

Amendments to Ten Year Plan 2009-2019

Amendments to Ten Year Plan 2009-19

Background

Long Term Council Community Plans (LTCCPs) are required to be reviewed every three years. In the intervening years councils can accommodate variances to the cost of delivering the activities in the LTCCP through the annual plan process. This also enables councils to determine revenue requirements and set rates on an annual basis.

If councils wish to make significant changes or alter levels of services or policy outside of the scope of an annual plan, they must use the Special Consultative Procedure (SCP) to do this.

It should be noted that these amendments do not reflect non material changes to activities or the annual budget for activities, as these matters are covered in the Annual Plan.

The reasons for the amendments are:

1. To enable Council to more effectively implement or undertake the activities included in the Annual Plan.
2. To incorporate new policy or revisions to existing policy.
3. To provide improved clarity, or assist with interpretation of the plan.

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Amendment 1

Rating Policy (Removal of general rate differential category for Council property)

Reason:

To incorporate new policy or revisions to existing policy.

Part C Financial Statements and Supporting Information

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Background

Council, when preparing the Ten Year Plan 2009-19 and Rating Policy, continued with the policy of rating Council property all as though it was Business Urban.

While this practice mostly resulted in no additional cost to ratepayers, it did have the effect of there being high rates for Council's residential property.

Consequently if Council was selling any of these properties, it adversely affected the "saleability" of these properties.

Effect of amendment

Council property will be rated according to the purpose for which it is used. This will mean that residential property owned by Council will be charged the same rates as other residential property with the same value.

Amendment

Differential General Rate categories:

		Relative differentials for the general rate
Residential rating categories		
1	Residential – General Urban	100%
2	Residential – General Rural	76%
3	Residential – Two Unit Urban	110%
4	Residential – Three Unit Urban	230%
5	Residential – Four Unit Urban	300%
6	Residential – Multi Unit Urban	360%
Farming rating category		
7	Farming – General	76%
Business rating categories		
8	Business – Urban	360%
9	Business – Rural	228%
Council rating category		
10	Council Property	380%

Amendment 3

Expanding Rotorua waste minimisation services

Reason:

To incorporate new policy or revisions to existing policy.

Introduction

As a result of submissions to the Ten Year Plan 2009-19 Council called for a detailed investigation and report into the best way of delivering recycling services for the future. Various options have been costed and residents had an opportunity to consider what level of service they require.

The prevailing view is that the existing recycling service was working well, with comparable levels of recyclable material being collected with a kerbside collection.

In the 2008/09 financial year, 3,630 tonnes of material was recycled through the existing drop-off centres, the majority of which (55%) was collected at the In-Town Recycling Centre. This equates to approximately 55kg per person recycled annually. The Rotorua District's current recycling level exceeds most other cities and districts who use a bag kerbside recycling collection,

though is considerably less than those who use a wheelie bin service, but is at a significantly lower cost per ratepayer. The average cost of RDC's current In-Town Recycling Centre and rural drop-off centres is \$21.61 per property.

New waste minimisation initiatives were identified within one of the three key themes in the council's Ten Year Plan 2009-2019. The community outcome 'A community that respects its environment' also makes specific mention of waste reduction, re-use and recycling. The community wide discussion on waste minimisation and recycling services enabled Council to decide the appropriate service that meets the community's expectations, delivers acceptable levels of waste reduction through recycling opportunities and will be provided at an acceptable cost.

Summary of options considered

The following table outlines the key aspects of all waste minimisation and kerbside recycling options considered, including the advantages, disadvantages, areas covered and costs:

