It should be noted that in the case of Western Bay the baseline system is complicated by the presence of many private sector operators each with a portion of market share. This would negatively affect the logistics of each collection system.

The primary purpose of the baseline modelling in this instance was therefore to determine the likely costs of service provision and the level of performance for Council to deliver the present level of service independent of existing commercial arrangements. The baseline system that is modelled is the current collection system. In brief this is as follows:

Table 3: Baseline Collection Systems

Component	Container	Frequency	Funding	Materials	Vehicles
Residual – Private bag collections	User pays rubbish bags	Weekly	User pays	Residual	Side load compactor
Residual - Private bin collections	Wheeled bins (80L-240L)	Varies based on the contract	User pays	Residual	Side load compactor
Recycling (provided by private sector)	Wheeled bin comingled collections	Varies based on the contract	User pays	Paper Card Glass Cans Plastic 1-2 containers	Side load kerb sort vehicle (non compacting)
Garden waste (provided by the private sector)	Wheeled bins	Varies based on the contract	User pays	Garden waste	Rear load compactor

What needs to be made clear at this point is that, due to the nature of the current waste collection arrangements, the modelled costs will not reflect costs that households currently pay. When reporting the modelled costs for the options against baseline costs

we will use costs obtained from survey data which suggest an average cost for households with both a rubbish and recycling collection of \$267.00 per annum.²

4.2 Alternative Service Options

Council identified key outcomes or principles that they would want to see achieved by a new kerbside collection system in the Western Bay.

Councillors also agreed that ALL scenarios should incorporate a weekly food waste collection for all urban households, and that the more remote rural households would be serviced only through drop-off points. The scenarios outlined below are in addition to these two service components.

Five outcomes were agreed on, which were:

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

Six agreed scenarios are presented in the table below. The scenarios were developed based on the outcomes of the workshops and refined in consultation with officers. The scenarios essentially keep either the refuse system, or the recycling system, consistent so that the impact of changes can be clearly seen.

Urban food waste collections occur across all scenarios. The configuration of the food waste collection is assumed to be weekly manual collection from a 23-litre road side bin or similar, with provision of a kitchen caddy and compostable liners.

² Eunomia (2016) *Waste and Recycling - Customer Market Research*. Prepared for Western Bay of Plenty District Council

	Kerbside Rubbish	Kerbside Recycling	Kerbside Food Waste (Urban and Semi Urban Households Only)	Low Total Community Cost	Diversion from Landfill	Flexibility (appropriate services, convenience, holiday peaks)	User pays	Improved environmental outcomes
1. Glass kerbside recycling	Status quo	1 x crate for glass collected weekly	Weekly manual collection with 23L bin, kitchen caddy and liners	Neutral/negative – unlikely that private costs will reduce much with just glass being recycled, so this service and food waste will be an additional cost for the householder	Good – more glass will be diverted, as well as food waste.	Very good - customers can still choose their refuse collection	Very good	Good – more glass will be diverted, as well as food waste.
2. Kerbside sort recycling	Status quo (private sector)	2 x 55L crates, two stream fibre and glass. No plastics 3-7, no soft plastics. Collected weekly.	Weekly manual collection with 23L bin, kitchen caddy and liners	Average – dependent on customers choosing to reduce their residual waste collection service	Good. Paper, plastics and metals will be recycled as well as food waste	Very good - customers can still choose their refuse collection	Very good	Good – more recyclable fibre and glass will be diverted, as well as food waste. Likely to produce higher quality recyclables.
3. Standard kerbside recycling	Status quo	Crate for glass, 240L wheeled bin for everything else, collected fortnightly.	Weekly manual collection with 23L bin, kitchen caddy and liners	Average – a bit dependent on customers choosing to reduce their residual waste collection service	Good. Paper, plastics and metals will be recycled as well as food waste	As above – and probably the service that residents are anticipating, and very similar to existing.	Very good	Good – more recyclable fibre and glass will be diverted, as well as food waste.

<p>4. Part user pays bags</p>	<p>Partly rates-funded, mostly user-pays, bag collection weekly</p>	<p>Crate for glass, 240L wheeled bin for everything else, collected fortnightly.</p>	<p>Weekly manual collection with 23L bin, kitchen caddy and liners</p>	<p>Good. Provides incentive for households to reduce waste while delivering and efficient collection service</p>	<p>Very good (probably the best of the scenarios)</p>	<p>Average – customers can still choose how many bags to put out</p>	<p>Very good</p>	<p>Very good – likely to have maximum landfill diversion of these scenarios</p>
<p>5. User pays wheeled bins</p>	<p>Pay per lift (or weight, although unproven in NZ) wheeled bins. Wheeled bin charging systems may still have some technical issues.</p>	<p>Crate for glass, 240L wheeled bin for everything else, collected fortnightly.</p>	<p>Weekly manual collection with 23L bin, kitchen caddy and liners</p>	<p>Good. Likely to be a more expensive service than bags but provides incentive for households to reduce waste</p>	<p>Very good, although possibly not as good as above (impact of pay per lift is unproven in NZ)</p>	<p>Average – customers can choose how often to put bin out</p>	<p>Very good</p>	<p>Very good – likely to be similar to high recovery option</p>
<p>6. Rates funded wheeled bins</p>	<p>120L wheeled bin collected fortnightly, and weekly in peak periods</p>	<p>Crate for glass, 240L wheeled bin for everything else, collected fortnightly.</p>	<p>Weekly manual collection with 23L bin, kitchen caddy and liners</p>	<p>Very good. Fortnightly collections reduce total collection costs</p>	<p>Very good. Fortnightly collections incentivise diversion</p>	<p>Average – accommodates summer peaks, but limited bin choice and collection frequency</p>	<p>Poor</p>	<p>Very good – likely to be similar to high recovery option</p>

5.0 Results

5.1 Cost

There are two dimensions to cost in respect of kerbside waste and recycling services: the cost of Council service provision, and the cost to the householder. These are different because households can sign up to private rubbish and recycling services (as they currently do in Western Bay of Plenty) in addition to whatever services Council provides. A number of the options modelled do not specify full council service provision and so households would be faced with private costs if they wish to receive services not supplied by Council. In addition, even where Council provides rubbish services, some households may choose to subscribe to a private service (for example if it provides more capacity, is more frequent, offers on-property collection etc.). The results presented show both the costs of Council provision and estimates of the cost to the householder. It should be noted that the costs of private service provision are not modelled but are estimated based on survey data from costs currently actually paid by households.

5.1.1 Modelled Cost of Council Kerbside Services

The modelled cost of council kerbside services is shown in the table and chart below.

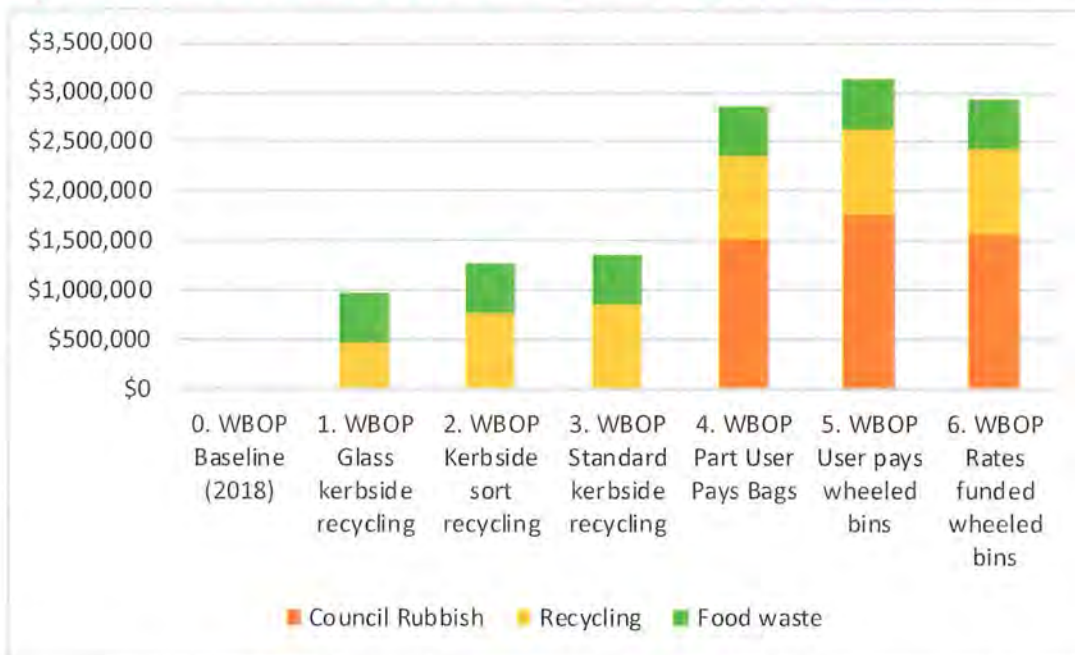
Table 4: Modelled Cost of Council Kerbside Services

Scenario	Recycling	Food waste	Council Rubbish	Total Cost to Council (Excl user pays income)
WBOP Baseline	\$0	\$0	\$0	\$0
1. WBOP Glass kerbside recycling	\$478,130	\$502,964	\$0	\$981,095
2. WBOP Kerbside-sort recycling	\$756,714	\$504,429	\$0	\$1,263,586
3. WBOP Standard kerbside recycling	\$861,242	\$507,022	\$0	\$1,368,264
4. WBOP Part User-pays Bags	\$836,983	\$514,227	\$1,521,821	\$2,873,031
5. WBOP User-pays wheeled bins	\$859,573	\$513,472	\$1,768,570	\$3,141,615

6. WBOP Rates-funded wheeled bins	\$863,695	\$515,439	\$1,565,269	\$2,944,403
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NB: Minor cost differences between the same service across the scenarios is due to how the model allocates overheads.

Figure 1: Modelled Cost to Council of Council Kerbside Services



The above table and chart show the modelled cost of providing the services under each scenario. The costs of the recycling service include any income from sale of recyclable materials. In terms of total cost to Council, scenario 1 is the least cost, while scenario 5 is the highest cost. Scenarios 1, 2 and 3 do not include kerbside rubbish services and so this reduces the cost that Council pays. Scenarios 4 and 5 have user-pays elements, but the income from user charges is not included (this would be a council decision as to how the charges are set, and the level of cost recovery that is mandated).

Scenario 5 specifies user-pays wheeled bins. This involves each bin having a radio frequency identification tag (RFID) which is scanned by a reader in the collection vehicle. The bin is then matched to an account for that household, which enables a charge to be applied. It should be noted that there are still some technical issues with use of RFID systems for charging, and the precise method of charging would have to be determined. For this reason, we have included the cost of RFID tags in bins and the on-vehicle readers, but not the back of house systems for managing the charging as these costs are too uncertain. The working assumption is that the cost of the back of house system would be recouped through the charge that is applied.

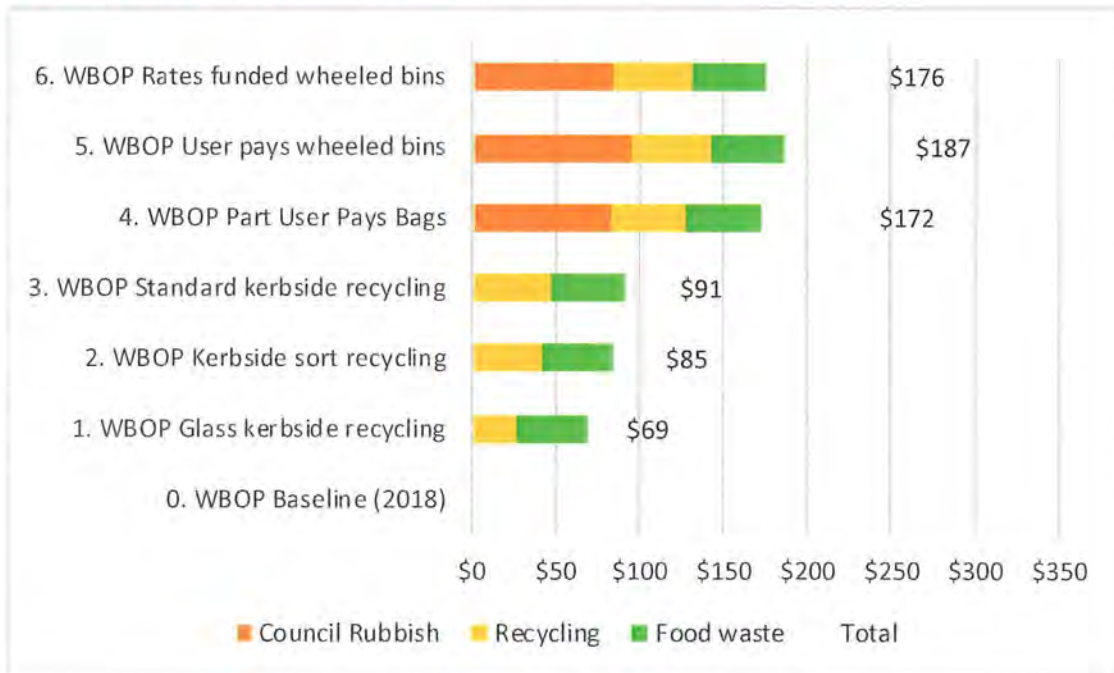
In terms of recycling system costs, the least cost to Council is the glass-only kerbside collection, while the kerbside-sort system has the highest cost. The kerbside-sort system

is a weekly service but it has lower vehicle and container costs and higher income compared to the fortnightly 2-stream system used in scenarios 3 - 6. Generally kerbside-sort and 2-stream services are similar in cost, with 2 stream being slightly more expensive but collecting more material.

5.1.2 Modelled Cost of Council Kerbside Services Per Household

The chart below shows the cost per household to provide a Council service. It should be noted that the costs apply only to those households served (.

Figure 2: Cost of Council Service Provision per Household



It should be noted that, for scenarios 4 & 5, this would not necessarily be the rated costs, as income from user charges is not shown. As noted earlier, the level of cost recovery for a user-pays service would have to be set by Council.

5.1.3 Community Costs Per Household

In order to show the costs of Council service provision alongside private service provision we have used costs per household served. We have therefore assumed that any Council services would have costs recovered through a targeted rate or similar, so that, for

example, households without access to a food waste service are not paying for that service.³

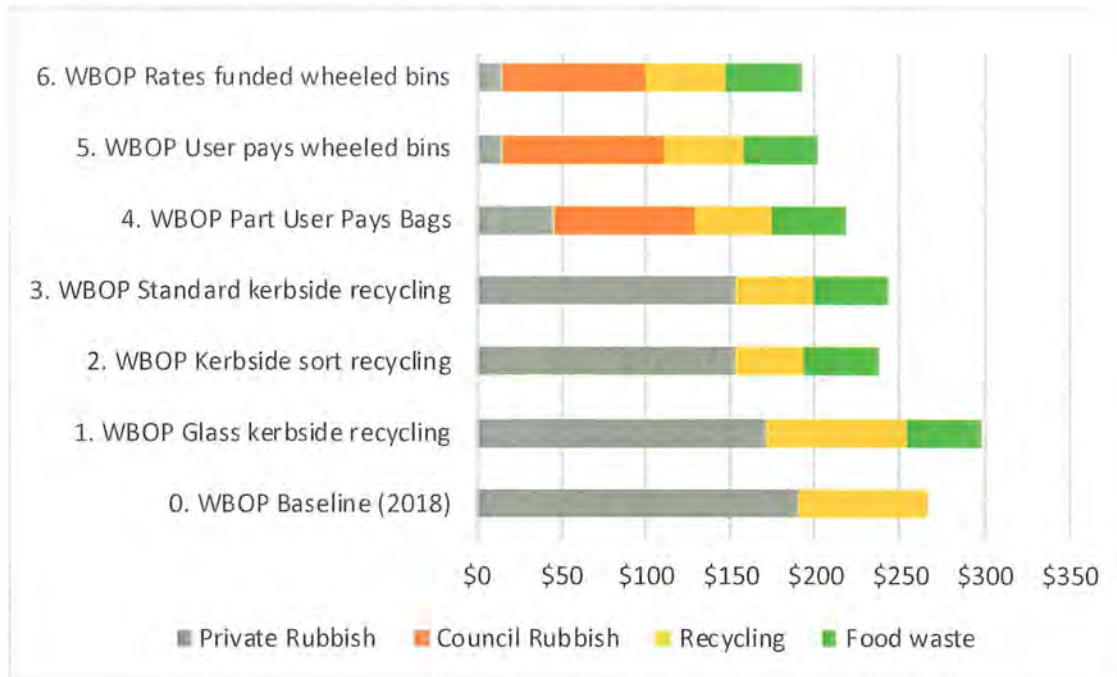
The table and chart below show the relative costs of private vs Council service provision for each of the scenarios. How these are calculated is detailed below.

Table 5: Private and Council Cost per Household

Cost per hh Served	Recycling	Food waste	Council Rubbish	Private Rubbish	Total
0. WBOP Baseline (2018)	\$76			\$191	\$267
1. WBOP Glass kerbside recycling	\$83	\$44		\$172	\$298
2. WBOP Kerbside-sort recycling	\$41	\$44		\$153	\$238
3. WBOP Standard kerbside recycling	\$47	\$44		\$153	\$243
4. WBOP Part User-pays Bags	\$45	\$45	\$82	\$46	\$218
5. WBOP User-pays wheeled bins	\$47	\$44	\$96	\$15	\$202
6. WBOP Rates-funded wheeled bins	\$47	\$45	\$85	\$15	\$192

³ This avoids cross subsidisation, which is a principle Council indicated at the workshop they would like to be applied.

Figure 3: Private and Council Cost per Household



Baseline costs for a private rubbish and recycling collection service are estimated at \$267 per household based on survey data. The average cost of a rubbish-only collection service is \$191.

In scenarios 1, 2 and 3 the private rubbish costs are assumed to reduce slightly as some households will use less rubbish bags or change to a smaller bin size as a result of separating out food waste and recycling.

In scenario 4 a Council user-pays bag service is provided that is partly rates-funded. It is assumed most households would use this service but that some households may choose to use a wheeled bin from a private service provider. As a result, there is still a level of private rubbish cost.

Under scenarios 5 and 6 the number of households using a private service reduces further, as the Council service provides added convenience and capacity over scenario 4, but there is still a small element of private cost.

The modelling suggests that overall a rates-funded service is expected to be cheaper on average than the current private services, while delivering higher levels of service (such as a food waste collection and wider scope of recycling collections).

Option 6 (rates-funded wheeled bins) is likely to be the most cost-effective overall as it specifies a fortnightly collection for most of the year outside of peak times.

5.1.4 Sensitivity

A sensitivity analysis was conducted on the impact of changes in commodity prices over time. The default modelling was conducted on the basis of low commodity values reflecting current market conditions. Given the level of uncertainty in the industry at present it is likely that if the service is tendered in the next couple of years operators will base their bids on a low level of return. However, if market conditions improve over the term of a contract this could lead to higher levels of commodity return. Assuming markets return to medium to long term averages, we estimate the impact would be a reduction in net cost in the order of \$127,000 per annum for kerb-sorted systems and \$140,000 for two-stream systems. This is equivalent to \$6.91 per household per annum and \$7.80 per household per annum respectively. How this would be reflected in contract pricing would depend on the level of risk carried by the different parties.

As a further sensitivity, we modelled pricing based on the highest Material Recovery Facility gate fees currently being quoted. This could potentially add in the order of \$5-\$8 per household onto the default modelled cost.

The impact on total costs per household is shown in the table below

Table 6: Estimated Impact of Changes in Commodity Price on Total Cost per Household.

Cost per hh Served	Low Commodity Prices	Medium Commodity Prices
0. WBOP Baseline (2018)	\$267	\$267
1. WBOP Glass kerbside recycling	\$298	\$298
2. WBOP Kerbside-sort recycling	\$238	\$231
3. WBOP Standard kerbside recycling	\$243	\$236
4. WBOP Part User-pays Bags	\$218	\$210
5. WBOP User-pays wheeled bins	\$202	\$194
6. WBOP Rates-funded wheeled bins	\$192	\$183

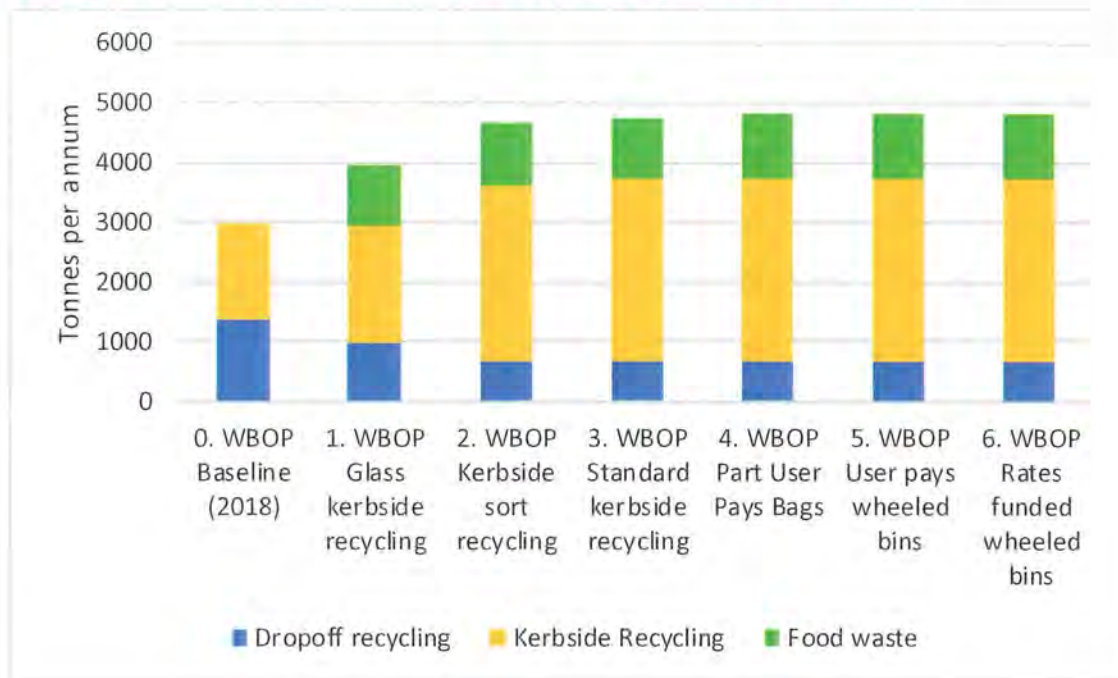
5.2 Recovery

The table and chart below show the estimated quantities of recycling and food waste recovery in each of the scenarios.

Table 7: Estimated Quantities of Recycling (Tonnes per Annum)

Total Recovery Including Dropoff	Dropoff recycling	Kerbside Recycling	Food waste	Total Recovery Including Dropoff
0. WBOP Baseline (2018)	1400	1,591	0	2,991
1. WBOP Glass kerbside recycling	1000	1,956	1,026	3,982
2. WBOP Kerbside-sort recycling	700	2,930	1,026	4,657
3. WBOP Standard kerbside recycling	700	3,046	1,026	4,773
4. WBOP Part User-pays Bags	700	3,046	1,087	4,833
5. WBOP User-pays wheeled bins	700	3,046	1,087	4,833
6. WBOP Rates-funded wheeled bins	700	3,046	1,087	4,833

Figure 4: Estimated Quantities of Recycling (Tonnes per Annum)



The modelling suggests that the total quantity of material recovered could be expected to rise from approximately 3,000 tonnes per annum to nearly 5,000 tonnes per annum in scenarios 2-6.

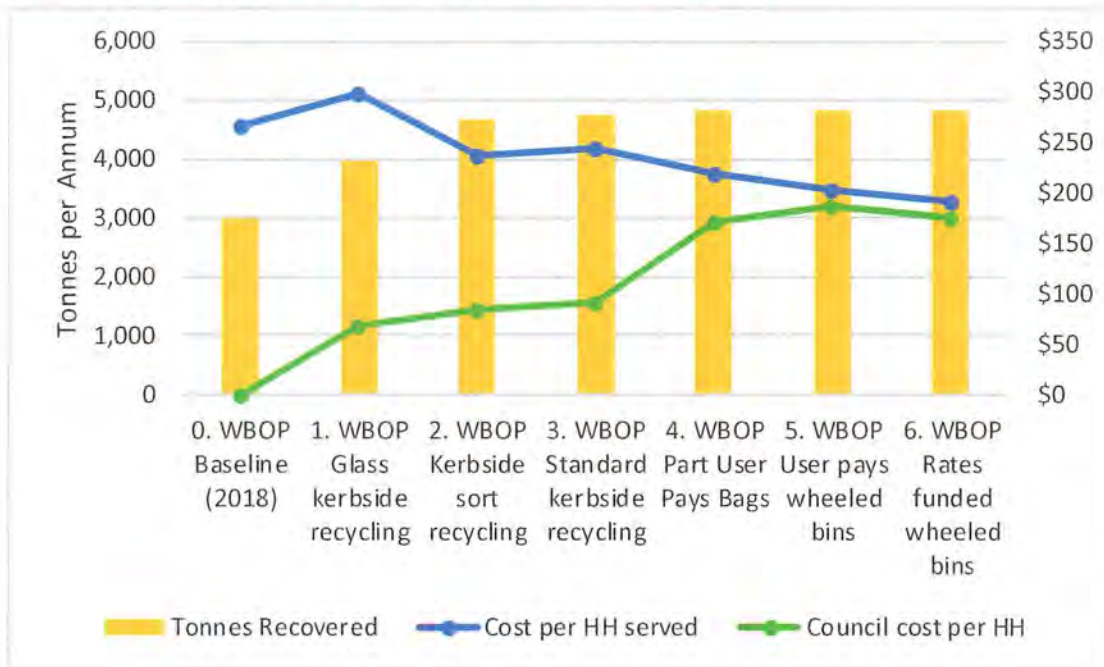
The level of recovery of food waste does not appear as high as might be expected as the service is only modelled as being provided to about half of the households in the district. In addition, we have been relatively conservative in estimating the probable performance of the service.

The level of recycling increases in scenarios 1 - 6 but again the level of increase is limited by two factors that were taken into account during the modelling: firstly it was assumed that those who are currently recycling represent the most committed recyclers and that these households are likely to recycle more per household than the other households that do not currently pay for a kerbside recycling service. New households using a kerbside service are therefore assumed to recycle less per household than those currently paying for recycling. Secondly; the kerbside service is expected to draw material away from the Council's recycling drop-off centres. There will still be material taken to these sites however – in particular cardboard (as large boxes are too bulky for the kerbside collection), and glass from parties and one-off events.

5.3 Summary

The chart below summarises the cost and performance data.

Figure 5: Cost per Household Against Tonnes Recovered



The modelling indicates that a full Council service (Scenarios 4-6) is likely to deliver improved levels of recycling and material recovery for lower average costs per household. All of the full-service scenarios are similar in cost and performance, with scenario 6 likely to be the lowest overall cost due to provision of a fortnightly service for much of the year.

Once again it should be noted that the modelling has not taken into account user-pays income for scenarios 4 & 5.

A.1.0 Cost Modelling Detail

	1. WBOP Glass kerbside recycling	2. WBOP Kerbside sort recycling	3. WBOP Standard kerbside recycling	4. WBOP Part User Pays Bags	5. WBOP User pays wheeled bins	6. WBOP Rates funded wheeled bins
Total Cost (Excl user pays income)	\$981,094	\$1,263,586	\$1,368,264	\$2,873,031	\$3,141,615	\$2,944,403
Mixed Recycling	\$0	\$756,714	\$611,283	\$611,229	\$610,243	\$612,811
Organic	\$502,964	\$506,872	\$507,022	\$514,227	\$513,472	\$515,439
Glass Recycling	\$478,130	\$0	\$249,959	\$225,754	\$249,330	\$250,884
Council Rubbish				\$1,521,821	\$1,768,570	\$1,565,269
Collection Costs	\$713,483	\$942,546	\$806,525	\$1,483,481	\$1,543,003	\$1,353,083
Mixed Recycling	\$0	\$699,956	\$302,654	\$302,599	\$301,614	\$304,182
Organic	\$238,682	\$242,590	\$242,741	\$242,699	\$241,944	\$243,911
Glass Recycling	\$474,801	\$0	\$261,130	\$236,925	\$260,501	\$262,055
Council Rubbish	\$0	\$0	\$0	\$701,258	\$738,944	\$542,935
Container Costs	\$183,116	\$225,128	\$381,490	\$438,608	\$519,202	\$511,909
Mixed Recycling	\$0	\$84,024	\$198,374	\$198,374	\$198,374	\$198,374
Organic	\$141,104	\$141,104	\$141,104	\$141,104	\$141,104	\$141,104

	1. WBOP Glass kerbside recycling	2. WBOP Kerbside sort recycling	3. WBOP Standard kerbside recycling	4. WBOP Part User Pays Bags	5. WBOP User pays wheeled bins	6. WBOP Rates funded wheeled bins
Glass Recycling	\$42,012	\$0	\$42,012	\$42,012	\$42,012	\$42,012
Council Rubbish	\$0	\$0	\$0	\$57,118	\$137,712	\$130,419
Income	-\$84,496	-\$95,912	-\$180,251	-\$187,496	-\$187,496	-\$187,496
Mixed Recycling	\$0	\$27,266	-\$110,256	-\$110,256	-\$110,256	-\$110,256
Organic	-\$123,178	-\$123,178	-\$123,178	-\$130,423	-\$130,423	-\$130,423
Glass Recycling	\$38,682	\$0	\$53,183	\$53,183	\$53,183	\$53,183
Council Rubbish	\$0	\$0	\$0	\$0	\$0	\$0
Disposal						
Council Rubbish	\$0	\$0	\$0	\$763,446	\$891,915	\$891,915



Solid Waste Services Options – Detailed Investigations Report

Prepared for Western Bay of Plenty District
Council

15 October 2018

Report for Western Bay of Plenty District Council

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Disclaimer

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1.0 Introduction

This report presents the outcomes of detailed investigations of the two preferred alternative service options for Western Bay of Plenty District Council (Council). Information is provided to assist elected members in making the decision to proceed with one of the alternative service options, or to remain with the status quo.

The report provides an assessment of the following areas for each service option:

- Service flexibility
- How user pays could work
- Collaborative working
- Key assumptions

It then provides an evaluation of the two preferred options including cost estimates, and how each option delivers on the five key priorities identified by Council.

This report also presents research on additional waste management service issues such as:

- Rural drop-off options
- The impact of new services on existing recycling centres
- Potential for services to be extended to non-household customers
- Consideration of construction and demolition waste diversion
- Liaison with Tauranga City Council

1.1 Background

In December 2017, Council adopted a revised Waste Management and Minimisation Plan (WMMP). Through the WMMP, Council set the vision of 'Minimising waste to landfill'. A key action in the WMMP is to 'investigate alternative recycling and rubbish collection models to achieve better oversight and management of solid waste and recycling throughout the District'.

Council is currently considering these alternative models and commissioned Eunomia Research & Consulting (Eunomia) to provide background research and cost modelling to support this process.

In August 2018, Eunomia presented the outcomes from a relatively high-level exercise that considered a range of scenarios. At a workshop, also in August, two preferred scenarios were identified. More detailed research has now been undertaken on these to help determine a preferred way forward. Following Council endorsement, the preferred proposal is intended to be presented to Western Bay of Plenty District residents and stakeholders to assess their views and preferences through a formal consultation process.

1.2 Current Situation and Process

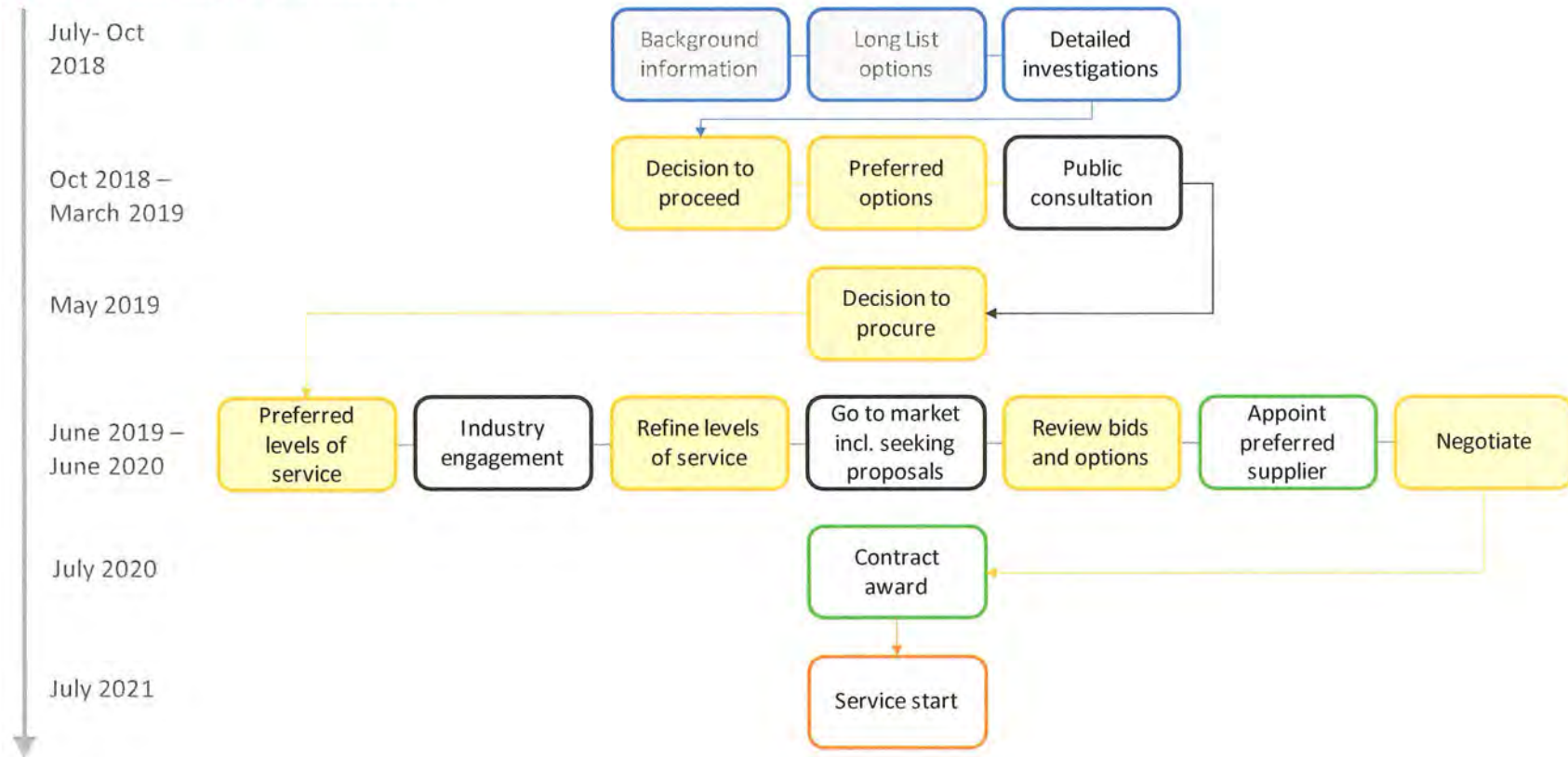
It is important to note that Council is still at the very early stages of the process, and that there are still opportunities for decisions on the 'levels of service' to be revisited and changes made. As progress is made through the process, issues are considered in more depth and the detail of the service is fleshed out. However, there is still the opportunity to make significant changes in light of new information or developments such as changes to technology, cost considerations, partnership working, market developments etc.

The current report and series of workshops is therefore part of a wider process that needs to be followed if Council is to change the levels of service provided to ratepayers for rubbish and recycling.

The flow chart below illustrates the process. Key decision points where levels of service may be reviewed and refined are highlighted in yellow.

The indicative process for any required procurement incorporates some stages that could be shortened or removed if absolutely necessary, enabling the entire procurement process to take less than the two years set out between identifying the preferred services, and service start date.

Figure 1: Overview of Process



2.0 Key Considerations

2.1 Identifying Key Outcomes

In July 2018 elected members considered background waste systems information, and agreed on the key desired outcomes for any alternative service scenario. The five key outcomes were:

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

2.2 Preferred Scenarios Identified

Elected members identified two preferred scenarios from an initial list of six. These are:

1. **Scenario Two:** private sector rubbish collections, with council-provided kerbside-sort recycling, weekly food waste collection for urban areas, and rural drop-off points for recycling
2. **Scenario Five:** Council-provided user-pays wheeled bin rubbish collection, two-stream fortnightly recycling collection, weekly food waste collection for urban areas, and rural drop-off points for recycling.

Scenario 2 has the advantage that the collection model will potentially secure better-quality recyclables and would therefore be less vulnerable to recycling market issues.

Scenario 5 was considered to best address the principles of user pays and provide a level of flexibility while still delivering reduced cost for householders.

There are a number of key issues that need to be considered in deciding a way forward, and these are examined in more detail in this section.

2.3 Service Flexibility

2.3.1 Opt in/out

In providing a service Council can choose to either:

- Elect for all eligible households within a defined area to receive the service

- Allow households to opt out of the service
- Require households to opt in to the service if they want to receive it.

When all eligible households receive the service, the advantage of council service provision is that it is, in effect, bulk purchasing on behalf of residents. This option ensures that economies of scale are retained and provides certainty for contractors. Service variations are possible to meet the needs of particular household groups (such as assisted collections or different bin sizes).

Opting in is not recommended as this would simply be like Council being another competitor in the marketplace, and without some confidence around the uptake of the services, it would be almost impossible for bidders to price.

Allowing opting out adds greater flexibility but it also adds complexity. For example:

- The number of households using the service is uncertain which can make pricing harder for contractors
- Eligibility needs to be policed and additional administration is required
- The level of rebate, if offered, would need to be determined
- Consideration of whether households are allowed to opt out of rubbish, recycling, or organic waste collections would be needed
- Allowing opting out of recycling and organic waste collections would not be in line with promoting waste minimisation
- Allowing opting out of rubbish collections would erode market share and this may affect the viability of the service.

However, there may be some situations where allowing households to opt out may be reasonable. This could include:

- Gated communities, retirement villages or other multi-unit dwellings where a bespoke private service provision is likely to be more practical
- Holiday homes that are only occupied for a fraction of the year (both private and those rented through various agencies). These properties could access community recycling or drop-off facilities when needed
- Rural properties or other properties where access is an issue (such as long driveways, lack of a berm to safely place bins for collection etc.)

2.3.2 Other Service Variations

The differing needs of residents can be managed by offering some service variations. These could include, for example:

- Different bin sizes (attracting a different charge)
- Offering extra bins
- Offering rubbish bags in rural areas/where bins are impractical (in the modelling rural households are assumed to receive a bag service)
- Assisted collections (for those with mobility issues or absentee owners)
- Reduced frequency of collection

- Accommodating people in constrained financial circumstance (for example offering reduced charges for community services card and/or Gold Card holders)

Service variations are easier to handle administratively than opting in or out as they have less impact on service viability and require less policing.

The decision to offer limited opting out or other service variations does not have to be made at this stage but can be worked through at later stages of the process, if the decision is made to proceed.

2.4 User Pays

There are a variety of ways that user charges can be applied. Each method has advantages and disadvantages. Under the options considered, the user pays element applied only to the rubbish collection component. For the purposes of the discussion we have assumed that, in line with scenario 5, wheeled bins would be the main containment for rubbish collections but that bags may need to be offered for properties in certain areas such as more rural households or commercial properties. The key characteristics of the main user pays methods are presented in the table below:

Table 1: User Pays Approaches for General Waste

Method	Description	Key Characteristics
User pays bags	An official bag or sticker is printed and made available through retail outlets. Households purchase and set out as many as they need	This is the most established system and is well proven and easy to operate. 58% of households in Western Bay with a kerbside collection use private user-pays bags. ¹ Bag systems are often appropriate for rural collections due to long driveways and lack of a berm to place bins. However, it has also been shown to be vulnerable to losing market share to wheeled bins, which can be problematic for service sustainability. Other issues include preventing forgeries and theft, and health and safety with manual collection.

¹ Eunomia (2016) *Waste and Recycling Customer - Market Research*. Report for Western Bay of Plenty District Council

Method	Description	Key Characteristics
<p>Wheeled Bin Pay per pickup</p>	<p>Households are charged each time they put their bin out for collection. This can be done with a bin tag, electronically or on the basis of weight</p>	<p>Auckland Council is the only place where a pay per pickup system is currently operating in NZ. They use a bin tag system. Tags are purchased at supermarkets and dairies etc. and attached to the bin on collection day. The system is relatively expensive as it incurs printing costs, GST, retailer margins and requires a runner to remove the tags. There have been media reports of tags being removed prior to collections. The system is functional however.</p> <p>Other methods involving the use of electronic bin tags still have a number of operational issues but these are being worked through and pay per pickup or weight systems may be practical in a couple of years when WBOP would be looking at introducing the service. An electronic bin tag system would be cheaper than a manual bin tag system, as it does not have any of the retail costs or runner costs.</p>

Method	Description	Key Characteristics
Wheeled bin, pay by volume	<p>This is essentially a subscription service, and is similar to what private sector operators currently offer. A fixed amount is charged for each bin for a given period (e.g. quarterly, annually) based on its size. Households are billed in advance and can put their bins out as many collection days as they want (or on eligible collection days, if they have chosen a lesser frequency). This means some customers could have a small bin, emptied less frequently and pay less than those with larger bins or more frequent pick-up.</p>	<p>This is a relatively simple model to establish and has the advantage of providing householders with choice. The systems can be provided as a package – i.e. the recycling food waste and rubbish services are all charged as one.</p> <p>Under this model households could be charged a targeted rate or could be billed separately (similar to water usage bill) – which would mean the householder rather than the ratepayer is responsible for the costs (this could be via Council or the contractor).</p> <p>The main disadvantage is that once households have chosen a bin size, there is no disincentive to minimise waste. In fact the incentive is to make maximum use of the service, they have paid for and fill it up as much as possible each collection day.</p>

2.4.1 Part Charges

In addition to the options noted above, a further possibility is to offer a partly rates-funded rubbish collection. This is similar to the approach taken to Water Supply, with an availability/connection charge and a usage charge. This could include, for example, funding the cost of the collection service through rates and then charging the cost of rubbish disposal directly (which is the variable portion of the cost). This would approximately halve the charge per lift. The advantage of this would be greater security of market share.

Further detail about the interplay between user pays charges and market share is addressed in appendix A.1.0.

2.5 Collaborative Working

Joint working with other councils does not necessarily imply a joint procurement of services. It could for example consist of:

- Undertaking joint waste management and minimisation planning;

- Harmonising service delivery for example: materials recycled, services offered to households, communications;
- Establishing a joint administrative structure for the management of waste and recycling services.

Potential benefits of a joint working approach include:

- More cost-effective administration;
- Reduced costs through increased bulk purchasing
- Efficiencies of collection, if services with a neighbouring council are provided jointly

Collaborative working is discussed in more detail in appendix A.2.0

2.6 Key Assumptions

Calculating likely costs for various service options requires assumptions to be made about certain key parameters and factors. The key assumptions made in developing these costs are:

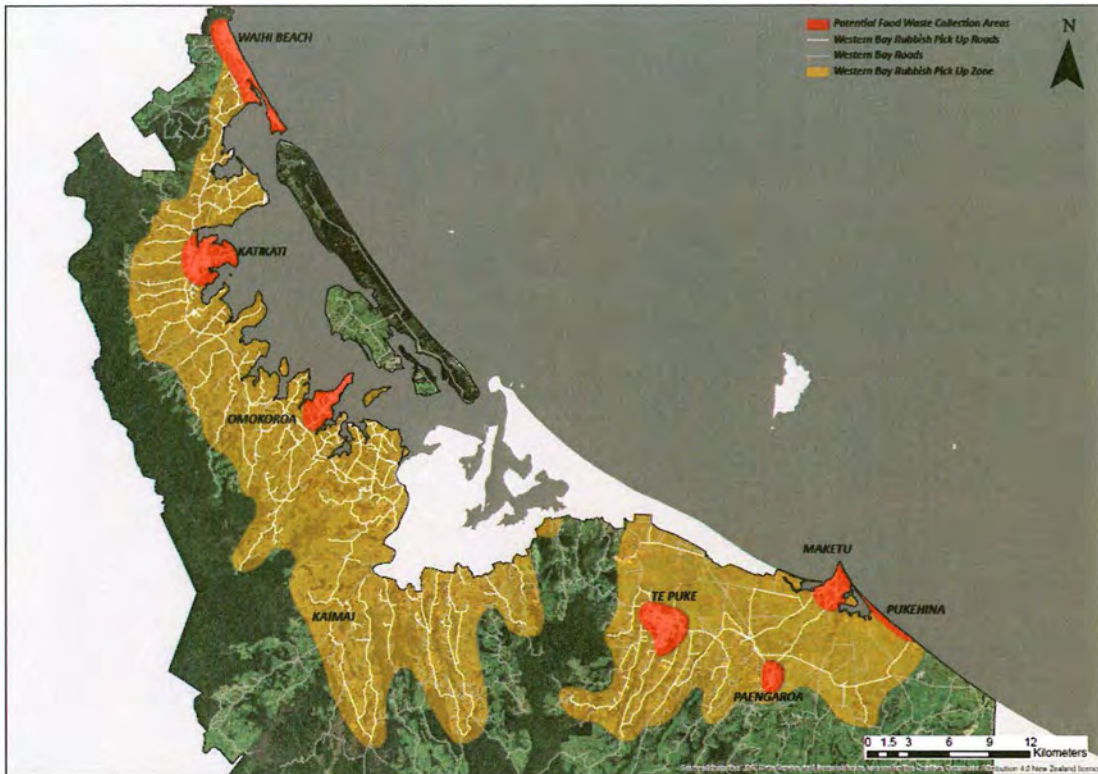
- The number of households receiving the service within the Western Bay, given that elected members have already concluded that it would be impractical to provide services to every household;
- The estimated quantities of waste and recycling available in the Western Bay;
- Service options that are not practical for Western Bay of Plenty at this time (such as electronic based pay per pickup systems) are not considered at present although they may be considered further in the future;
- That food waste and recycling services will be targeted rates funded across defined areas of benefit;
- Opt-in methodologies excluded, and opt-out minimised;
- That costs of administration have been included in the costs;
- Waste sorting, reprocessing can be delivered by potential contractors, including organic waste;
- A well-structured procurement process will be followed that will allow the market to offer solutions that will work best for Western Bay of Plenty. This could modify the level of service that is eventually delivered;
- The private sector will continue to operate and offer services to select customers regardless of which scenario is implemented.

It is also important to note that all figures provided in this report are GST inclusive. This allows private and council provided service costs to be more readily compared. All other assumptions are as set out in the parameter report and earlier modelling report.

2.7 Serviced Areas

The areas that would be serviced by a council service would need to be determined. For the purposes of this report all but approximately 3,500 households were assumed to receive a service. This roughly corresponds to the areas shown in the following map:

Figure 2: Indicative Areas for Council Collections



3.0 Service Options

This section compares the two preferred options, how these compare across various components of the service compared to the existing provision, and also summarises how each option delivers against the five preferred waste service outcomes.

Through this process six potential options were identified and then refined to two key scenarios for detailed investigations, scenarios 2 and 5. Scenario 5 has been split into two sub options, 5a and 5b, to better explore different user-pays approaches.



3.1 Scenario 2

Scenario two comprises:

- Retaining the private sector rubbish collection service (Council has no direct role apart from regulation)
- A council-provided weekly kerbside sort based recycling service using two recycling crates
- A weekly kerbside food waste collection from urban areas
- Drop-off services (up to three additional locations) provided to rural areas.

This service scenario delivers on the five key priorities as follows:

- **Low total community cost:** this scenario has the potential to achieve a low total community cost, but relies on customers choosing a lower-cost rubbish collection option and focusing more effort on diverting waste through recycling and food waste collections
- **Diversion from landfill;** this scenario is an improvement over the status quo as the kerbside recycling collection ensures that glass and other key materials are recycled, rather than leaving this to the choice of the private sector

- **Flexibility:** this option retains a lot of flexibility as customers can still chose their rubbish collection option (and cost) from the existing range of alternatives
- **User pays:** this scenario retains the current user-pays privately operated services for rubbish collection, but funds recycling and food waste through targeted rates
- **Improved environmental outcomes:** the kerbside recycling service is improved and rationalised; but the kerbside rubbish services continue to be provided by a number of operators, meaning reduced efficiency and environmental outcomes due to duplicated collection journeys etc.

For this scenario, it is assumed that plastics 3-7 are not collected, but that a higher quality of recyclable material is collected due to the kerbside sort methodology. This is assumed to partially reduce exposure to some of the impacts of international commodity markets (e.g. the current lowered income from commodities as a result of the China National Sword policies).

3.1.1 Costs

Table 2: Scenario 2 Cost per Household Estimates

	Cost	Detail
Cost of the council service for households with a food waste collection (per hh)	\$103	Applies to all urban households on a targeted rate or rates-funded basis
Cost of the council service for households without a food waste collection	\$49	Applies to all households in rural areas on a targeted rate or rates-funded basis
Cost of private collections (average)	\$191	All households continue to pay for a private-sector refuse collection
Cost of private and Council service (incl food)	\$294	For urban and sub-urban households
Cost of private and Council service (excl food)	\$240	For rural households

Cost of additional drop off services (per household not served by a council kerbside service)	\$18	For all rural households not receiving a kerbside service
Cost of extending service to commercial properties (per commercial property)	\$83	Optional user pays service for kerbside recycling and food waste collection ²

3.2 Scenario 5

Scenario five comprises:

- A Council-contracted user-pays rubbish collection service;
- A Council-provided kerbside recycling service, with a crate provided for a fortnightly glass collection service, and a 240L wheeled bin provided for fortnightly collection of other recyclables (probably in alternate weeks to the glass collection service);
- A weekly kerbside food waste collection from urban areas, and;
- Drop-off services provided to rural areas (allowance for up to three).

The key difference between scenario 5 and scenario 2 is that Council provides a kerbside rubbish collection service in scenario 5. The success of this service options depends greatly on Council achieving a significant market share for the refuse collection service, and therefore choices around how this service is configured are crucial.

There are two main ways that a user-pays rubbish collection service can be implemented using wheeled bins:

- Households are charged on a pay per pickup basis (Scenario 5a)
- Households are charged on subscription fee based on the size of their bin (Scenario 5b)

Each of these has different costs and considerations attached and so these are considered separately.

The other major difference with scenario 2 is that the kerbside recycling collection is a two-stream collection system, with glass collected separately from a crate fortnightly and all other materials collection fortnightly (probably alternate weekly) from a wheeled bin. This has the benefit of capturing a larger quantity of material but may result in

² Note that this is cheaper on a 'per customer' basis because it assumes urban only collections and it is only the marginal cost of adding extra customers.

lower quality material as well as higher post-collection processing costs. The recycling collection service is the same for both scenario 5 variants.

The food waste collection service is the same as for scenario 2.

3.2.1 Scenario 5a (Pay per Pickup)

The key features of this service are:

- Households may have a choice of rubbish bin size with variable cost for each bin size. We have costed a default size of 140L with a cost of \$3.50 per lift. Other bin options would be limited to 80L and perhaps a 120L option. It is not recommended that 240L bins are offered.
- Households purchase a specially designed tamper-proof tag that is attached to the bin handle when households put their bins out for collection. Once removed it cannot be reattached
- Households can put their bins out as frequently as they wish. They only pay when they attach a tag
- Bins without tags are not picked up
- Bins are put out less often but are fuller, which makes collections slightly more efficient (it takes the same length of time to empty a bin whether it is a quarter full or totally full)
- There are additional costs of this system including the need for a runner to go ahead of the truck and remove tags, bin tag printing and distribution, retail markup and GST. This is all included in the \$3.50 cost³.
- The service is currently operational in parts of Auckland

This service scenario delivers on the five key priorities as follows:

- **Low total community cost:** this scenario is likely to achieve a lower total community cost than the status quo private rubbish collection option, provided improved economies of scale can be achieved through high market share⁴.
- **Diversion from landfill:** this scenario is an improvement over the status quo as the kerbside recycling collection ensures that glass and other key materials are recycled, rather than leaving this to the choice of the private sector. The food waste collection also ensures this significant portion of the current landfill stream can be diverted. Council also achieve an improved level of control over the refuse collection system, such as the ability to discourage customers from using large wheeled bins for refuse collection

³ Note that while Council can set a 'recommended retail price', it is not possible to stop retailers from adding their variable mark up to this cost.

⁴ Note, however, that a rates-funded council rubbish collection service would be cheaper again – due to reduced administration and management costs and increased efficiency through consistent collection systems.

- **Flexibility:** this option retains a high level of flexibility in that customers can choose the extent to which they use the refuse collection service (instead of the alternatives) and how often/how much refuse is collected
- **User pays:** this scenario retains the aspect of user pays for refuse collection, but brings it under Council control (recycling and food waste collections would be funded through targeted rate).
- **Improved environmental outcomes:** the kerbside recycling and refuse collection services are rationalised, and additional material is diverted from landfill through the improved recycling collection and the new food waste collection.

For this scenario, it is assumed that a functional methodology can be developed to deliver the user-pays service within a refuse collection provided using wheeled bins. While this has not yet been fully accomplished within New Zealand; many councils are currently exploring the option to provide a RFID tag-based pay per pickup system and carrying out trials, and Auckland Council currently provides a tag-based pay per pickup system.

3.2.2 Costs

Table 3: Scenario 5a Cost per Household Estimates

	Cost	Detail
Cost of the council service for households with a food waste collection (per hh)	\$260 (food waste and recycling collection cost added to rates - \$105 per annum; remainder is recovered through user-pays charges)	Total waste management cost for these households – target rate or general rate for kerbside recycling and food waste, and user pays charges (full or partial) for refuse collection
Cost of the council service for households without a food waste collection	\$209 (recycling collection cost added to rates - \$53 per annum; remainder is recovered through user-pays charges)	Total waste management cost for these households – target rate or general rate for kerbside recycling, and user pays charges (full or partial) for refuse collection

Cost of private collections (average)	NA	Would only apply to the small proportion of households that choose to use a private collection, despite a competitive Council refuse collection
Cost of additional drop off services (per household not served by a council kerbside service)	\$18	For all rural households not receiving a kerbside service
Cost of extending service to commercial properties (per commercial property)	\$158	Optional user pays service for kerbside recycling and food waste collection ⁵

Where charging systems are in place there are usually additional administrative costs involved in billing. The level of these administrative costs is extremely variable and depends on the type of charging system implemented, who it is administered by, and how it is administered. Administration charges could add up to 50% onto the cost of service provision. More work would be required to understand the level of these costs once a preferred service configuration has been identified.

By way of comparison, a private sector services where users could choose on a weekly basis whether to have a collection or not would cost in the vicinity of \$6.50 per collection to operate. A Council-provided collection operated on this basis would cost in the vicinity of \$3.50 per household per collection.

3.2.3 Scenario 5b (Pay by Volume)

The key features of this service are:

- Households select a bin size and (potentially) frequency. They are charged a variable cost based on the size of their bin and frequency. A 140L bin collected weekly is assumed to be the default service, with other options being a smaller 80L and perhaps a 120L. 240L bins would not be offered due to the significant negative impact these have on waste diversion.
- Households are billed in advance. Any bins put out where the account has not been paid are not collected.

⁵ Note that this is cheaper on a 'per customer' basis because it assumes urban only collections and it is only the marginal cost of adding extra customers.

- Separate billing systems for refuse would be required to bill the householder rather than the property owner (not funded as a rate). This may be delivered by the contractor (who already use these systems for private customers).
- A weekly collection of a 140L bin would cost in the order of \$2.60 each week. This includes additional costs of billing and GST.
- The uptake of this service is assumed to be high due to the relatively low cost compared to current service offerings.

This service scenario delivers on the five key priorities as follows:

- **Low total community cost:** this scenario is likely to achieve a lower total community cost than the status quo private rubbish collection option, provided improved economies of scale can be achieved through high market share⁶, and slightly cheaper overall than a pay per pickup service.
- **Diversion from landfill:** this scenario is an improvement over the status quo as the kerbside recycling collection ensures that glass and other key materials are recycled, rather than leaving this to the choice of the private sector. The food waste collection also ensures this significant portion of the current landfill stream can be diverted. Council also achieve an improved level of control over the refuse collection system, such as the ability to discourage customers from using large wheeled bins for refuse collection
- **Flexibility:** this option retains some flexibility in that customers can choose the bin size and, potentially, how often rubbish is collected
- **User pays:** this scenario retains the aspect of user pays for refuse collection, but brings it under Council control (recycling and food waste collections would be funded through targeted rate).
- **Improved environmental outcomes:** the kerbside recycling and refuse collection services are rationalised, and additional material is diverted from landfill through the improved recycling collection and the new food waste collection.

3.2.4 Costs

Estimated costs per household are provided in the table below.

Table 4: Scenario 5b Cost per Household Estimates

	Cost	Detail

⁶ Note, however, that a rates-funded council rubbish collection service would be cheaper again – due to reduced administration and management costs and increased efficiency through consistent collection systems.

Cost of the council service for households with a food waste collection (per hh)	\$236 (food waste and recycling collection cost added to rates - \$105 per annum; remainder is recovered through user-pays charges)	Total waste management cost for these households – target rate or general rate for kerbside recycling and food waste, and user pays charges (full or partial) for refuse collection
Cost of the council service for households without a food waste collection	\$184 (recycling collection cost added to rates - \$53 per annum; remainder is recovered through user-pays charges)	Total waste management cost for these households – target rate or general rate for kerbside recycling, and user pays charges (full or partial) for refuse collection
Cost of private collections (average)	NA	Would only apply to the small proportion of households that choose to use a private collection, despite a competitive Council refuse collection
Cost of additional drop off services (per household not served by a council kerbside service)	\$18	For all rural households not receiving a kerbside service
Cost of extending service to commercial properties (per commercial property)	\$158	Optional user pays service for kerbside recycling, food waste collection, and rubbish collection ⁷

⁷ Note that this is more expensive on a 'per customer' basis because the additional cost of extending the service is spread across a relatively small number of potential customers.

3.3 Summary of Total Costs and Income

The table below shows a summary of the estimated total costs of the scenarios under consideration.

Table 5: Summary of Total Costs and Income by Scenario

	Status Quo	Scenario 2: Kerb Sort recycling, Food waste, and Private Rubbish	Scenario 5a: 2 stream recycling, Food waste, and Council Pay per Pickup Rubbish	Scenario 5b: 2 stream recycling, Food waste, and Council Pay by Volume Rubbish
Recycling		\$870,221	\$988,509	\$988,509
Food		\$582,903	\$590,492	\$590,492
Rubbish		\$0	\$1,847,414	\$1,768,570
Estimate of what the council would pay a contractor		\$1,453,124	\$3,426,415	\$3,347,571
Estimate of Council administration costs		\$75,000	\$100,000	\$75,000
Estimate of user-pays admin costs (up to)			\$714,712 ⁸	\$378,227.52 ⁹
Total cost of service provision paid by Council		\$1,528,124	\$4,241,127	\$3,800,799
<i>Estimate of Income</i>			\$2,501,423 ¹⁰	\$2,221,798 ¹¹

⁸ These costs include printing and distribution of tags, retail markup, and GST

⁹ Includes operation of billing systems (5% of service cost) and GST

¹⁰ Income based on \$3.50 per lift with 90% market share with an average of 43 lifts per year per participating household.

¹¹ Assume households are billed in advance for the service and charges cover all rubbish collection, disposal and administration costs

Net cost to Council (incl GST)		\$1,528,124	\$1,739,704	\$1,579,001
Add-on services				
Cost of additional drop-off services	\$66,888	\$66,888	\$66,888	\$66,888
Cost of extending service to commercial properties		\$29,359	\$55,998	\$55,998

The net cost to council is similar across all systems as the user charges in scenarios 5a and 5b are assumed to largely cover the costs of providing the rubbish collection service. It should be noted that there is risk around the level of income that may be obtained from a user-pays service due to the market share being unknown. This net cost is the amount that presumably Council would seek to recover through rates funding (general and/or targeted rates).

The pay per pickup service is more costly to deliver as it assumes a manual bin tag system. This means a runner is required to go ahead of the trucks and remove the tags and there are additional costs of printing, distribution and retail markup. Managing a bin tag service is also assumed to require some additional Council resource due to the need to try and maintain market share.

3.4 Summary of Advantages and Disadvantages

Table 6: Advantages and Disadvantages by Scenario

	Scenario 2	Scenario 5a	Scenario 5b
Recycling collection advantages	<ul style="list-style-type: none"> Preserves material quality better and so reduces market price risk Cost effective service as does not need as much post collection processing 	<ul style="list-style-type: none"> Collecting glass separately helps preserve material quality High capacity for households means more material is collected Reduced health and safety risks from manual handling (although still present on glass collections) 	
Recycling collection disadvantages	<ul style="list-style-type: none"> Health and safety risks with manual handling need to be managed Capacity for households is limited as small bins are needed to be able to hand sort from 	<ul style="list-style-type: none"> Mixed collection of recycling in a wheeled bin leads to more contamination and reduced material quality and price. More market risk. Slightly more expensive service due to more sophisticated sorting plant requirements 	
Rubbish collection advantages	<ul style="list-style-type: none"> High level of flexibility for householders No change required, so no cost or risk to Council Provides some price incentive to reduce waste 	<ul style="list-style-type: none"> High level of flexibility for householders Fair because people pay for what they throw out Can be very effective at encouraging waste minimisation 	<ul style="list-style-type: none"> Some flexibility for householders Administration and billing is simpler than for pay per pickup systems Likely to be more cost effective than private services

	Scenario 2	Scenario 5a	Scenario 5b
Rubbish collection disadvantages	<ul style="list-style-type: none"> • High cost to households • More vehicles on the street • Council may be perceived to be responsible even though they are not providing the service • Large wheeled bin users generate more rubbish 	<ul style="list-style-type: none"> • More expensive to implement due to overhead costs • High risk due to uncertain market share • Pay per pickup systems are still relatively unproven in NZ • There may be a lag in uptake of the new service as households come off private contracts, although this could be minimised by communicating to householders and private contractors well in advance. 	<ul style="list-style-type: none"> • Once households have selected a bin size does not encourage waste minimisation • May still have some market share issues (but less risk than pay per pickup) • There may be a lag in uptake of the new service as households come off private contracts, although this could be minimised by communicating to householders and private contractors well in advance.

4.0 Additional Services

A number of additional services have been explored at this point, particularly with respect to how these services might interact with the main kerbside services, and what (if any) impact these would have on costs.

These additional services are discussed briefly here, and interactions with main kerbside service summarised. These are explained in more detail in appendix A.3.0.

4.1 Rural Drop-off Points

As discussed in the previous report, it is not proposed that kerbside collection services extend to remote rural households (generally those beyond the existing private collection routes). One option is to provide recycling services to remote rural households by providing additional recycling drop off sites in strategic locations.

It is assumed that the community recycling centres would continue to operate and that they would provide supplementary capacity for residents with kerbside services as well as offering recycling facilities for some residents without access to kerbside recycling collections. However, the existing sites may be some distance for remote rural households to travel.

To supplement the existing recycling centres, a number of additional small drop-off sites are proposed. The total capex required to establish three high quality drop-off sites is approximately \$250,000. However, once established the sites would be expected to be quite robust and last for a number of years. If it is assumed that the capital costs are amortised over 10 years this would equate to an annual cost of capital of in the order of \$40,000 (including interest costs).

Depending on the locations and the numbers of households serviced the per household cost of the drop off sites is likely to be less than the cost of kerbside recycling service provision for the remaining households in the district. Our estimates suggest this would be \$16 per household if spread across all households not receiving a kerbside service.

Additional detail on the rural drop off options is contained in appendix A.3.1.

4.2 Commercial Collections

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

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

Estimates are that rolling out collection services to the 355 additional commercial properties in the district would add in the order of \$30,000 (incl GST) per annum to total service costs for a kerbside sort recycling and food waste service (Scenario 2) and close to \$55,000 (Incl GST) for a council supplied 2 stream recycling collection, food waste collection and rubbish collection (Scenario 5). It is more expensive to add the additional properties in Scenario 5 because it also includes a council-provided rubbish collection.

Provision of a household-type kerbside recycling and food waste service to some businesses could increase diversion from landfill, and achieve improved environmental outcomes in a more general sense (two of the key preferred outcomes for services). An opt-in or opt out service may be a viable option for collections from commercial properties. Because of the small number of properties involved this would be manageable and the variation in participation would not significantly affect collection logistics.

Additional detail on the commercial property options are contained in appendix A.3.3.

4.3 C&D waste

Construction and demolition (C&D) waste can be broken down into two main categories: household and industrial.

Household-type C&D waste comes from 'DIY' projects and smaller scale renovations, and usually involves quite small quantities. It is almost impossible to predict where this type of waste will arise as usually building consents or permits are not required or sought.

Industrial C&D waste relates to formal building projects, and has the double benefits of being predictable in location (generally in the designated urban growth areas), and larger in quantities. The quantity of individual waste material types is easier to predict and separate for processing.

Generally in New Zealand C&D waste is not well served by targeted waste management services. This is partly due to the fact that landfill and other 'clean fill' charges are too low to make C&D recovery services economic. C&D waste that is diverted is usually items of high individual value that are able to be reused, rather than recycled or otherwise recovered.

A kerbside collection service of C&D waste, even at commercial projects, would be marginal under current conditions (although the landfill levy is a key factor, and this could change in the near future), and for these reasons C&D recovery is more likely to be an option as a community or non-profit partnership. Council may wish to pursue the topic further with Tauranga City Council with a view to establishing a C&D recovery service at the Te Maunga Resource Recovery Centre or other agreed site.

Provision of a construction and demolition waste recovery facility, particularly one that incorporated reuse, does have the potential to increase diversion from landfill and achieve improved environmental outcomes in a more general sense. This would also offer a wider range of services to customers. A successful community non-profit operation would mean no additional ongoing charges (once established) to the community, meeting many of the key preferred outcomes for waste services.

Further discussion on construction and demolition waste is contained in A.3.4.

5.0 Conclusions

The detailed investigations undertaken to date have highlighted the following:

1. Council is still at the very early stages of the process for determining possible revised levels of service for waste management. There will be further opportunities for decisions on the 'levels of service' to be revisited and changes made.
2. All scenarios will contribute to increased diversion from landfill, compared to the status quo. This aligns with the vision set by Council in its WMMP.
3. Whichever scenario is chosen there are a number of ways the service could be adapted to meet the needs of a majority of residents, without fundamentally altering the design of the service scenario.
4. Allowing too many variations however reduces the benefits of Council 'bulk purchasing' services on behalf of the residents, so care must be taken to strike a balance.
5. There may be opportunities to reduce the time and expense involved in implementing a new level of service through collaborative approaches.
6. Kerbside sort recycling collections are more likely to reduce exposure to commodity risks because they collect better quality material with less contamination. They are also slightly cheaper to operate but they usually collect less recycling (because of the need to use small bins for hand sorting) and there are additional health and safety risks that need to be managed.
7. Two stream recycling collections collect more material and reduce health and safety risks. However, they are more likely to result in material with higher contamination and lower value.
8. There are two main ways that a user pays service can be implemented using wheeled bins: pay per pickup and pay by volume (bin size). Pay per pickup is likely to be more expensive and compete more directly with private sector options but is fairer and encourages waste minimisation. Pay by volume is simpler and less risky to implement but is less likely to encourage waste minimisation.
9. For some properties (such as households with long driveways or no place on the roadside to safely place a bin), wheeled bin collections are impractical. Bag based collections may have to be offered if these households are to be included in Council service provision.
10. Providing services on a user pays basis risks competing with the private sector for market share. Because collections have high fixed costs, low market share can affect the service price and viability.

11. Scenario 2 is estimated to cost \$294 per household per annum where a food waste collection is provided and \$240 per household per annum where no food waste collection is provided.
12. Scenario 5a (pay per pickup) is estimated to cost \$260 per household per annum where a food waste collection is provided and \$209 per household per annum where no food waste collection is provided.
13. Scenario 5b (pay by volume) is estimated to cost \$236 per household per annum where a food waste collection is provided and \$184 per household per annum where no food waste collection is provided.
14. The net cost to Council (to be recovered through rates) is likely to be similar for all three scenarios (in the order of \$1.5m per annum) as income is assumed to cover the cost of user pays collection.
15. Three high quality rural recycling drop off sites can be established for approximately \$250,000 with an annual service cost in the order of \$18 per household served (i.e. those not provided with a kerbside collection).
16. The kerbside services can be extended to commercial premises without significantly changing the overall cost of the service.
17. There may be opportunities to divert more construction and demolition material, but the commercial viability of this is uncertain at present.

A.1.0 User Pays Charges and Market Share

A.1.1 Examples of Household Charges

Where charging systems are in place there are usually additional administrative costs involved in billing. The level of these administrative costs is extremely variable and depends on the type of charging system implemented, who it is administered by, and how it is administered. Administration charges could add up to 50% onto the cost of service provision. More work would be required to understand the level of these costs once a preferred service configuration has been identified.

Potential charging structures for the two preferred service scenarios using a full charge and part charge model look as follows:

Table 7: Illustration of Potential Charges

	Council kerbside-sort recycling	Council two-stream recycling and full cost-recovery rubbish
Households with no council service (i.e. remote rural)	No change (average of \$267)	No change (average of \$267)
Households without food waste collection	Targeted rate \$49 (for recycling collection) Private rubbish collection (average of \$191)	Targeted rate \$54 (for recycling collection) Charge per lift \$2.50 - \$3.50 ¹²
Households with food waste collection	Targeted rate \$103 Private rubbish collection (average of \$191)	Targeted rate \$105 Charge per lift \$2.50 - \$3.50

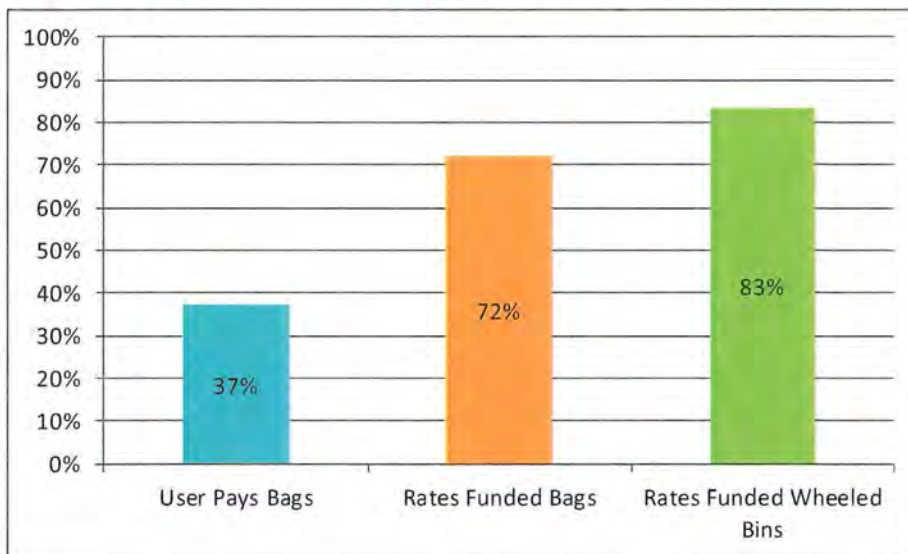
¹² The service cost per lift is approximately \$2.50 administration and billing costs could add up to \$1 per lift to the price (depending on the system implemented) resulting in a cost of up to \$3.50 per lift. This assumes 90% market share and that this is maintained. A 120L wheeled bin is assumed. Different sized bins would result in different costs.

The charge per lift for rubbish collected illustrated above compared with a private rubbish cost of approximately \$6.75 for a comparable service.¹³

A.1.2 Impacts of user charges on household market share

We have analysed available data from 34 councils on the impacts of user charges on council rubbish collection market share. The data clearly illustrates that user charges for rubbish collections result in a lower proportion of market share. The chart below shows market share by collection system.

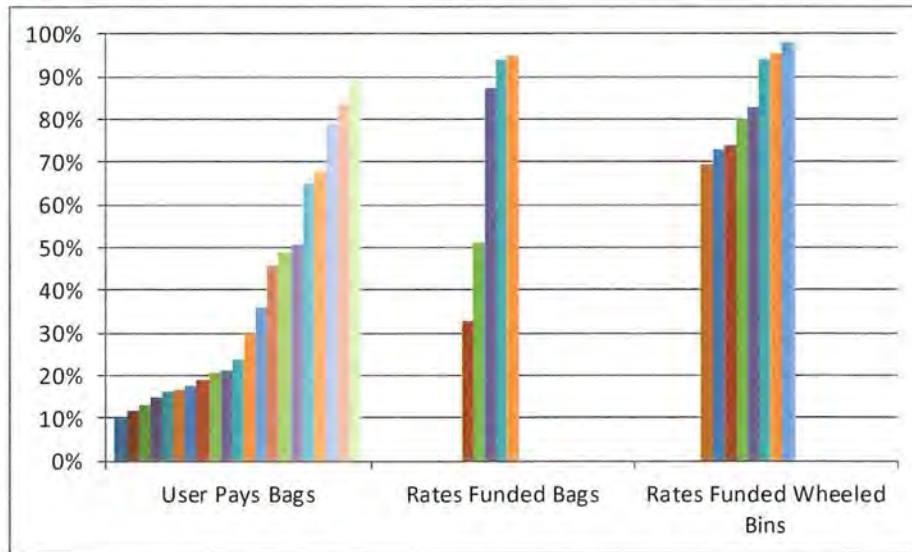
Figure 3: Council Rubbish Collection Market Share by Service



While it is clear from the above chart that user pays services have much lower market share than rates-funded services, the average data disguises quite a wide variation. The level of variation is illustrated in the chart below.

¹³ Based on prices obtained from Waste Management and Kleena Bins websites 22/09/18

Figure 4: Council Rubbish Collection Market Share Detail



What is important to note from the above chart is that about half of the user pays services have a market share of 20% or less of all households. At this level, sustaining a service is unlikely to be economic. Where there is a high market share, this is generally due to a lack of competition from commercial service providers. Commercial operators compete in the household market for number of reasons for this such as how strategic the location is for service providers, their presence in other markets (such as commercial services) that would provide a base for operations, expansion plans, the perceived profitability of the market (high income areas are more likely to be targeted) etc. In Western Bay there is already a strong and well-established commercial presence in the marketplace. It could therefore be expected that if private providers perceive that they can compete successfully for market share in Western Bay, they will.

A.1.3 Impact of Market Share on Price

Rubbish collections have relatively high fixed costs – essentially the vehicles need to travel the same routes each day regardless of how many bins or bags are set out. There are some savings from disposal, but low participation rates can result in a high cost per household using service.

The chart below illustrates this for different possible levels of market share in Western Bay of plenty. The total service cost for refuse collection in Scenario 5 was modelled at \$1,768,570 per annum, with \$876,656 of this being collection costs and \$891,915 disposal costs. This assumed a 90% participation rate for the service.¹⁴ The calculations

¹⁴ The 90% participation assumes that households do not have the option to opt out and that, because of the bulk purchasing, the service will be more economic than is able to be offered by private sector operators.

assume the disposal costs fall in line with the numbers of households using the service, while the collection costs stay constant. An average of 43 pickups per household per year is assumed. The 'cost' shown on the chart is the amount that would need to be charged for each 'pickup' just to cover the collection and disposal costs. Administration costs and billing costs could add up to \$1 per pickup to the cost of the service.

Figure 5: Indicative Collection and Disposal Costs by Market Share



As can be seen from the chart; once market share goes below about 40%, the fixed costs have a disproportionate impact on the cost of the service.

For this reason, if a user pays service is provided, and the intention is for it to cover its own costs, good market share is essential. The issue is exacerbated by the fact that rubbish collection services are price sensitive (i.e. fewer people use services when they are more expensive). So, if prices need to rise to cover costs from declining market share, this can trigger a 'death spiral' where they more that costs go up the more that market share declines.

There is no available data on the price elasticity of rubbish collections in New Zealand, so it is not possible to accurately calculate the effect of a rise or fall in price on the level of demand. Anecdotally, however, where council user-pays collection costs are low, this can either discourage private operators from entering the market or enable market share to be maintained.¹⁵

¹⁵ For example, South Wairarapa District Council has a rising market share as it offers only a part user pays service (rubbish bags cost 80 cents), where all the other neighbouring councils (which charge \$2.70 - \$3.20 per bag) have a lower, and declining market share.

A.2.0 Collaborative Working

Joint working with other councils does not necessarily imply a joint procurement of services. It could for example consist of:

- Undertaking joint waste management and minimisation planning;
- Harmonising service delivery for example: materials recycled, services offered to households, communications;
- Establishing a joint administrative structure for the management of waste and recycling services.

Potential benefits of a joint working approach include:

- More cost-effective administration;
- Reduced costs through increased bulk purchasing
- Efficiencies of collection, if services with a neighbouring council are provided jointly

Collaborative working is discussed in more detail in appendix xxx.

As long as the broad waste minimisation objectives of the different councils align, the only potential downside to this type of arrangement is likely to be a perceived loss of direct control by the councils. This could be addressed through establishing suitable accountability and reporting structures.

The more difficult question is whether or not Council should enter into a joint procurement arrangement with other councils, and if so what form it should take.

The obvious opportunity for Council is to work jointly with Tauranga City Council (TCC). TCC is currently working through a similar process, albeit slightly further ahead. At this stage, either of the preferred options appear to provide the opportunity to work in partnership with Tauranga City Council.

Initial discussions have been held with Tauranga City Council (TCC) officers. TCC has been predominantly focused on the glass collection service of late, and has yet to determine the specifications for an integrated service and how procurement of this service might proceed. Options for working with TCC include:

- Sharing of forms of contract, and tender documentation templates and processes (but separate processes are run). This would simply help reduce the cost and time to procure services.
- Running a parallel procurement process. This would entail going to market at the same time but with two separate contracts on the table which could be awarded to different operators. It would avoid duplication of certain parts of the process such as background company information, details of health, safety and quality systems etc.
- Running a joint procurement process. This would make sense if the same or very similar systems were intended to be procured and the intention was to have a

common service provider across both council areas. There could be efficiencies and economies of scale which would reduce the total cost of the service.

- ✦ If TCC goes to market first (which is likely given the stages of each council in the process), then an option could be included in the TCC contract for Western Bay to 'piggy back' on to the TCC service provision – i.e. to use the same service provider at rates that were tendered for a WBOP extension. This would enable WBOPDC to take advantage of the TCC procurement process and the possibility of efficiencies of a joint contract without committing to a given level of service at the start.

Discussions with TCC officers are ongoing.

Joint working in the broad sense is likely to lead to some minor benefits. The issue of whether or not to engage in a joint procurement is not so straightforward. As these are issues that have a political dimension it may be that this is where the decision must ultimately lie.

A.3.0 Additional Services

A number of additional services have been explored at this point, particularly with respect to how these services might interact with the main kerbside services, and what (if any) impact these would have on costs.

These additional services, and the interactions with the key kerbside services, are discussed in detail here.

A.3.1 Rural Drop-off Points

As discussed in the previous report, it is not proposed that kerbside collection services extend to remote rural households.

One option is to provide recycling services to remote rural households by providing additional recycling drop off sites in strategic locations.

The Western Bay of Plenty has community recycling centres in the following locations:

- Athenree: 64 Steele Road, Athenree
- Katikati: Corner Tetley/Wills Road
- Omokoroa Greenwaste (collection only site): 336 Omokoroa Road
- Te Puke: 36 Station Road, Te Puke

It is assumed that the community recycling centres would continue to operate and that they would provide supplementary capacity for residents with kerbside services as well as offering recycling facilities for some residents without access to kerbside recycling collections. However, the existing sites may be some distance for remote rural households to travel.

To supplement the existing recycling centres, a number of additional small drop-off sites are proposed. The number of sites and their possible locations would have to be determined in consultation with the local communities. The present exercise is intended to illustrate the potential costs and impacts of setting up recycling drop off sites.

As noted in our earlier report, recycling drop-off sites fell out of favour with many local authorities due to issues with illegal dumping, and material piling up at the sites. A number of councils however have continued to develop the way that sites are designed and managed and there are now a number of effective, well-functioning examples in place around NZ that do not suffer from the issues encountered by drop-off sites in the past. The key characteristics for these sites are:

- The recycling bins are modified shipping containers
- The sites are serviced regularly
- The sites are monitored by a local resident (or group) who is responsible for keeping the site generally tidy, and notifying the council/contractor of any issues and if additional pickups are needed
- Any dumping etc. is cleaned up immediately

- The sites are established in consultation with the local communities and the conditions for their use are made clear

The model we have followed most closely is Hastings District Council which operates 7 sites across their district. These utilise 20 ft modified shipping containers with material appropriate apertures and a number of size adjustable compartments in the container to accommodate different volumes of material. This is illustrated in the photo below:

Figure 6: Containerised Drop-off Unit



Source: <https://www.hastingsdc.govt.nz/services/rubbish-and-recycling/recycling/>

When the bins are full they can be loaded on a hook truck, which makes transportation and emptying very efficient. Spare exchange units are used to enable continuous service and reduce transport costs.

The quantities of material that are collected by these sites can vary substantially and hence it is very hard to predict in advance what they will deliver in terms of recycling quantities. It is dependent on the convenience of the location, awareness of the facility, the number of households that are being served, the interest of the community in recycling, ease of access of other services or facilities etc.

For the purposes of this exercise we have assumed the following:

- Each site is provided with two 20 ft container units. One unit is dedicated to paper and cardboard (which takes up the most space). The other unit has compartments for colour separate glass and for mixed plastic containers and steel and aluminium cans.
- The containers are sited on a concrete pad with a platform for ease of access
- There is a local person responsible for monitoring the site and advising if collection is required (as peoples use of the sites become more settled sites may be able to go onto a fixed collection schedule), but a monitor will still be required for keeping the site tidy and advising of any issues
- When a container is full it is swapped out with an empty container

- The sites are located near a school or community hall or similar space that is easy to access for the community
- Each facility generates a mid-range amount of material for these types of sites. This is assumed to be in the order of 60-80 tonnes per annum per site.
- For the purposes of the exercise we have assumed that there would be three additional sites. Given the coverage of the Community Recycling Centres it would be sensible for the drop off sites to extend the access to facilities geographically.
- The sites have been assumed to be in the order of 25-30km from Te Maunga where the collected material would be taken.

A.3.1.1 Capital Costs

Capital costs are based on Hastings District Council costs. The Hastings District Council configurations are relatively expensive but are considered to be the most well proven.

Table 8: Capital Cost Estimates for Recycling Drop-off Sites

Capex		Number of units (including swap units)	Cost per unit	Total
Cost per container unit	Paper and card	4	\$25,000	\$100,000
	Containers	4	\$34,000	\$136,000
Site works		3	\$10,000	\$30,000
Total Capex				\$266,000
Annualised Capex (over 10 years)				\$39,642

The total capex required to establish three high quality drop-off sites is likely to be in the order of over \$250,000. However, once established the sites would be expected to be quite robust and last for a number of years. If it is assumed that the capital costs are amortised over 10 years this would equate to an annual cost of capital of in the order of \$40,000 (including interest costs).

A.3.1.2 Operating Costs

Key assumptions for calculating the operating costs are as follows:

- The average distance to each of the sites is assumed to be approximately 30km, meaning a return trip of 60km is required for each service. We have assumed the pickup would be charged at \$3 per km.
- Each site is assumed to generate an average amount of material and is emptied when approximately 80% full. This would mean in the order of 18 empties per year per container would be required.
- Recyclable materials are of saleable quality and income from the sale of these is assumed to be in line with current recycling market prices (i.e. historically low).

The table below sets out estimated annual operating costs for the drop off sites as specified.

Table 9: Operating Cost Estimates for Recycling Drop-off Sites (Excl GST)

	Per Site	Number of Sites	Total
Cost per site per service	\$180	3	\$540
Assumed services per year	36	3	108
Cost per site per year	\$6,480	3	\$19,440
Site maintenance and education	\$1,200	3	\$3,600
Income/cost of recyclables	Net Income per Tonne	Assumed Tonnes	Total Income/(Cost)
Paper & Card	\$40	67	\$2,695
Glass	\$25	139	\$3,485
Plastic & Cans	-\$65	26	-\$1,661
Total Income			\$4,519
Net annual cost including income excluding capex			\$18,521
Cost per site excluding capex			\$6,174
Cost including annualised capex over 10 years			\$58,163
Annual cost per site including capex			\$19,388

Given the current set of assumptions, operating costs are estimated to total in the order of \$18,500 per annum or just over \$6,000 per site.

If capex costs were to be amortised over 10 years the total annual cost would be in the order of \$58,000 for the three sites or close to \$20,000 per site. Depending on the locations and the numbers of households serviced the per household cost of the drop off sites is likely to be less than the cost of kerbside recycling service provision for the remaining households in the district. Our estimates suggest this would be in the order of \$16 per household if spread across all households not receiving a kerbside service.

A.3.2 Impact of New Services on Existing WBOP Waste Facilities

The table below shows the materials accepted by the community recycling centres (CRCs) and by the possible kerbside and drop-off services

Table 10: Materials Accepted by Service

	Community Recycling Centres	Kerbside & Dropoff
Paper	Yes	Yes
Steel cans	Yes	Yes
Aluminium cans	Yes	Yes
Glass bottles and jars	Yes	Yes
Plastics, Number 1 and 2 Only	Yes	Yes
Flattened Cardboard	Yes	
Fluorescent light bulbs	Yes	
Batteries	Yes	
Scrap metal - ferrous and non-ferrous	Yes	
Used motor oil	Yes	
Whiteware	Yes	
Greenwaste	Yes	

The key point is that the CRCs accept a much wider range of material than would be collected through kerbside. People are therefore still likely to continue to use the CRCs for those materials that they cannot manage through their kerbside services. This is likely to particularly be the case for green waste and flattened cardboard which would be too bulky to dispose of through the possible kerbside services.

It is common in NZ for recycling centres and transfer stations to operate and accept material where kerbside recycling collection services are in place. However, it can be expected that less of the types of materials that are targeted by the kerbside collection service will be taken to the existing recycling centres. These materials include glass, plastics and aluminium cans. Experience in other districts suggests that a reasonable quantity of glass can be collected through drop off sites as households sometimes have large quantities of glass from parties and events that cannot fit in their recycling bins. Other materials such as plastics could be expected to fall away more sharply as these will mostly be handled through the kerbside collection service.

On this basis we have provided the estimates below for the expected impact of the possible kerbside and drop off services on the tonnages of the targeted material received by the CRCs.

Table 11: Estimated Impact of Kerbside Recycling on CRC Tonnages

	Current Tonnages from CRCs	Estimated Tonnages with Kerbside
Glass	720	360
Plastics	75	25
Aluminium cans	12	4
TOTAL	807	389

The estimates suggest a drop in tonnage in the order of 400 tonnes. The CRCs currently handle approximately 2,000 tonnes of material, so a decline in tonnage of around 20% could be expected. The largest proportions of the material taken to the CRCs include green waste (35%) and cardboard (25%), which will be relatively unaffected by the kerbside service.

Although there is expected to be a drop in tonnage and likely patronage for the CRCs we would not expect this to result in any significant savings in operating costs at the centres directly. Measures may be taken to explicitly reduce costs (such as reducing operating hours), to reflect a lower community need for these centres.

A.3.3 Commercial Services

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

However, for businesses that have household quantities of recyclables (such as from lunchrooms, small offices, or small shops) some councils offer the same service as households receive. The council services in this instance are not intended to suit specific business needs, but where these needs do align with the level of council service, then offering the service to businesses makes sense. In some instances, such as where there is a dense central business district, councils will offer a specific level of service such as early morning or late-night collections (so as not to interfere with shoppers), bag collections so there are no issues with bins remaining on the footpath or bins having to be wheeled through shops, or collections of flattened cardboard.

For the purposes of this exercise we have assumed that the service would be essentially the same as the standard household service; with the exception of rubbish, where bags are provided instead of wheeled bins to minimise any issues with wheeled bins remaining on the footpath.

Data provided by Council indicates that there are 315 'commercial' zoned properties and 40 'commercial transition' properties in the district. For the purposes of the existing modelling exercise we have assumed that all 355 of these properties would be supplied with a kerbside recycling and food waste service and, in the case of scenario 5, would also be able to participate in the Council's user pays rubbish service.

The kerbside collection model used to develop costings for the scenarios presented in the previous report was re-run for the short list scenarios (scenario 2 and scenario 5) with the additional properties included.

All other assumptions are as set out in the parameter report and earlier modelling report.

A.3.3.1 Results

The following tables present the results of the additional collection modelling exercise

Table 12: Scenario 2 Kerbside Sort Recycling – Total Costs (Excl GST)

	Cost without commercial collections	Cost with commercial collections	Added cost of commercial collections

Recycling	\$756,714	\$767,308	\$10,594
Food waste	\$506,872	\$521,807	\$14,935
Council Rubbish	\$0	\$0	\$0
TOTAL	\$1,263,586	\$1,289,115	\$25,529

Table 13: Scenario 5 User Pays Wheeled Bins – Total Costs (Excl GST)

	Cost without commercial collections	Cost with commercial collections	Added cost of commercial collections
Recycling	\$859,573	\$871,561	\$11,988
Food waste	\$513,472	\$528,678	\$15,206
Council Rubbish	\$1,768,570	\$1,790,070	\$21,500
TOTAL	\$3,141,615	\$3,190,309	\$48,694

The above data indicates that rolling out collection services to the 355 additional commercial properties would add in the order of \$25,000 per annum to total service costs for a kerbside sort recycling and food waste service (Scenario 2) and close to \$50,000 for a council supplied 2 stream recycling collection, food waste collection and rubbish collection (Scenario 5). It is more expensive to add the additional properties in Scenario 5 because it also includes a council provided rubbish collection.

The tables below show the above data on a cost per property served basis. Note that the food waste collections are provided to fewer households (only urban and semi urban) than the rubbish and recycling collections.

Table 14: Scenario 2 Kerbside-Sort Recycling – Cost per Property (Excl GST)

	Cost without commercial collections	Cost with commercial collections	Added cost of commercial collections
Recycling	\$41	\$41	\$30
Food waste	\$44	\$44	\$42
Council Rubbish	\$0	\$0	\$0

TOTAL	\$85	\$85	\$72
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Table 15: Scenario 5 User-Pays Wheeled Bins – Cost per Property (Excl GST)

	Cost without commercial collections	Cost with commercial collections	Added cost of commercial collections
Recycling	\$47	\$46	\$34
Food waste	\$44	\$44	\$43
Council Rubbish	\$96	\$95	\$61
TOTAL	\$187	\$186	\$137

When the costs are calculated on a per property basis there is negligible difference with the additional properties. However, the marginal cost for the commercial collection services is lower. This reflects the fact that the additional properties are assumed to be in urban areas and therefore have better collection logistics than the district as a whole.

Provision of a household-type kerbside recycling and food waste service to some businesses could increase diversion from landfill, and achieve improved environmental outcomes in a more general sense (two of the key preferred outcomes for services). An opt-in or opt out service may be a viable option for collections from commercial properties. Because of the small number of properties involved this would be manageable and the variation in participation would not significantly affect collection logistics.

A.3.4 C&D waste

Construction and demolition (C&D) waste can be broken down into two main categories: household and industrial.

Household-type C&D waste comes from 'DIY' projects and smaller scale renovations, and usually involves quite small quantities. It is almost impossible to predict where this type of waste will arise as usually building consents or permits are not required or sought.

Industrial C&D waste relates to formal building projects, and has the double benefits of being predictable in location (generally in the designated urban growth areas), and larger in quantities. The quantity of individual waste material types is easier to predict and separate for processing.

Generally in New Zealand C&D waste is not well served by targeted waste management services. This is partly due to the fact that landfill and other fill charges are too low to make C&D recovery services economic. C&D waste that is diverted is usually items of

high individual value that are able to be reused, rather than recycled or otherwise recovered.

There are two relatively small C&D businesses operating in the Tauranga/Western Bay area. A recent research report by Community Resources Whakatane/Pou Whakaaro¹⁶ concluded that there is likely to still be scope to recover C&D wastes for reuse on a non-profit basis, operating as a drop-off facility.

While it is possible to separate a number of materials for diversion at the resource recovery centre at Te Maunga, the range is still not as comprehensive as the reuse centre in Whakatane. Further, while there is a more active construction and demolition (C&D) waste sector in Tauranga, these companies focus on the more valuable items. Given the very active construction sector in Tauranga and the Western Bay at present, it would be expected that there would be much more C&D waste present than there is in the Eastern Bay, where recovery and reuse services exist.

The table below shows the value of building consents issued in the four territorial authorities for the year to April 2018.

Figure 7: Building Consents for Central/Eastern Bay of Plenty Councils

Territorial Authority	Value of Construction Consents (year to April 2018)	Value of consents per head of population
Tauranga	\$1,052M	\$124,600
Western Bay	\$285M	\$43,692
Whakatane	\$84M	\$35,000
Kawerau	\$7M	\$6,363

As shown above, the proportion of waste than could be diverted through reuse can only be estimated. It is reasonable to assume that a general proportion would be higher than the 4.1% surveyed in Kawerau; although likely to be lower than the 20% currently estimated in Whakatane as this is partly inclusive of waste from other areas, and partly a likely over-estimate¹⁷.

¹⁶ Eunomia (2018) "Kawerau Transfer Station Audit – Potential for Reuse" report provided to Kawerau District Council on behalf of Community Resources Whakatane/Pou Whakaaro

¹⁷ Community Resources Whakatane survey and research, 2018

It is reasonable to assume that a potential diversion figure for the Tauranga and Western Bay of Plenty districts would be on the higher side, given the level of building activity and the relative lack of competing services. A figure of 10% would not seem unreasonable.

Data from the Tauranga and Western Bay council waste assessments shows that there is 7,270 tonnes of residential waste going to landfill via transfer stations in Tauranga. This would suggest that a well-operated reuse centre could capture around 700 tonnes of reusable material, and quite likely more if construction and demolition waste can be captured also.

A reuse centre centrally located in Tauranga (such as at the Te Maunga RRC or other agreed site) would be expected to be of at least a similar turnover and size to CReW in Whakatane, and certainly a viable prospect on a non-profit basis for a community group to operate once established.

It is unlikely that a kerbside collection service of C&D waste, even at commercial projects, would be feasible under current conditions, and for these reasons C&D recovery is more likely to be an option as a community or non-profit partnership. Council may wish to pursue the topic further with Tauranga City Council with a view to establishing a C&D recovery service at the Te Maunga Resource Recovery Centre or other agreed site.

A construction and demolition waste recycling facility would typically separate concrete, bricks, timber, metals, plasterboard, and cardboard. Such facilities can divert 80-90% of input material. Concrete and brick is crushed for use as aggregate, timber recovered for hog fuel, metals for recycling, and plasterboard (gypsum) for reuse or as an additive to soil amendments. A centre with a wider focus is also likely to separate out reusable items such as joinery and fittings.

Provision of a construction and demolition waste recovery facility, particularly one that incorporated reuse, does have the potential to increase diversion from landfill and achieve improved environmental outcomes in a more general sense. This would also offer a wider range of services to customers. A successful community non-profit operation would mean no additional ongoing charges (once established) to the community, meeting many of the key preferred outcomes for waste services.



Draft

Revenue and Financing Policy – Solid Waste

To replace the Revenue and Financing Policy 2018

Statement of Proposal

Introduction

Western Bay of Plenty District Council is reviewing part of its Revenue and Financing Policy, in conjunction with an amendment to the Long Term Plan 2018-2028.

Reasons for the proposal

Through a Long Term Plan Amendment, Council proposes to introduce in 2021/2022 a Council-contracted kerbside waste service for most of the District, and in 2020/2021 introduce rural recycling drop-off points for remote areas where kerbside services would not reach. As a result, Council has considered how the new services will be funded, taking into account its overall funding philosophy in the Revenue and Financing Policy.

Summary of proposed changes

The proposed changes to the Solid Waste section of the Revenue and Financing Policy enable the use of targeted rates and user fees for kerbside collection services and rural recycling drop-off points.

A 'tracked-changes' version of the relevant section of the policy is attached as Appendix A.

The main change is the addition of the following funding tools, from 2020/21:

- User fees for kerbside rubbish collections
- Area of benefit targeted rates for access to kerbside recycling, glass, and food scraps collections and rural recycling drop-off services.

A full version of the current Revenue and Financing Policy is in Chapter 5 of the Long Term Plan 2018-2028 at <https://www.westernbay.govt.nz/our-council/council-publications/LongTermPlan2018-2028/Pages/default.aspx>

More detail about Council's proposals in the Solid Waste activity, are in Council's Long Term Plan Amendment and Annual Plan 2019/20 Consultation Document and can be found on the haveyoursay.westernbay.govt.nz website.

Have your say

We need your feedback by 4pm Thursday 18 April 2019

Please tell us what you think of what we are proposing.

You can do this by:

- Entering it online at: <https://haveyoursay.westernbay.govt.nz>
- Posting it to: *Long Term Plan Amendment, Western Bay of Plenty District Council, Private Bag 12803, Tauranga 3143.*
- Emailing it to: haveyoursay@westernbay.govt.nz
- Delivering it to:
 - Barks Corner head office, 1484 Cameron Road, Greerton
 - Te Puke Library and Visitor Information Centre, 130 Jellicoe Street, Te Puke
 - The Centre – Pātuki Manawa - Katikati Library, Service Centre and Community Hub, 21 Main Road, Katikati
 - Waihi Beach Library and Service Centre, 106 Beach Road, Waihi Beach
 - Omokoroa Library and Service Centre, McDonnell Street, Omokoroa

Feedback forms are available at all service centres, and at our public Have Your Say events.

If you have questions, or if you would like to give feedback in person, we encourage you to come to one of our community Have Your Say Events:

Omokoroa Settlers' Hall: Sat 23 March – 9am-12pm
 Oropi Hall: Wed 27 March – 6.30pm-8pm
 Waihi Beach RSA: Sat 30 March – 9am-12pm
 Te Puna Quarry Park – Gallery: Wed 3 April – 4pm-7pm
 Te Puke Memorial Hall: Sat 6 April – 9am-12pm
 Maketu Community Centre: Wed 10 April – 4pm-7pm
 Katikati Community Hub, The Centre - Pātuki Manawa: Sat 13 April – 9am – 12pm

Alternatively, you may register for a more formal opportunity to present your views. Please email haveyoursay@westernbay.govt.nz or phone 07 571 8008 by Friday 5 April 2019 to secure a timeslot and receive further information. These days will be available on:

Council Chambers (Barkes Corner): Mon 15 April – 9.30am start
 Council Chambers (Barkes Corner): Tues 16 April – 9.30am start

Giving effective feedback

We will provide feedback forms at all service centres and at our community events throughout the consultation period.

Feedback on matters outside the scope of the draft policy cannot be considered by the Council as part of this review process.

What happens next?

Council will acknowledge in writing or by email (if provided) the receipt of your feedback.

Review Timeframes:

- Period for feedback opens: 18 March 2019
- Period for feedback closes: 18 April 2019
- Have your say days: Commencing 23 March (see above)
- Council adopts policy: 27 June 2019
- Policy becomes effective: 1 July 2019

Appendices:

- A. Draft Revenue and Financing Policy – Solid Waste

SOLID WASTE

COMMUNITY OUTCOME

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

GOALS

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

DISCUSSION / RATIONALE

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

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

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

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

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

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

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

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

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

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

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

As of 2020/21 year onwards:

Council's increased role in kerbside service delivery through the Council contracted collection of rubbish, recycling, glass and food scraps (urban areas) (2021/2022 onwards) and through the provision of unmanned rural recycling drop-off points (2020/2021 onwards). These services

FUNDING APPROACH

Capital expenditure excluding renewals

Initially financed by loans and serviced from solid waste targeted rates (uniform annual charges) over the applicable area of benefit (currently Eastern, Western and Omokoroa).

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

Operational, maintenance and renewals expenditure

Provided from:

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

benefit those households using the service. A targeted rate on the geographic area of benefit where the services are available, reflects the access to services. For rubbish collection user fees and charges are more appropriate, as those that create more waste are clearly identifiable and can be directly charged. Using fees and charges for rubbish collections also helps to encourage the reduction of waste to landfill and the utilisation of recycling options.

Western Bay of Plenty District Council**Long Term and Annual Plan Committee****Adoption of the Statement of Proposal for Consultation
on the Draft Schedule of Fees and Charges 2019-20**

Purpose

The purpose of this report is to seek the Committee's approval to adopt the Statement of Proposal (**Attachment A**) to inform consultation on the draft schedule of fees and charges 2019-20.

Recommendation

- 1. THAT the Customer Experience Manager report dated 21 February 2019 and titled 'Adoption of the Statement of Proposal for Consultation on the Draft Schedule of Fees and Charges 2019-20' be received.**
- 2. THAT the report relates to an issue that is considered to be of medium significance in terms of Council's Significance and Engagement Policy.**
- 3. THAT in accordance with Sections 82 and 150 of the Local Government Act 2002, the Statement of Proposal (Attachment A) and the draft Schedule of Fees and Charges 2019-20 (Attachment B) be adopted for public consultation.**
- 4. THAT the Chief Executive Officer be delegated authority to make minor editorial changes to the draft Schedule of Fees and Charges 2019-20 if required.**



Barbara Whitton
Customer Experience Manager



Approved

Kumaren Perumal
**Group Manager Finance and
Technology Services**

1. Draft Schedule of Fees and Charges 2019-20

Council is required by Section 150 of the Local Government Act 2002 to review its Schedule of Fees and Charges in a manner that gives effect to Section 82 of the Act. This means that consultation on any fees and charges to be set is undertaken concurrently with the consultation on the draft Annual Plan 2019-20 Consultation Document.

As noted in the 2019-20 Statement of Proposal (**Attachment A**), fees and charges have been reviewed as part of the preparation of the 2019-20 Annual Plan. A summary of the proposed changes were provided at the Annual Plan workshop held 7 February 2019.

The proposed significant changes were agreed in principle and a summary of the proposed key changes/additional charges are noted below. The Draft Schedule of Fees and Charges for 2019-20 is set out in (**Attachment B**) to this report. Council's general approach is to reduce burden on the ratepayer by utilising the 'user pays' principle – that is, where a service user can be identified, they will pay for that service through a user fee or charge. This approach requires a greater percentage of the costs of an activity to be recovered from service users. The review also sought to ensure consistency in hourly rates across the organisation and neighbouring councils.

As well as a range of inflationary adjustments across a range of fee categories notable changes proposed in the draft Schedule of Fees and Charges for 2019-20 include:

- **Building Services Code of Compliance Certificate Fees**
Code Compliance Certificate fees have been altered to allow for a sliding scale of lodgement fees that relates to the value of the project work.
- **Library charges**
Overdue charges on children's materials have been withdrawn in support of renewed use of libraries for lower income families.
- **Resource Consent Minimum Fees**
The number of fee categories within the resource consent activity have been reduced, in anticipation of a change to an online portal for lodgement of processing of resource consents in the 2019/20 year.

Council propose to introduce minimum fee categories that relate to the activity type (for example, controlled activity, restricted discretionary activity, discretionary activity and non-complying activity) rather than minimum fee categories that relate to the number of lots within the subdivision. This will align with our existing approach to charging for land use consents.

It is proposed that minimum fees for subdivision consents be increased to more accurately reflect the actual cost of processing.

Similarly, for section 223 and section 224 certificates issued under the Resource Management Act Council is proposing to remove the minimum fee categories that relate to the number of lots within a subdivision. Instead, we are proposing a simplified approach with a minimum fee for s223 and s224 certificates for freehold subdivisions and a minimum fee for s223 and s224 certificates for unit title subdivisions.

For land use consents, Council is continuing with its approach of minimum fees by activity type and increases to those minimum fees are proposed to more accurately reflect the actual cost of processing.

There are other increases proposed to a number of other minimum fee categories included within the 'Miscellaneous' section of the Draft Fees and Charges, for example, Certificates of Compliance, Compliance Certificates (Sale and Supply of Alcohol Act) and designations/notices of requirement.

- **Wastewater connection charge Ongare Point/Maketu/Te Puna West**
Connections to these wastewater schemes will require landowners to pay their share of the capital cost of putting infrastructure in place. Council will then manage the installation of tanks on the property. Final actual costs will be reviewed at the completion of construction and the balance will either be charged or refunded to the landowner.

Financial contributions are included in the draft Schedule of Fees and Charges for information. They are calculated based on rules and criteria set in the District Plan and the proposed budgets included in the Long Term Plan 2018-2028.

Feedback on the draft Schedule of Fees and Charges 2019-2020 (**Attachment B**) will take place between 18 March 2019 and 18 April 2019.

During May – June 2019 Council will consider the feedback received and the final Fees and Charges Schedule 2019-20 will be presented for adoption on 26 June 2019.

2. Significance and Engagement

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

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

In terms of the Significance and Engagement Policy this decision is considered to be of medium significance because the relevant Acts enable Council to set fees and charges. In general, fees and charges set must be reasonable and recover cost of the activity.

3. Community Engagement

Interested/Affected Parties	Planned Consultation/Communication 18 March – 18 April 2019
General public	<p>The four weeks of the consultation period will be used to promote the Consultation Document and upcoming Have Your Say events, using both online and print media.</p> <p>Feedback can be made online (through Have Your Say Western Bay) and in writing throughout the four week period.</p> <p>Have Your Say events will be run in Waihi Beach, Katikati, Omokoroa, Oropi, Te Puke, Te Puna, Maketu. These will include roundtable discussions between elected members and the community, and will replace formal hearings.</p> <p>Copies of the draft fees and charges will be made available at Council offices.</p> <p>A public notice is required to occur once in the month preceding the start of the dog registration year. As per the Dog Control Act 1996 (s37) a public notice will be given in May 2019.</p>
Key stakeholder groups and Community Boards	<p>As well as the consultation methods above, the general public, key stakeholders and Community Boards can make a presentation on 15 or 16 April 2019 in Council Chambers with an allocated time at Council's Barks Corner office.</p>

4. Issues and Options Assessment

<i>THAT in accordance with relevant legislation the draft Schedule of Fees and Charges 2019-2020 be adopted for public consultation.</i>	
Council conducts an annual review of its fees and charges.	Requirements for setting and reviewing fees and charges are outlined in the Act to which the activity relates e.g. requirements for setting dog registration fees are outlined in the Dog Control Act 1996.

5. Statutory Compliance

The recommendation meets the requirements of the Local Government Act 2002.

Council is authorised to set fees and charges under specific legislation, including:

- Local Government Act 2002
- Resource Management Act 1991
- Dog Control Act 1996
- Building Act 2004
- Reserves Act 1977
- Waste Minimisation Act 2008
- Local Government Official Information and Meetings Act 1987

-
- Food Act 2014
 - Food Hygiene Regulations 2015
 - Impounding Act 1955
 - Health Act 1956
 - Sale of Alcohol Act 2012.

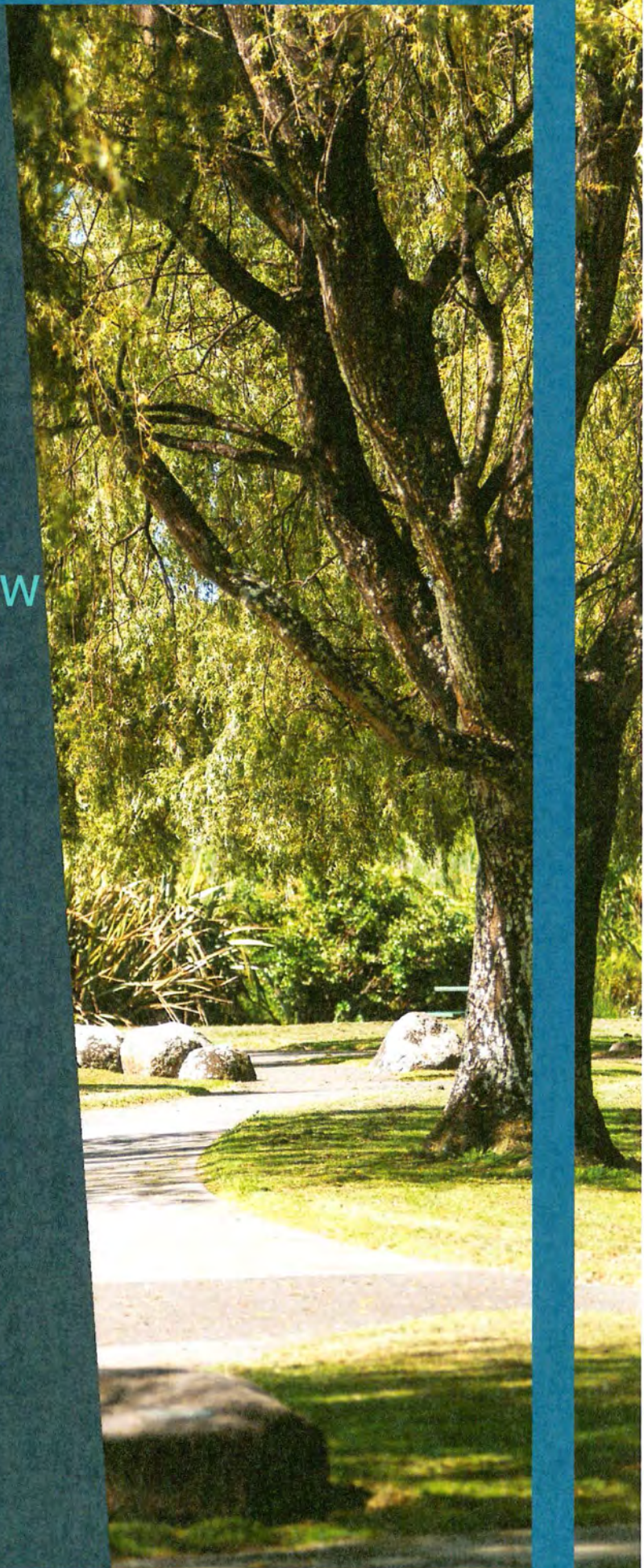
6. Funding/Budget Implications

Budget Funding Information	Relevant Detail
Fees and charges production costs	All costs associated with the production of the draft schedule of fees and charges are budgeted for.



*Western Bay of Plenty
District Council*

Draft Fees and Charges 2019 Review Statement of Proposal



Introduction

Fees and Charges have been reviewed as part of the preparation of the 2018-19 Annual Plan. Council's Revenue and Financing Policy provides information on various funding sources and the rationale for the use of each funding source. Typically, where a service or activity is intended to benefit an individual (i.e. a dog registration benefits an individual dog owner), Council will apply a fee to cover the cost of delivering that service.

Reasons for the Proposal

The purpose of reviewing the Fees and Charges is to ensure that each charge will recover the actual and reasonable costs associated with:

1. Goods, services or amenities provided by the local authority.
2. The issuing or monitoring of permits, inspections and other approvals associated with Council's bylaws.
3. Processing and making decisions in relation to resource consents, plan changes and designations, and fulfilling certain other regulatory obligations under legislation that empowers Council to prescribe fees, including the Resource Management Act 1991, Building Act 2004, Food Act 2014, Health Act 1956, Sale and Supply of Alcohol Act 2012, Dog Control Act 1996.

Summary of Proposed Changes

Building Services Code Compliance Certificate fees

Code Compliance Certificate fees have been altered to allow for a sliding scale of lodgement fees that relates to the value of the project work.

Dog Control and Impounding Fees

Council is not proposing to change dog registration fees for 2019-20. It is proposed that fees relating to the seizure and impounding of dogs be increased to reflect the actual cost of the service.

Financial Contributions

The Financial Contributions in the draft fees and charges documents are based on previous expenditure and the current and proposed work programme. This will be reviewed during the Council decision making process, taking into account submissions and changes to the programme of work (timing, estimates, actual costs).

Library meeting room charges

A new fee structure has been introduced for The Centre Patuki Manawa; community hub that is reflective of community and commercial use.

Library charges for children

Overdue charges on children's materials have been withdrawn in support of renewed use of libraries for lower income families.

Resource Consent minimum fees

The number of fee categories within the resource consent activity have been reduced, in anticipation of a change to an online portal for lodgement of processing of resource consents in the 2019/20 year.

Council propose to introduce minimum fee categories that relate to the activity type (for example, controlled activity, restricted discretionary activity, discretionary activity and non-complying activity) rather than minimum fee categories that relate to the number of lots within the subdivision. This will align with our existing approach to charging for land use consents.

It is proposed that minimum fees for subdivision consents be increased to more accurately reflect the actual cost of processing.

Similarly, for section 223 and section 224 certificates issued under the Resource Management Act Council is proposing to remove the minimum fee categories that relate to the number of lots within a subdivision. Instead, we are proposing a simplified approach with a minimum fee for s223 and s224 certificates for freehold subdivisions and a minimum fee for s223 and s224 certificates for unit title subdivisions.

For land use consents, Council is continuing with its approach of minimum fees by activity type and increases to those minimum fees are proposed to more accurately reflect the actual cost of processing.

There are other increases proposed to a number of other minimum fee categories included within the 'Miscellaneous' section of the Draft Fees and Charges, for example, Certificates of Compliance, Compliance Certificates (Sale and Supply of Alcohol Act) and designations/notices of requirement.

Monitoring and Compliance site visits

Site visits to inspect, monitor and re-inspect conditions of resource consent have been increased to reflect increases in officer's hourly charge out rates.

Official Information Request charge

Official Information Request charge wording has been amended to reflect Ombudsman Guidelines (no amendment to amount charged).

Pensioner Housing fees and charges

Pensioner housing fees and charges have been increased to reflect cost of living adjustment.

Policy, Planning, Regulatory and Infrastructure Services charge out rates

Have been increased to more accurately reflect the actual cost of staff time.

Properties/Reserves processing fee

Properties/Reserves processing fees have been increased to reflect costs and complexity of work.

Road opening notices/corridor access requests

A new fee has been introduced for inspection and re-inspection where Carriageway Access Request (CAT)/Traffic Management Plan (TMP) is not approved or complied with.

Road stopping applications processing fee

Fees have been increased to better reflect costs.

Roading – as-built data engineering records, conversion and transfer fee

Correction of inaccurate or incomplete as-built records and transfer of electronic as-built records to Council's GIS system and RAMM have been increased to better reflect costs.

Roading – assessment of structures and pavements

Fee have been increased to better reflect costs.

Roading – inspection/complaint monitoring/re-inspection fee

A new fee has been introduced to apply when property owners fail to maintain structures or obtain permissions for works on roads.

Sale and Supply of Alcohol Act public notice fee

A new public notification fee has been introduced to cover the costs of advertising as required by the Act.

Vehicle Crossing application fee

Fees have been increased to better reflect costs.

Wastewater connection charge Ongare Point/Maketu/Te Puna West

Connections to these wastewater schemes will require landowners to pay their share of the capital cost of putting infrastructure in place. Council will then manage the installation of tanks on the property. Final actual costs will be reviewed at the completion of construction and the balance will either be charged or refunded to the landowner.

Have your say

We need your feedback by 18 April 2019.

Please tell us what you think of what we are proposing.

You can do this by:

- Entering it online at: haveyoursay.westernbay.govt.nz
- Posting it to: *Western Bay of Plenty District Council, Private Bag 12803, Tauranga 3143.*
- Emailing it to: haveyoursay@westernbay.govt.nz
- Delivering it to:
 - Barkes Corner head office, 1484 Cameron Road, Greerton
 - Te Puke Library and Visitor Information Centre, 130 Jellicoe Street, Te Puke
 - Katikati Library and Visitor Information Centre, 36 Main Road, Katikati
 - Waihi Beach Library and Service Centre, Waihi Beach Rd
 - Omokoroa Library and Service Centre, McDonnell Street, Omokoroa

Council will hold several Drop –in Have Your Say events during the submission period. Venues and dates are:

Omokoroa Settlers Hall – Saturday 23 March – 9.00am to 12.00pm

Oropi Hall – Wednesday 27 March – 6.30pm to 8.00pm

Waihi Beach RSA – Saturday 30 March – 9.00am to 12.00pm

Te Puna The Red Shed – Wednesday 3 April – 4.00pm to 7.00pm

Te Puke Memorial Hall – Saturday 6 April – 9.00am to 12.00pm

Maketu Community Centre – Wednesday 10 April – 4.00pm to 7.00pm

Katikati Community Hub Patuki Manawa – Saturday 13 April – 9am to 12.00pm.

In addition, if you wish to present your comments in person, you may register for a more formal hearing:

Council Chambers – Monday 15 April – 9.30am start

Council Chambers – Tuesday 16 April – 9.30am start

Please contact haveyoursay@westernbay.govt.nz by Friday 5 April 2019 to secure a timeslot and receive further information.

What happens next?

Council will acknowledge in writing the receipt of your feedback. If you indicate on your feedback form that you would like to come and talk about your feedback to the Councillors, you will be contacted to let you know when this will be taking place.

Key dates:

- Period for feedback opens 18 March 2019
- Period for feedback closes 18 April 2019
- Hearings 15/16 April 2019

Please note: That written submissions are to be received by Western Bay of Plenty District Council by **4pm on 18 April 2019**.



Feedback Number and Date Received
Office use only

Have your say on the future of your District



Western Bay of Plenty District Council Annual Plan 2019/20 and Long Term Plan Amendment

FEEDBACK FORM

We appreciate you taking the time to share your thoughts on our draft Annual Plan and Long Term Plan Amendment. Please read the consultation document available at any of our service centres or at haveyoursay.westernbay.govt.nz and let us know what you think!

To make a submission online visit haveyoursay.westernbay.govt.nz. Otherwise fill out this feedback form and either:

- Deliver your submission to the Katikati, Te Puke, Omokoroa and Waihi Beach Library and Service Centres or the Main Council Office at Barkes Corner
- Email it to haveyoursay@westernbay.govt.nz or
- Mail it to: Annual Plan 2019 Review
Western Bay of Plenty District Council
Private Bag 3003
Tauranga 3143

Please note: All the information you provide in your feedback form (including personal details) will become public documents.

For photocopying purposes, please write clearly in black or blue pen.

All written feedback must be received by 4pm, Thursday 18 April 2019

Name:

Organisation (only if submitting on behalf):

Postal address:

Home phone:

Mobile:

Email:

Signature:

Date:



Please use the reverse of this form for your submission

Privacy Act 1993: This form and the details of your submission will be publicly available as part of the decision-making process.



1. What approach to kerbside waste services do you think council should proceed with?

- Option 1** Council contracted recycling and glass and urban food waste and Council contracted pay-per-pick-up rubbish collection.
- Option 2** Council contracted recycling and glass and urban food waste only. Leave rubbish collection with the private sector.
- Option 3** Do nothing - status quo.
- Option 4** Other (please comment below).

For serviced households		
01 – Preferred option		
We do it all for you.		
Urban households OR 	Rural households 	All households \$3.50 Per pick up (you only pay when you choose to put it out. Weekly service available.)
\$105 targeted rates	\$53 targeted rates	
02 – Other option considered		
We do some of it for you...		You do the rest.
Urban households 	Rural households 	All households
\$105 targeted rates	\$49 targeted rates	\$191 average per year
03 – Status quo (no change)		
You do it all.		
All household 	Recycling and general waste removal by a private operator 	Regular trips to rubbish and recycling centres
Average household cost per year paid to private companies		


2. How should Council encourage recycling in rural areas, where kerbside service may not be available?

- Option 1** Council oversees the installation and operation of rural recycling drop-off points.
- Option 2** Not establish rural recycling drop-off points - Status quo.
- Option 3** Other (please comment below).

Rural recycling drop-off points if you aren't in the serviced area

Council understands that those in more remote rural areas often want to recycle, but are hampered by a lack of accessibility to services. To meet this need we are proposing to set up three unmanned rural recycling points. The design would be similar to those used in Hastings, Marlborough and Tasman - essentially a converted shipping container.

We would work with the local communities to determine the best locations and ways to manage them. The cost of this service would be recovered through a targeted rate. Where a household would not be able to access a Council kerbside service, they would pay \$16 a year through a targeted rate to fund this service.



The options

01 – Preferred option
Council oversees the installation and operation of rural recycling drop-off points.

02 – Status quo. Do nothing
Households can use a private contractor or community recycling centres at Te Puke, Athenree, Katikati, or those in Tauranga City.

Continued on the following page



Council is introducing some changes for specific targeted rates. Do you have any comments on:

3. The Te Puna Hall rate

4. Te Puna West Wastewater rates

5. Ongare Point Wastewater rates

6. Rural Water supply extension at Black Road

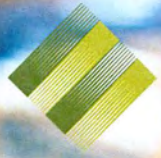
7. Rural Water supply extension at Woodlands Road



8. Council is proposing to change our debt management approach. Do you agree with the preferred options?

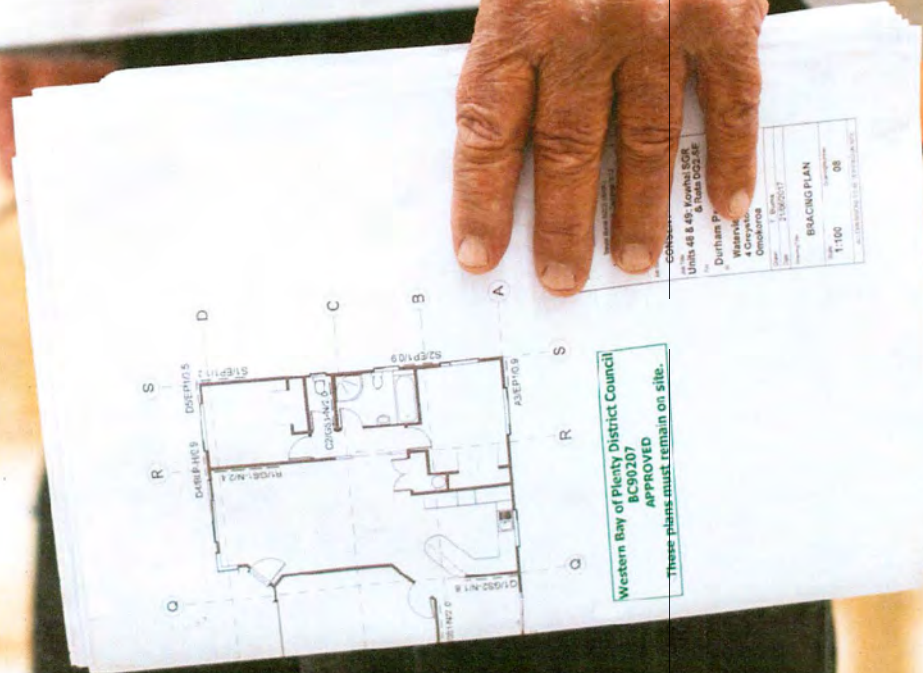
- Option 1** Contribute \$1 million of rates to interest and debt repayments for the 2019/20 year (and revert back to \$2.5million for the following years).
- Option 2** Contribute \$2.5 million a year from rates to interest and debt repayments in 2019/20.
- Option 3** Other (please comment below).

9. Is there anything else you wish to advise as part of this Consultation Document?



**Western Bay of Plenty
District Council**

**DRAFT SCHEDULE OF
FEES AND CHARGES
2019 - 2020
AND INDICATIVE
FINANCIAL
CONTRIBUTIONS**



DRAFT SCHEDULE OF FEES AND CHARGES 2019 - 2020

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GENERAL		BUILDING SERVICES		INFRASTRUCTURE SERVICES	
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LAND INFORMATION MEMORANDA (LIM)		Miscellaneous	21	Final water meter reading	29
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All figures include GST

GENERAL

DRAFT FEES & CHARGES 2019/20 (\$)	NOTES
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DIGITAL PROPERTY FILES

Digital Property File request - digital copy of property file records supplied as a downloadable file from the Council website.	30.00	Download file only
An additional fee to provide the Digital Property File on a portable digital media (USB) for pick-up from any of Councils service centres.	5.00	Additional charge per media device
An additional delivery charge of \$5.00 shall apply to any digital property file stored on USB and delivery via post/ courier is requested.	5.00	Additional charge for delivery
<i>A property file request is not a Land Information Memorandum (LIM) and as such is not covered by any statutory requirement.</i>		

***PRINT AND COPY CHARGES**

Black and white	A4	0.20
	A3	0.40
	A2	1.50
	A1	2.50
Colour	A4	2.00
	A3	3.50

SCAN CHARGES

Scan	per page	0.20
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GIS SERVICE FEE AND PRINT CHARGES

Map creation, map data manipulation and printing - a quote will be supplied For further information please refer to Western Bay of Plenty District Council's Geospatial Data Policy Statement	125.00 per hour	Minimum charge \$80.00 plus GST
Map prints	A2	30.00
	A1	40.00
	A0	50.00

OFFICIAL INFORMATION REQUESTS - SUBJECT TO LEGISLATIVE CHANGE

Staff time - first hour	No charge	
Staff time - per half hour after first hour per hour	38.00 76.00	
Work undertaken by external contractors and consultants charged at their normal hourly rate		Costs recovered from applicant
Printing	*See above for printing costs	Costs recovered from applicant at standard Council print charges

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All figures include GST

DRAFT FEES &
CHARGES
2019/20
(\$)

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PUBLICATIONS AND SUBSCRIPTIONS

Asset Management Plans (AMP)		
Transportation AMP		500.00
Water Supply AMP*		82.00
Wastewater AMP*		82.00
Stormwater AMP*		82.00
Solid Waste AMP*		82.00
Community Assets AMP*		82.00
*Excludes appendices - price on application		
District-wide walkway brochure	Each	5.00
District Plan operative	Text	120.00
District Plan maps	A4	160.00
2009 Development Code	Printed copy	350.00
	Disc	30.00
	Updates	No cost
Treasury Policy		15.00
Annual Reports		20.00
Civil Defence Plan - to non-distribution list agencies		No charge
Properties - copies of leases/licences		No charge
Management Plans (per plan)		20.00

Future updates are included in the costs for the text and maps

The 2009 Development Code (or subsequent updates) can also be viewed and downloaded via Council's website www.westernbay.govt.nz

NEW SERVICES

Council may implement new or additional services anytime through the financial year. Where new services are introduced that are not already included in fees and charges, a principle of 'actual and reasonable charges' will apply i.e. Council will only charge what is actual and reasonable to recover the costs of providing the service

CUSTOMER SERVICES

LIBRARIES - FEES

Reserve fee (adult)		1.00
Replacement card		3.00
Holiday membership		55.00
Interloan request fee	per book	8.00
	per article	5.00
Top Shelf (2 weeks)		3.00
DVD and video (1 week)	single	3.00

\$45.00 refundable upon return of all items

Plus lending library's fee, if any

All figures include GST

DRAFT FEES & CHARGES 2019/20 (\$)

NOTES

LIBRARIES - OVERDUE CHARGES

Adult items	per day	0.30 To a maximum of \$10.00 per item
Junior	per day	0.10 To a maximum of \$5.00 per item
DVD, video , Top Shelf	per day	1.00
Administration fee		10.00
Lost or unreturned items		
Replacement cost, administration fee, debt collection recovery		
Unpaid charges of \$50.00 and over		
Amount owed, debt collection recovery		

DISCOUNT POLICY

In addition to the regular 'free to borrow' collections, our libraries offer access to some 'pay to borrow' collections. These include a best seller collection named 'Top Shelf' plus DVDs, ~~audio books, digital compact discs and music compact discs.~~

Our pay collections are promoted using eye catching display units for storage, in-house topical displays and offering customers loyalty cards. Our loyalty card system rewards customers by offering one free pay item following the rental of four 'Top Shelf' items.

CHARGES FOR MEETING ROOMS IN COMMUNITY HUB (THE CENTRE PĀTUKI MANAWA)

COMMUNITY RATES

	2 hours	2 hours with kitchen	4 hours	4 hours with kitchen	Full day	Full day with kitchen
Tuapiro room	\$15	\$25	\$30	\$40	\$50	\$60
Tahawai room	\$15	\$25	\$30	\$40	\$50	\$60
Boyd room	\$15	\$25	\$30	\$40	\$50	\$60
McKinney	\$15	\$25	\$30	\$40	\$50	\$60
Uretara room	\$30	\$40	\$60	\$70	\$100	\$110

COMMERCIAL RATES

	2 hours	2 hours with kitchen	4 hours	4 hours with kitchen	Full day	Full day with kitchen
Tuapiro room	\$30	\$40	\$60	\$70	\$80	\$90
Tahawai room	\$30	\$40	\$60	\$70	\$80	\$90
Boyd room	\$30	\$40	\$60	\$70	\$80	\$90
McKinney	\$30	\$40	\$60	\$70	\$80	\$90
Uretara room	\$60	\$70	\$120	\$130	\$180	\$190

All figures include GST

DRAFT FEES & CHARGES 2019/20 (\$)

NOTES

POLICY, PLANNING, REGULATORY AND INFRASTRUCTURE SERVICES CHARGE OUT RATES

Group Manager	250.00
Environmental Consents Manager, Building Services Manager, Compliance and Monitoring Manager, Senior Managers (engineering, property, reserves)	220.00 200.00
Team Leader Inspections, Team Leader Processing	200.00 190.00
Senior Consents Planner, Senior Building Control Officer, Senior Land Development Engineer, Professional Engineer, Senior Engineers (includes site inspections)	180.00
Building Control Officer, Consents Planner, Environmental Health Officer	170.00
Building Warrant of Fitness Officer, Land Development Engineer, Compliance and Monitoring Officer	160.00 150.00
Building Administrators, Consents Officers, Compliance Administrator Officers, Legal Property Officers, Property Officers, Reserves Officers, Engineering Officers	150.00 100.00
Vehicles	per kilometer 0.80 cents 0.75km

LAND INFORMATION MEMORANDA (LIM)

Standard 10 day service (electronic)	240.00
4 day service* (electronic)	370.00
LIMs involving multiple titles	Price on application
*LIM provided as a printed, hardcopy format	15.00 Additional fee
*LIM provided as a portable digital media	5.00 Additional fee

*An additional delivery charge of \$5.00 shall apply to any LIM where postal / courier delivery is requested

#The statutory target is 10 working days. Council does not accept liability for any losses arising from a failure to meet the 4 day service; however, a 100% money-back guarantee applies if the 4 day target is not met.

All figures include GST

ANIMAL CONTROL SERVICES

REGISTRATION FEES 2019/20

CLASS OF DOG	REGISTRATION FEE (IF PAID ON OR BEFORE 1 AUGUST 2019) (\$)	REGISTRATION FEE DANGEROUS DOG (IF PAID ON OR BEFORE 1 AUGUST 2019) (\$)	PENALTY FEE (IF PAID AFTER 1 AUGUST 2019) (\$)	PENALTY FEE DANGEROUS DOG (IF PAID AFTER 1 AUGUST 2019) (\$)
All dogs unless otherwise categorised	88.00	132.00	132.00	198.00
Stock working dog (kept solely or principally for the purpose of herding or driving stock)	47.50	71.25	71.25	106.50
Spayed or neutered dog	70.00	105.00	105.00	157.50
Any dog(s) kept by:				
New Zealand Police				
Customs Department				
Ministry of Defence				
Ministry of Agriculture	-	-	-	-
Ministry of Fisheries				
Department of Conservation				
(for carrying out the function of the Police or Department of State)				
Security dog (kept by a security guard as defined in the Private Investigators and Security Guards Act 1974 - as a bona fide security dog)	-	-	-	-
Search and Rescue dog	-	-	-	-
Disability assist dog	-	-	-	-
Dogs domiciled on Matakana Island	42.50	63.75	63.75	95.50

Notes:

- (1) Dog owners who have more than 5 dogs may be entitled to discounted dog registration fees for the sixth and subsequent registration, on the following basis:
 - a) All dogs must be registered by 30 June to qualify.
 - b) All dogs must be microchipped.
 - c) No verified complaints have been received by Council in the previous registration year for welfare or nuisance complaints (e.g. barking, roaming).

Please note: No refund for deceased dogs will be paid to owners of more than 5 dogs where dogs were registered at a discounted or no charge, until the total number of dogs falls below 5.
- (2) Legislation regarding the micro-chipping of dogs came into force on 1 July 2006, the cost of this process is passed on to the dog owner. Dog owners will be referred to a veterinarian at their own cost to have the dog micro-chipped. Dogs that must be micro-chipped before being released from the pound will be micro-chipped by Council staff. The dog owner will be charged for the cost of this service.
- (3) **Disability assist dog** means a dog certified by one of the following organisations as being a dog trained to assist (or as being a dog in training to assist) a person with a disability:
 - (a) Hearing Dogs for Deaf People New Zealand.
 - (b) Mobility Assistance Dogs Trust.
 - (c) New Zealand Epilepsy Assist Dogs Trust.
 - (d) Royal New Zealand Foundation of the Blind.
 - (e) Top Dog Companion Trust.
 - (f) Assistance Dogs New Zealand.
 - (g) Perfect Partners Assistance Dogs Trust.

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All figures include GST

	DRAFT FEES & CHARGES 2019/20 (\$)	NOTES
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DOG ADOPTION FEE

A dog adopted from a Western Bay of Plenty District Council pound (including registration until the end of the current year microchip, de-sexing and vaccination)

250 male dog
280 female dog

DOG POUND FEES (IMPOUNDING)

	Un-registered	Registered
First impounding	100.00 80.00	60.00 40.00
Second impounding (for same dog within 24 months)	200.00 160.00	120.00 80.00
Third and subsequent impounding (for same dog within 24 months)	200.00	200.00 160.00

	DRAFT FEES & CHARGES 2019/20 (\$)	NOTES
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DOG POUND FEES

Sustenance	per day	12.50
Seizure fees:		
First seizure fee		100.00 80.00
Second seizure fee		200.00 160.00
Third seizure fee		200.00
Euthanasia fee		45.00
Micro-chipping fee		20.00
Micro-chipping for third and subsequent dogs		20.00

STOCK POUND FEES

For every sheep, lamb or goat	40.00
For all other animals	80.00

REPEATED IMPOUNDING

Stock, not necessarily the same animal but owned by the same person, impounded on a second or subsequent occasion	
For every sheep, lamb or goat (for same person within 24 months)	80.00
For all animals (for same person within 24 months)	160.00

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All figures include GST

DRAFT FEES & CHARGES 2019/20 (\$)	NOTES
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SUSTENANCE

Actual and Reasonable costs (minimum of \$2.00 per head of stock per day)

DRIVING CHARGES

Actual and reasonable costs incurred in moving the stock to the pound or where it is delivered to the owner

ADVERTISING

Where applicable, a notification fee of \$10.00 plus the actual cost of advertising impounded stock

OTHER FEES

Replacement tag	each	7.50	
Trading items (collars, leads, muzzles) are available and will be priced based on their cost plus a mark-up		Price on application	
High risk dog ownership licence (subject to Dog Control Act Amendment 2017)		280.00 deposit	
Multiple dog owner application		50.00	Applies to new dog owners to District and dog owners who increase their number of dogs to greater than:
• (Greater than 2 dogs urban)			• 2 dogs urban
• (Greater than 5 dogs rural)			• 5 dogs rural

*additional charges of officer time may apply for revisit & assessment at hourly rate of \$150.00.

All figures include GST

BUILDING SERVICES

DRAFT FEES & CHARGES 2019/20 (\$)

NOTES

SPECIALIST SERVICES

More complex and larger projects may require the Council to refer documentation to specialists for checking for code compliance and to provide inspection services. Where specialist services are required, additional fees will be payable by the applicant based on actual cost. These may include:

Engineering structure or land stability, fire planning and precautions, electrical design check, heating, ventilation and air conditioning, mechanical services.

OTHER FEES

Extension of time for consents		100.00	75.00	
Application to amend building consents (plus building consent fee and additional levies, if any, as a result of change in project value)		195.00	120.00	Plus actual processing time
Application for waiver of New Zealand Building Code		120.00		
Code Compliance Certificate application *Note 1		100.00		See new table on page 11. This fee has been altered to show sliding scale fee
Code Compliance Certificate review of historical Building Consents (over 5 years old) – additional hourly charges are applicable		500.00		
Document Filing Fee including receiving details of exempt building work undertaken as per schedule 1 of the Building Act 2004 (other than Certificate of Acceptance)		100.00		
Inspections (charged per inspection type at the rate current on the inspection date)		195.00		
Late cancellation of booked inspection. (Charged where cancellation not received at least 1 working day prior to booking date.)		150.00	120.00	
Title endorsements under s73 Building Act (includes Land Registrar fees)	per lot	450.00		Legal fee component may vary and is cost recoverable
Title endorsements under s75 Building Act (includes Land Registrar fees)	per lot	450.00		Legal fee component may vary and is cost recoverable

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All figures include GST

BUILDING SERVICES

DRAFT FEES &
CHARGES
2019/20
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NOTES

Application for Certificate of Public Use (S.363A BA 2004)

120.00
plus inspection fees**Compliance schedule and annual building warrant of fitness fees**

Compliance Schedule base fee	minimum fee ¹	140.00
Plus fee per feature identified in Schedule	minimum fee ¹	30.00
Amendment of Compliance Schedule	minimum fee ¹	100.00
Plus fee per feature (altered, added or removed)		30.00
Annual Building Warrant of Fitness	minimum fee ¹	140.00
Expired Building Warrant of Fitness		140.00
Building Warrant of Fitness Site Audit	minimum fee ¹	140.00

Compliance schedule review of historical building consents (over 5 years old) additional hourly charges are applicable 500.00

Fees, for non-routine inspections or services where fees have not otherwise been fixed, will be charged out at the Officer's hourly charge out rate plus incidental expenses Price on application

Compliance schedule and annual building warrant of fitness inspections requiring particular expertise, e.g. lifts, electrical heating, ventilation and air conditioning, fire safety measures or similar non-routine requests for information or services Actual cost incurred of expert's report

Applications for acceptance as independent qualified person (for Bay of Plenty/Waikato group) Price on application

Notes:¹Minimum fee which includes half an hour of officers time to review documents. Any additional time incurred will be charged at the set hourly rate. This may include costs incurred by external parties on Council's behalf.

BUILDING CONSENT APPROVAL INFORMATION

Provided as required by (s217 Building Act 2004) printed and forwarded monthly - email preferred	per month	25.00
	per annum	200.00

BUILDING CONSENT VETTING FEE

Pre application lodgement meeting assessment fee

This service is to assist applicants to assemble all necessary information to support their application

This fee is charged at the discretion of Council and only charged where the service is necessary. Time taken may be charged and included in consent processing charges. Refer to hourly charge out rate.

All figures include GST

BUILDING CONSENT FEES AND CHARGES					
VALUE OF PROJECT/TYPE OR WORK	APPLICATION ² (\$)	PIM ¹ /PIC ²	PLAN- PROCESSING ¹	COUNCIL LODGEMENT FEE ^{3,2} 2019/20 (\$)	INSPECTIONS
\$1 to \$5,000	100.00	105.00	212.50	447.00 417.50	Inspection fees payable on issue of building consent based on estimated number of inspections needed for the project. Inspections will be invoiced at the Councils inspection rate at completion of the project.
\$5,001 to \$20,000	210.00	210.00	425.00	955.00 845.00	
\$20,001 to \$100,000	280.00	375.00	680.00	1,395.00 1,335.00	
\$100,001 to \$400,000	450.00	380.00	1,020.00	2,080.00 1,850.00	
\$400,001 upwards	675.00	390.00	1,232.50	2,875.00 2,297.50	

APPLICATION FOR CODE OF COMPLIANCE CERTIFICATE	
VALUE OF PROJECT/TYPE OR WORK	COUNCIL LODGEMENT FEE ^{3,2} 2019/20 (\$)
\$1 to \$5,000	143.75
\$5,001 to \$20,000	161.00
\$20,001 to \$100,000	356.50
\$100,001 to \$400,000	529.00
\$401,000 upwards	661.25

*As per page 9. The Code of Compliance Certificate fee has been altered to show a sliding scale fee

CERTIFICATE OF ACCEPTANCE		
VALUE OF PROJECT/ TYPE OF WORK	CERTIFICATE OF ACCEPTANCE LODGEMENT FEE ² 2019/20 (\$)	INSPECTIONS
\$1,000 to \$5,000	1,067.50	This is a minimum fee and actual processing time will be charged at the set hourly rate.
\$5,001 to \$20,000	1,595.00	
\$20,001 to \$100,000	2,235.00	Includes one inspection, additional inspections will be charged at the Councils rate for building consent inspections.
\$100,001 to \$400,000	2,900.00	
\$400,001 upwards	3,497.00	

REQUEST FOR EXEMPTION FROM BUILDING CONSENT SCHEDULE 1 BUILDING ACT	
VALUE OF PROJECT/TYPE OR WORK	COUNCIL LODGEMENT FEE ^{3,2} 2019/20 (\$)
\$1,000 to \$5,000	312.50
\$5,001 to \$100,000	635.00
\$100,001 upwards	960.00

National Multiple-Use approvals granted by MBIE

The Councils building consent fees apply to this work.

Solid fuel heater and domestic fireplace (includes Project Information Memorandum (PIM))

-

-

-

Freestanding

275.00*

Freestanding

*One inspection includes discounted inspection cost

Inbuilt

425.00*

*Two inspections includes discounted inspection cost includes Code Compliance certificate

Compliance Inspection (3 yearly) for swimming pool fencing

-

-

-

180.00

One inspection

Re-inspection for swimming pool fencing

150.00

-

-

-

Also charged when consent is issued:

Building levy (payable to MBIE^{6,5}) \$2.01 GST inclusive for every \$1,000 value project valued at \$20,000 and over Levy for BRANZ (Building Research Authority) \$1.00 GST exempt for every \$1,000 value project valued at \$20,000 and over.

Notes

¹ This is a minimum fee. Actual processing time and costs associated with approving the consent over and above the minimum fee, will be directly charged to the applicant.

~~² This fee includes Building Consent Authority Accreditation and Assessment Levy.~~

^{3,2} This fee is non-refundable once the consent has been approved if you decide not to complete your project. If you cancel prior to approval a pro-rata charge will be made based on the processing undertaken. Actual processing time exceeding plan checking deposit will be invoiced.

~~⁴ Includes \$20.00 fee for Certificate of Title.~~

~~⁵ Council sustainability initiative – fees remitted.~~

^{6,5} Statutory payments to BRANZ (Building Research Association NZ) and MBIE (Ministry of Business, Innovation and Employment) (previously DBH).

~~⁷ Where a Project Information Memorandum (PIM) has not been applied for, a Project Information Consideration (PIC) of the consent is still necessary and is charged accordingly.~~

All figures include GST

DRAFT FEES &
CHARGES
2019/20
(\$)

NOTES

ALSO ADD FEES FOR:

Rural numbers

Application and placement	45.00
Replacement rural number plates	15.00

Assessment required for District Plan, engineering, environmental health and dangerous goods

Assessments and site inspections charged at Officer's hourly charge-out rate or actual cost if external report required

HEALTH

~~**PREMISES REGISTERED—FOOD HYGIENE REGULATIONS 1974 (EXISTING OPERATORS PRIOR TO 1 MARCH 2016)~~

Food-premises (high-risk): Following categories:- restaurant/café, grocery/supermarket, butcher, deli, manufacture readily perishable foods, fish shop, takeaway, food-packaging.	450.00
Food-premises (low-risk):-	
Fruit and vegetable shop, pre-packaged goods only.	290.00
Food-premises — mobile	450.00
Change of Ownership of Premise	-100.00
Issue of Notice to Rectify/Non-Compliance	320.00
Additional inspections and mentoring per hour	170.00

~~**FOOD PREMISES—OPERATING UNDER VOLUNTARY IMPLEMENTATION PROGRAMME (VIP) PRIOR TO 1 MARCH 2016~~

New Food Act legislation was introduced in 2010. Fees for these services will be based on actual time involved in providing advisory and inspection services to assist premise owners implement food control plans

Administration charge (annual)—until transition to registration under Food Act 2014	150.00
Verification, inspection and audit deposit	390.00
plus additional	170.00 Additional fee per hour after the first 1.5 hours

**Note: Late penalty fee of 10% applies to all licence registration fees unpaid after 60 days from date of invoice. [moved to page 13]

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All figures include GST

DRAFT FEES &
CHARGES
2019/20
(\$)

NOTES

****FOOD PREMISES - FOOD ACT 2014 (NEW OPERATOR AND TRANSITIONED PREMISES FROM 1 MARCH 2016)****Food Control Plans**

Application for Registration of Food Control Plan (based on template or model)	application	220.00	
	plus additional	170.00	Additional fee per hour after the first hour
Application for renewal of registration of Food Control Plan (based on template or model)	application	150.00	
	plus additional	170.00	Additional fee per hour
Application for registration of an amendment to a Food Control Plan (based on a template or model)	application	150.00	
	plus additional	170.00	Additional fee per hour after the first hour
Verification, inspection and audit	deposit	450.00 390.00	
	plus additional	170.00	Additional fee per hour after the first 2 hours

National Programmes

Application for assessment and registration of national programme business	application	220.00	
	plus additional	170.00	Additional fee per hour after the first hour
Application for renewal of registration of national programme	application	150.00	
	plus additional	170.00	Additional fee per hour
Verification, inspection and audit	deposit	400.00 390.00	
	plus additional	170.00	Additional fee per hour after the first 2 hours

****NON FOOD PREMISES (HEALTH) REGISTRATION**

Hairdressers		*300.00	
Mortuaries		*300.00	
Camping grounds		*390.00	
Change of ownership		*100.00	
Issue of Notice to Rectify/Non Compliance		*340.00	
Property Inspections and reporting (Health Act 1956)		*170.00	
*Additional inspections and processing		170.00	Per hour

****BYLAW LICENCES**

Amusement devices - licence fees pursuant to Amusement Devices Regulations 1978		12.00	
Trading in Public Places Licence (individual operator)	per annum	330.00	
	per month	150.00	Application fee plus \$50.00 per month
Trading in Public Places Event Licence e.g. event - market, fair, festival		350.00	Plus additional monitoring time at \$150.00 - \$170.00 per hour
Public Places Licence - (permission to occupy footpath)	per annum	330.00	Fee for placement of tables & chairs on Council footpath/road reserve as outdoor seating for premises

****Note:** Late penalty fee of 10% applies to all licence registration fees unpaid after 60 days from date of invoice.

All figures include GST

DRAFT FEES & CHARGES 2019/20 (\$)

NOTES

FIREWORKS PERMITS

Rural reserves		165.00
Urban reserves		85.00

CLUB, ON/OFF LICENCE FOOD INSPECTION

Monitoring inspection - annual inspection of On, Off or Club Licence	per hour	170.00
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DRAFT FEES & CHARGES 2019/20 (\$)

NOTES

LIQUOR LICENCES¹

MANAGERS CERTIFICATES

New or renewal		316.25
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SPECIAL LICENCES:

Class 1	1 large event More than 2 medium events More than 12 small events	575.00	Large event 400 + people
Class 2	3 to 12 small events 1 to 3 medium events	207.00	Medium event
Class 3	1 or 2 small events	63.25	Small event Less than 100 people
Temporary Authority		296.70	
Public notices - Sale and Supply of Alcohol Act		150.00	

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All figures include GST

ON / OFF / CLUB LICENCES

Fees vary depending on the “cost/risk rating” of each premises and consist of:

- an application fee, which licensees will have to pay when they apply for a new, renewed, or variation to a licence; and
- an annual fee, which must be paid by licensees each year.

Determining a premises’ cost/risk rating

A premises’ cost/risk rating will be determined by a combination of factors. Table 2 shows how a premises’ cost/risk rating is determined. For example, a liquor store closing at 11:00 pm with two enforcements in the last 18 months would have an overall rating of 38.

Cost/risk rating of premises (direct from the regulations)

- (1) A territorial authority must assign a cost/risk rating to any premises for which an on-licence, off-licence, or club licence is held or sought.
- (2) The cost/risk rating of premises is the sum of the highest applicable weighting.
- (3) The weightings relating to the type of licensed premises are as follows:

	Type of premises	Weighting
On Licence	Class 1 restaurant, night club, tavern, adult premises	15
	Class 2 restaurant, hotel, function centre	10
	Class 3 restaurant, other premises not otherwise specified	5
	BYO restaurants, theatres, cinemas, winery cellar doors	2
Off Licence	Supermarket, grocery store, bottle store	15
	Hotel, tavern	10
	Class 1, 2, or 3 club, remote sale premises, premises not otherwise specified	5
	Winery cellar doors	2
Club Licence	Class 1 club	10
	Class 2 club	5
	Class 3 club	2



Type of premises	Latest trading time allowed by licence (during 24 hour period from 6am to 6am)	Weighting
Premises for which an on-licence or club licence is held or sought	2am or earlier	0
	Between 2.01am and 3am	3
	Any time after 3am	5

All figures include GST

Type of premises	Latest trading time allowed by licence (during 24 hour period from 6am to 6am)	Weighting
Premises for which an off-licence is held or sought (other than remote sales premises)	10 pm or earlier	0
	Anytime after 10 pm	3
Remote sales premises	Not applicable	0



Number of enforcement holdings in last 18 months (applies to all types of premises)	Weighting
None	0
1	10
2 or more	20



Cost/Risk rating of premises	Fee category
0 - 2	Very low
3 - 5	Low
6 - 15	Medium
16 - 25	High
26 plus	Very High

Liquor Licences	Cost/risk Category (\$)	Application Fee (\$)	Annual Fee (\$)
Application for On, Off or Club Licence, renewal of these licences, variation of condition of Licence	Very Low	368.00	161.00
	Low	609.50	391.00
	Medium	816.50	632.50
	High	1,023.50	1,035.00
	Very High	1,207.50	1,437.50

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All figures include GST

RESOURCE CONSENTS

DRAFT FEES & CHARGES 2019/20 (\$)

NOTES

SUBDIVISION CONSENTS (NON-NOTIFIED) (INCLUDES PLANNING AND ENGINEERING AND DEPOSITS)

Subdivision consents (non-notified applications)	minimum fee ^{1,7}	(See # 'new' table below)
Controlled activity	minimum fee ¹	2,000.00
Restricted discretionary activity	minimum fee ¹	2,000.00
Discretionary activity	minimum fee ¹	3,000.00
Non-complying activity	minimum fee ¹	4,000.00
Protection lot subdivision/Subdivisions utilising transferable rights	minimum fee ^{1,3,4,7}	3,000.00
Boundary adjustment	minimum fee ^{1,7}	1,300.00
Cross lease plans—stage cross lease/conversion	minimum fee ^{1,7}	1,000.00
Rights of way (s348 Local Government Act)	minimum fee ¹	700.00
Certificates under s226 Resource Management Act	minimum fee ¹	700.00
Lapsing of consent: extension of time (s125)	minimum fee ¹	1,400.00 1,300.00
Change or cancellation of consent conditions (s127)/variation of Consent Notice (s221(3))	minimum fee ^{1,7}	2,000.00 1,300.00
s223 Certificate - payable at 223 stage Resource Management Act	minimum fee ¹	500.00 (See # '223' table below)
s32(2)(a) Certificate - unit titles	minimum fee ¹	500.00
s224(c) Certificate - payable at 224 stage Resource Management Act	minimum fee ¹	800.00 (See @ '224' table below)
s224(c) Certificate - unit titles	minimum fee ¹	800.00
s357 Objection		- No fee
Road/street naming	minimum fee ¹	500.00 550.00
Engineering fee - payable only if engineering conditions apply (s.244 (c) process only)	minimum fee ¹	550.00 Includes external costs
Reserves valuations - payable at 224 and not including financial contributions ⁵		- Fixed by Opteon
First additional lot		230.00 Fixed by Opteon
Two to four lots	per lot	51.75 Fixed by Opteon
Five to ten lots	per lot	23.00 Fixed by Opteon
Eleven or more lots	per lot	11.50 Fixed by Opteon
Sundry applications; s221 Consent Notices/s241 Cancellation of Easement and other miscellaneous certificates		500.00
Subdivision consents that proceed to hearing ⁶		- Actual and reasonable cost
Application for esplanade reserve reduction or waiver		2,300.00

* # NEW	DRAFT FEES & CHARGES 2018/19(\$)	* 223	DRAFT FEES & CHARGES 2018/19(\$)	@ 224	DRAFT FEES & CHARGES 2018/19(\$)
2-lots freehold	2,000.00	0-2 lots (including boundary adjustments)	250.00	0-2 lots (including boundary adjustments)	250.00
3-10-lots freehold	2,600.00	3-10-lots	350.00	3-10 lots	500.00
11-20-lots freehold	3,200.00	11-plus-lots	690.00	11 plus lots	1,300.00
21-lots freehold	3,800.00	Unit title subdivisions	395.00	Unit title subdivisions	650.00
Unit title subdivisions (excl. s.32(2)(a) certificatio-	1,900.00	Section 32(2)(a) certificatio-	650.00		

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All figures include GST

		DRAFT FEES & CHARGES 2019/20 (\$)	NOTES
NOTIFIED RESOURCE CONSENT APPLICATIONS, DESIGNATIONS, HERITAGE ORDERS AND PLAN CHANGES			
Public notification	minimum fee ^{16,7}	7,000.00 5,000.00	
Limited notification	minimum fee ^{16,7}	5,000.00 3,000.00	
LAND USE (NON-NOTIFIED) CONSENT APPLICATIONS EXCEPT SUBDIVISIONS			
(INCLUDES PLANNING AND ENGINEERING FEES AND DEPOSITS)			
Deemed permitted boundary activity/ deemed marginal activity (s.87BA Resource Management Act 1991)	minimum fee ¹	500.00 350.00	
Non notified applications:			
Controlled activity/fast track	minimum fee ¹	2,000.00 1,400.00	
Restricted discretionary activity	minimum fee ¹	2,000.00	
Discretionary activity	minimum fee ¹	3,000.00 2,500.00	
Non complying activity	minimum fee ¹	3,000.00 2,500.00	
Buildings in coastal erosion area - primary risk zone ^{3,4,7}	minimum fee ¹	3,000.00	
Landscape ecological and heritage applications and other applications subject to fees waiver under plan ^{2,7}	minimum fee ¹	o No fee ²	
Change or cancellation of consent conditions (s127) Resource Management Act ⁷	minimum fee ¹	2,000.00 1,300.00	
s357 Objection		o No fee	
Lapsing of consent/extension of time (s125) Resource Management Act	minimum fee ¹	1,400.00 1,300.00	
Consents that proceed to hearing ⁶		Actual and reasonable cost	
National Environmental Standard Assessment (soils/forestry/ telecommunications)	minimum fee ¹	900.00	

Notes

General - These fees do not include Financial Contributions that may be imposed as conditions of consent. Council requires payment of all fees and charges prior to release of a decision document and 223 and 224 Certificates.

¹ This is a minimum fee. All costs associated with processing the application over and above the minimum fee will be directly charged to the applicant. This may include costs incurred by external parties on Council's behalf.

² These fees are indicative only of the activity and are not payable by the applicant.

³ This fee includes the legal costs of preparing and registering a covenant on the title that will refer to the resource consent conditions. If the resource consent application is withdrawn or the consent is issued without a condition to require a covenant, then a fee refund of \$1,000.00 (GST inclusive) will be payable.

⁴ This fee includes the cost of monitoring the issued consent at ~~\$240.00~~ ~~\$225.00~~. Additional time incurred will be invoiced at ~~\$160.00~~ ~~\$150.00~~ per hour.

⁵ These fees only apply to subdivision applications that require Opteon calculations at 224 for the purpose of determining Recreation and Leisure Financial Contributions. Note that any Recreation and Leisure Financial Contributions are additional to these fees.

⁶ Council's funding policy requires that application (not subject to exemption) that proceed to Hearing will be charged 25% of the Elected Member's costs. **Note:** Exempted applications include any objection and any applications made by staff or Elected Members' that would not normally proceed to a Hearing but are required, for transparency purposes, to be heard.

⁷ The application will attract an additional charge of \$60 where a referral has been made under the Resource Consents Consultation protocol.

All figures include GST

DRAFT FEES & CHARGES 2019/20 (\$)

NOTES

PLANNING ADVICE

The Council would like to encourage good development outcomes. We believe that this can be achieved by engaging with developers during the early stages of the Planning Process. Council staff will arrange a meeting on request where the developer can discuss a development proposal with key staff members. A request for a meeting can be made through the Duty Planner on phone 0800 926 732.

Free advice Should be limited to 2 meetings. Each meeting to be no more than 1 hour duration. *After this time actual costs will be on-charged.*

REQUESTS FOR INFORMATION OR OTHER SERVICES NOT SUBJECT TO SPECIFIC FEE

Any requests for services or information that are not specifically related to District Plan applications or of a non-routine nature will be charged at Officer's hourly charge out rate

As per hourly charge out rates

MISCELLANEOUS

Outline plan waiver		500.00
Outline plan approval		1,400.00
Miscellaneous certificates (including consent notices) and authenticated copies of Council resolutions	minimum fee ¹	400.00
Overseas Investment Commission certificate	minimum fee ¹	600.00
Certificate of Compliance (except subdivisions) and Certificate of Existing Use Rights - Resource Management Act	minimum fee ¹	1,400.00 1,100.00
Compliance Certificate (Sale and Supply of Alcohol Act)	minimum fee ¹	500.00 200.00
Peer reviews	minimum fee ¹	Actual cost
Designations/notice of requirement (non notified)	minimum fee ¹	3,000.00 2,500.00
Surrender of Consent (s138) Resource Management Act	minimum fee ¹	500.00

MONITORING AND COMPLIANCE

Site visits required to inspect monitor and re-inspect conditions of resource consent	per site visit	225.00	Re-inspections will be charged where site inspections are failed
	plus additional	160.00 150.00	Additional fee per hour after the first 1.5 hours
Noise: return of property seized under an excessive noise direction or abatement notice		256.00	

HYDRANT FLOW TESTING

Hydrant ¹	56.00
Hydrants	77.00
Hydrant modelling for new connection purposes	153.00

¹ This is a minimum fee. All costs associated with processing the application and monitoring the issued consent over and above the minimum fee will be directly charged to the applicant. For discretionary or non-complying applications, Council may not be able to grant consent. In these cases all application fees are still payable.

All figures include GST

	DRAFT FEES & CHARGES 2019/20 (\$)	NOTES
ENGINEERING DESIGN APPROVAL		
Engineering design review, construction monitoring.		The minimum Engineering fee is \$550.00 \$350.00 or 1.75% of the estimated value of the works at current market rates, whichever is the higher. This fee applies to all works proposed to be vested in Council or private works that may require engineering design and construction as a condition of consent.
Administration fee - plus land subdivision and development administration fee	350.00	
LAND SUBDIVISION AND DEVELOPMENT FEES (ENGINEERING FEES PAYABLE WHEN REQUESTING A SERVICE)		
Services rendered and not provided for in fixed per hour fee (may be waived at discretion), e.g. requests for extraordinary attendances including meetings, site visits, etc.	per hour 220.00 180.00 0.75c/km 0.80 cents per kilometer	Refer to hourly charge out rates plus 0.80c 75c/km disbursements and internal fees plus 15%.
UNCOMPLETED WORKS BONDS		
Administration process fee		
Uncompleted works bonds are calculated in accordance with our Development Code.	500.00 400.00	
However, the property owner undertaking the works will require Rooding and/or Reserves consents prior to undertaking work outside their property.		
MAINTENANCE BONDS		
Administration process fee		
Construction maintenance bonds will be required where assets are to be vested to Council. The value of the construction maintenance bond will be calculated in accordance with our Development Code	500.00 400.00 Plus inspection fees	
NON-COMPLIANCE		
Inspection, miscertification charges and reinspection of previously non-complying works	220.00 180.00	Refer to hourly charge out rates plus 0.80c 75c/km disbursements and per hour internal fees plus 15%.

All figures include GST

INFRASTRUCTURE SERVICES

		DRAFT FEES & CHARGES 2019/20 (\$)	NOTES
PROPERTIES / RESERVES - PROCESSING FEE			
Right of way easements subject to negotiation and valuation (excludes disbursements and consultation fees) survey costs and disbursements		500.00	
Easements (stormwater, water, etc.) subject to negotiation and valuation		307.00	
Exchange of land subject to negotiation and valuation	per half hour	75.00 50.00	Refer to hourly charge out rates plus 0.80c 75c/km disbursements and consultants internal fees plus 15%.
Licence to occupy legal unformed road to enable the carrying out of trade or business or for any other purpose		150.00	Refer to hourly charge out rates plus 0.80c/km disbursements and consultants fees
Lease (excluding community groups) (excludes legal fees and disbursements)		276.00	Refer to hourly charge out rates plus 0.80c/km disbursements and consultants fees
Variation of lease (excluding community groups) (excludes legal fees and disbursements)		128.00	Refer to hourly charge out rates plus 0.80c/km disbursements and consultants fees
Renewal of lease (excluding community groups) (excludes legal fees and disbursements)		128.00	Refer to hourly charge out rates plus 0.80c 75c/km disbursements and consultants internal fees
Transfer of lease or subletting of lease (excluding community groups) (excludes legal fees and disbursements)		128.00	Refer to hourly charge out rates plus 0.80c 75c/km disbursements and consultants internal fees
Purchase of land	per half hour	75.00 50.00	Refer to hourly charge out rates plus 0.80c 75c/km disbursements and consultants internal fees plus 15%.
Partial/full release Memorandum of Encumbrance		128.00	
Esplanade strip instrument (excludes disbursement and consultant fees)		500.00 235.00	
Sundry applications	per half hour	75.00 50.00	Refer to hourly charge out rates plus 0.80c 75c/km disbursements and consultants internal fees plus 15%.

SITE INSPECTIONS

Subdivision, reserves	per hour	180.00	Refer to hourly charge out rates plus 75c/km disbursements and internal fees plus 15%
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LEASE/LICENCE APPLICATION AND CONSENTS

These fees and charges relate to the third party cost associated with lease/licences and consents.
 (1) Department of Conservation (DOC) fees at approximately \$50.00 per hour; and
 (2) legal costs from Council's solicitors; and
 (3) survey costs where applicable

PENSIONER HOUSING	FEES AND CHARGES 2019/20 \$	
	NEW	OLD
Single unit per week	128.00 124.00	124.00 120.00
Double unit per week	183.00 177.00	177.00 172.00

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All figures include GST

	DRAFT FEES & CHARGES 2019/20 (\$)	NOTES
CEMETERIES		
Adult plot purchase	1,172.00	
Children's row plot	432.00	
Ashes plot purchase	318.00	
Ashes wall purchase	318.00	
Katikati Remembrance wall purchase	125.00	
Burial of ashes in existing plot	120.00	
Burial fee		
Adult	412.00	
Child	412.00	
Ashes	120.00	
Extra depth	120.00	
Re-opening fee (breaking of concrete)	120.00	
Disinterment and reinterment	Actual cost	

All figures include GST

RESERVES

SPORTS FIELDS AND COURTS

Ground charges

During the 2012-22 Long Term Plan process Council resolved to remove user charges for sports fields and courts. However, it is a requirement for Sports Clubs and casual users to still book fields/courts so Council can monitor usage, avoid booking conflicts and collect data for future demand analysis. Council also needs to programme maintenance e.g. mowing, turf renovation around users.

Bonds

Bonds may be required to ensure any potential damage or excessive wear and tear can be reinstated. Bonds are to be paid prior to confirmation of the booking and will range in value from \$150.00 up to \$2,000.00. Bonds are returned if premises are left clean, tidy and in good condition.

		DRAFT FEES & CHARGES 2019/20 (\$)	NOTES
Centennial Park Ablution block (booked users only)			
Hot showers		Per day 20.00	Seasons are defined as: Winter - 1 April to 30 September Summer - 1 October to 31 March Sporting codes may overlap the seasons but only if fields/courts are available.
Centennial Park Changing Rooms			
Casual use	per booking	52.00	Note: 1. Clubs and schools are still required to book sports fields/courts for casual/seasonal use. 2. Under the Reserves Act 1977 public shows, fairs with stalls, etc - public liability insurance for \$250,000 is required. Evidence of this must be presented to Council staff two weeks prior to the event. 3. Amusement devices such as merry-go-rounds and magic carpet rides must be registered by the owner with the Department of Occupational Health & Safety. Once registered a permit for use is available from Council.
Seasonal use		By agreement	
Training lights		By agreement	
Storage		By agreement	
Jubilee Park Cultural Courtyard Stage Hire			
	per day	50.00	Community use
	per day	250.00	Commercial use
	PLUS BOND	500.00	

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All figures include GST

**DRAFT FEES &
CHARGES
2019/20
(\$)**

NOTES

GROUND RENTALS FOR SPORT AND RECREATION CLUB BUILDINGS ON COUNCIL LAND - AS PER COUNCIL'S POLICY

Annual lease/license fee for buildings on Council land. Excludes TECT Park and halls		Subject to individual lease conditions.
Annual administration fee:		250.00 The policy allows for fee waiver for certain organisations
Exclusive ground rental for buildings		0.80/m ²
Exclusive land rental		0.10/m ²
Commercial		Market rates As agreed with lessee the lease

MISCELLANEOUS - RESERVE USE CHARGES

By agreement / concession / or fee set by authorised staff member		
Motorhome rallies / organised events	per vehicle per night	5.00

TECT ALL TERRAIN PARK ARRIVAL CENTRE
User group bookings

No hire bond required

\$50.00 key bond is required

Hire fee:	Park user groups / clubs	per day	30.00
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General public bookings
*Hire bond may be required**\$50.00 key bond is required*

Hire fee as follows:		per half day	50.00
		per whole day	75.00

Events space

By negotiation / agreement

Call out charge

Call out charge for non-approved activities		per hour	100.00
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Please note: a cleaning fee will be invoiced if facility is left in an unacceptable condition.
RENTAL OF COUNCIL BUILDINGS AND FACILITIES NOT LISTED

Fee varies depending on building or facility, actual fee in accordance with Council policy or by agreement.

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All figures include GST

ROADING

DRAFT FEES &
CHARGES
2019/20
(\$)

NOTES

VEHICLE CROSSING APPLICATIONS

Administration, review and inspections	750.00	420.00	The application forms for both urban and rural vehicle crossings can be viewed and downloaded via Council's website
Re-inspection fee (if failed)	256.00		www.westernbay.govt.nz

ROAD SERVICES

Stock crossing Permit (No fee for a renewal)	105.00		One-off payment
Unpermitted Stock Crossing - Inspection Fee (where no permit or permit application exists)	105.00		Per inspection
Licence to occupy legal unformed road to enable the carrying out of trade or business or for any other purpose	150.00		

ROAD STOCK CROSSING COST RECOVERY - TO BE APPLIED WHERE:

Crossing is not permitted and stock have left effluent and debris on the road	Actual and reasonable costs		Costs incurred by Council's contracted road maintenance provider
Permitted crossing where permit conditions to clean the road surface have not been complied with	Actual and reasonable costs		
Stock permit inspection and re-inspection fee where there is non-compliance with stock crossing permit conditions	105.00		Per inspection. Plus staff time at charge out rates

ROAD OPENING NOTICES/CORRIDOR ACCESS REQUESTS

Consent to work on or below the road includes:

Inspection and re-inspection where CAR (Carriage Way Access Request) or TMP (Traffic Management Plan) is not approved or complied with	per hour	220.00	Plus disbursements
Emergency works		51.00	
Minor works (connections and excavation less than 20 metres, on site)		51.00	
Major works		123.00	
Project work (work to exceed 28 days)		256.00	

OTHER

Applications for road closures and road use (including sporting, recreational or other events on the road)		123.00	
Assessment of Structures & Pavements	per hour	200.00	150.00
Road stopping applications - processing fee (excluding appeal to Court)		750.00	613.00
Application to discharge stormwater to road		123.00	
Decorative streetlighting (see District Plan rule 12.4.4.6)			Calculable
Overweight and over dimension permits		123.00	
Overweight permits requiring bridge analysis		256.00	Per application, plus
		200.00	Per bridge
Approval of a construction zone		256.00	
Capacity consumption calculations for discretionary activities - pavement widening rate	per m ²	160.00	140.00
Inspection, complaint monitoring, re-inspection when property owners fail to maintain structures or obtain permission for works on roads.	per hour	220.00	Include cost of remedial work undertaken by Council to remedy
	per km	0.80	Inspection kilometers

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All figures include GST

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RENTALS FOR ENCROACHMENTS ON COUNCIL LAND
Including but not limited to unformed road and esplanade reserves

Where Council land is used by a private entity for commercial gain, Council may charge a market rate to that entity for use of that land in accordance with its Policy on Rentals for Encroachments on Council land. The rental is based on the use of the land. Where the assessed rental charge is less than \$250.00 per annum, Council will not charge the annual rental.

Rates are subject to individual assessment of each lease agreement and will be determined on the factors set in the Policy.

Licence application fee

Licence to occupy legal unformed road to enable the carrying out of trade or business or for any other purpose

150.00

Usage		Approximate market rates per annum	
Forestry	Up to per Ha	100.00	As determined at time of agreement
Dairy	Up to per Ha	1,500.00	As determined at time of agreement
Grazing	Up to per Ha	650.00	As determined at time of agreement
Horticulture	Up to per Ha	3,500.00	As determined at time of agreement
Retail/Commercial	Up to per m ²	200.00	Katikati - As determined at time of agreement
	Up to per m ²	200.00	Te Puke - As determined at time of agreement
	Up to per m ²	65.00	Industrial - As determined at time of agreement
Kiwifruit - gold	Up to per Ha	*-	*5% of undeveloped adjoining land value
Kiwifruit - green	Up to per Ha	*-	*5% of undeveloped adjoining land value
Avocado	Up to per Ha	*-	*5% of undeveloped adjoining land value

COMMUNITY INFORMATION BOARDS
Business advertising signage

Supply and install signage	358.00
Replace damaged / missing signage	358.00

AS-BUILT DATA - ENGINEERING RECORDS

Receiving accurate/completed electronic as-built records for transfer to Council's Geographic Information System (GIS) and RAMM	per subdivision	100.00
Correction of inaccurate or incomplete as-built records	per hour	160.00 155.00
Conversion to electronic format		
Electronic conversion from paper as-built records	per hour	160.00 155.00
Transfer of electronic as-built records to Council's GIS system	per hour	160.00 155.00
Transfer of electronic as-built records to RAMM	per hour	160.00

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All figures include GST

UTILITIES

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Charges for services rendered to the public in excess of 10 minutes (15 minutes at discretion)	10 minutes	25.00
Services rendered for re-inspection of previously non-compliant works, plus internal fees	10 minutes	25.00
To observe & certify water pressure test on new water reticulation		150.00
To observe, test & certify residual chlorine test results on water reticulation		150.00

WATER CONNECTION

Administration fee		105.00
The physical connection to the water network will be undertaken by an approved contractor.		
Woodland Road Extension - new connection		4,511.45
		Includes capital contribution as required by Council's Rural Water Supply Extension Policy 2014

FINAL WATER METER READING

Final water meter reading requesting for up to 48 hour notice period		100.00
Final water meter reading requesting for up to five day notice period		50.00

STORMWATER CONNECTION

Administration fee		105.00
Inspection fee		105.00

SEWERAGE CONNECTION

Administration fee		105.00
Inspection fee		105.00

*Ongare Point/Te Puna West/Maketu wastewater connection charge

16,100 Maketu and Te Puna West are on a pressured wastewater scheme and each individual property is required to have an onsite grinder pump. The onsite grinder pump are owned and managed by Council. For a connection to these wastewater scheme landowners are required to make an upfront payment of \$16,100 (includes GST). Council will then manage the installation of the tanks on the property. Actual costs for tank installation will be reviewed at the completion of construction and the balance will be either charged or refunded to the landowner

*Ongare Point properties are required to have a STEP tank instead of a grinder pump as noted above

Obtain quotes from any registered drainlayer. If the stormwater or wastewater connection is undertaken by Council's Network Maintenance Contractor, at a cost to the applicant, no inspection fee will be charged.

All figures include GST

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TRADEWASTE BY-LAW CHARGES

Initial application fee	155.00
Connection fee (where applicable)	365.00
Disconnection fee	365.00
Re-inspection fee	286.00
Compliance monitoring (lab testing)	Actual cost
Temporary discharge application fee	143.00
Special rates for loan charges	Actual cost

ANNUAL TRADEWASTE CHARGES

Annual management fee for discharge to cover the wastewater authority's costs.

Based on classification of tradewaste as specified below

A Permitted (not required)	N/A	B2 Conditional Medium Risk	\$572.00
B1 Conditional Low Risk	\$286.00	B3 Conditional High Risk	\$1,145.00
		C Prohibited (not consentable)	N/A

TRADE WASTE RETICULATION AND TREATMENT CHARGES

Based on Schedule 1C Tradewaste By-law 2008 and existing Reticulation and Wastewater Treatment Plant costs

GREENWASTE DROP-OFF CHARGES (MINIMUM CHARGE APPLIES)**Bagged greenwaste per bag**

Minimum charge per bag - less than or equal to 50 litres	4.00
Black gardening bag - less than or equal to 250 litres	7.00
Woolbag - less than or equal to 500 litres	15.00

Loose greenwaste

All vehicles charged	per m ³	25.00	Amount charged per m ³
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Notes

Operator will measure vehicle loads and advise customer cost of disposal. Final charge will always be determined by the site operator.

All figures include GST

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NOTES

RECYCLING FEES (AT RECYCLING CENTRES ONLY)

FREE - there is no charge for recycling the following items:

- Newspapers
- Paper
- Cardboard
- Scrap steel
- Aluminium cans
- Metal cans
- Car batteries
- Waste motor oil
- Glass bottles (white/green/brown)
- Plastics (numbers 1 & 2)
- Plastic milk containers
- Plastic soft drink and juice bottles

No charge

NOT ACCEPTED - the following items are not accepted:

- Mixed waste
- Domestic cooking oil
- Organic waste
- Demolition waste
- Plastics (numbers 3 - 7)
- Polystyrene
- Contaminated recyclables
- E-waste

OTHER RECYCLABLES

Large whiteware e.g. fridges, washing machines, driers, stoves	10.00
Small whiteware e.g. microwaves, benchtop ovens and BBQs	5.00

TENTS/EQUIPMENT FOR SOLID WASTE/RECYCLING

Event Recycling Tents/Equipment (2 sets)		
Bond	per event/per set	100.00
User charge	per event/per set	75.00

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WASTE LICENSING FEE

Register as a licensed waste collector in the Western Bay District. Fee includes first truck

350.00

Fee per additional trucks

50.00

WORM COMPOSTING WORKSHOP

Worm composting workshop

34.50



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INDICATIVE FINANCIAL CONTRIBUTIONS - FOR INFORMATION ONLY

Financial Contributions are included in the fees and charges for information only and become effective on 1 July 2019. Financial Contributions are established based on the policy and methodology as presented in our District Plan in accordance with the Resource Management Act 1991. They may change in response to the capital works identified to be carried out as part of the Annual Plan.

Our District Plan contains the original infrastructure schedules used for calculating financial contributions. These are updated annually through the Annual Plan with respect to costs and time only and are presented below.

As the process for setting financial contributions is established in our District Plan, submissions through the Annual Plan public consultation process are limited to the quantum of the financial contributions as set through the costs and timing of the construction of the various infrastructure.

	PER ADDITIONAL LOT
WATER	\$
Western	4,592 4,639
Central	5,070 4,678
Eastern	12,687 12,773
WASTEWATER	
Waihi Beach	15,294 15,034
Katikati	6,296 5,730
Omokoroa	8,831 8,770
Te Puke	6,147 5,574
Maketu/Little Waihi	8,103 7,785
STORMWATER	
Waihi Beach	4,349 4,319
Katikati	5,232 5,358
Omokoroa	5,666 5,490
Te Puke	8,619 8,382
ECOLOGICAL	
Ecological	501
RECREATION AND LEISURE	
*Recreation and Leisure	8,461 7,423

*As a result of Plan Change 73 - Financial Contributions, that became operative on the 4 November 2016, the method of financial contribution calculations have changed from a fixed percentage based on land value to a fixed amount.

DWELLINGS ON MULTIPLE-OWNED MĀORI LAND

Applicable financial contributions are reduced by 50% where:

- the applicant completes the Papakainga Toolkit process; or
- the application has obtained funding through the Kainga Whenua Loan Scheme or the Kainga Whenua Infrastructure Grant to contribute towards the cost of financial contributions.

TRANSPORTATION	\$	
Margaret Place Extension	18,150	per lot
Access to Omokoroa Developments Limited (formerly Fiducia area)	28,714	per lot
Omokoroa Southern Industrial Area	3,418	per 100m ²
District-Wide	2,103 1,385	per lot

	PER ADDITIONAL LOT WITHOUT DISTRICT-WIDE TRANSPORTATION	PER ADDITIONAL LOT INCLUDING DISTRICT- WIDE TRANSPORTATION
URBAN ROADING	\$	\$
Waihi Beach	1,696 2,195	3,799 3,580
Katikati	3,020 3,002	5,123 4,387
Omokoroa	11,773 11,553	13,876 12,938
Te Puke	3,571 3,587	5,674 4,972
RURAL ROADING	\$	\$
Waihi Beach/Katikati Wards	9,534 8,763	11,637 10,148
Kaimai Ward	9,534 8,763	11,637 10,148
Te Puke/Maketu Wards	9,534 8,763	11,637 10,148

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