Description of service	Current Service Status Quo – current provision	Option 1 Bag Kerbside (Urban)	Option 2 Open Crate Collection	Option 3A Comingled Wheelie Bin (Urban)	Option 3B Wheelie Bin, separate glass (Urban)
Advantages	<ul style="list-style-type: none"> Low costs Yield good compared with other options 	<ul style="list-style-type: none"> Some degree of user separation Low capital costs 	<ul style="list-style-type: none"> Some separation at collection point Low capital costs Contamination can be identified at source 	<ul style="list-style-type: none"> Reduced health and safety issues due to automatic lifting Higher yields 	<ul style="list-style-type: none"> Reduced health and safety issues due to automatic lifting Higher yields
Disadvantages	<ul style="list-style-type: none"> Only available for those prepared to transport material to centre 	<ul style="list-style-type: none"> Minor contamination issues Health and safety issues for collectors Lower yields than alternatives and possibly lower yield than existing drop-off Unightly on residential streets 	<ul style="list-style-type: none"> Health and safety issues for collectors Capacity of crate may limit yield 	<ul style="list-style-type: none"> Higher capital cost, particularly sorting facility Contamination issues Specialist collection vehicles are required Vehicle access to bins can be difficult in areas with a lot of roadside parking External storage of wheelie bins Wheelie bins can be difficult for elderly and disabled 	<ul style="list-style-type: none"> Higher capital cost Contamination issues Specialist collection vehicles are required Vehicle access to bins can be difficult in areas with a lot of roadside parking External storage of wheelie bins may be difficult for some residents Wheelie bins can be difficult for elderly and disabled
Area covered	District wide	Rotorua urban residential area	Rotorua urban residential area	Rotorua urban residential area	Rotorua urban residential area
Increase in cost (\$):					
Operating Expenditure	\$0	\$970,000	\$1,000,000	\$1,770,000	\$1,190,000
Debt Servicing	\$0	\$495,200	\$628,000	\$1,273,600	\$742,200
Per property	\$0 – Currently costs an average of \$21.61 per property	\$76.47 – Targeted rate	\$84.97 – Targeted rate	\$158.85 – Targeted rate	\$100.85 – Targeted rate
Loan(s)	\$0	\$4,510,000	\$5,720,000	\$11,600,000	\$6,760,000

Amendment 3

Expanding Rotorua waste minimisation services **cont.**

	Option 4A	Option 4B	Option 5
Description of service	Extend Drop Off Centre (All)	Extend Drop Off Centre (Ngongotaha) Plus Satellite Improvements to In-town Recycling Centre (All)	Allow private service
Advantages	<ul style="list-style-type: none"> Lower cost to council Encourages user separation and responsibility High quality product achieved at low cost 	<ul style="list-style-type: none"> Lower cost to council Encourages user separation and responsibility High quality product achieved at low cost 	<ul style="list-style-type: none"> No cost to Council Completely user pays Residents can choose to use or not use the service
Disadvantages	<ul style="list-style-type: none"> May be perceived as lower level of service to kerbside collections Relies on people being committed to recycling and is unlikely to encourage more people to recycle than existing 	<ul style="list-style-type: none"> May be perceived as lower level of service to kerbside collections Relies on people being committed to recycling and is unlikely to encourage more people to recycle than existing 	<ul style="list-style-type: none"> Higher cost to those choosing to have such a service No specific incentive for private provider to reduce waste volumes
Area covered	All areas of the district	All areas of the district	Individual choice – economic
Increase in cost (\$):			
Operating Expenditure	\$0	\$300,000	-
Debt Servicing	\$80,150	\$109,800	-
Per Property	\$0	Approximately \$14.66 extra in general rates paid by all properties	Private cost
Loan(s)	\$730,000	\$1,000,000	-

Detailed consideration of options

All options considered are for services to residential properties only. Currently private operators already collect approximately 2,100 tonnes of recyclables per annum from the commercial sector. At this stage there is no expectation that Council would institute a new service for the commercial sector, which already has access to the existing In-Town Recycling Centre.

Before reaching its preferred position, the council considered a number of factors in assessing the options. These are summarised in the points below:

- Waste Minimisation Effect
 - Beneficial Reuse of Material
 - Transportation Requirements
 - Cost of Service
 - Convenience / User Acceptability
 - User Accountability
 - Risks
-

More detail on all options is included within the report 'Solid Waste Assessment, Recycling Business Case'. The report is available on the Council website at www.rdc.govt.nz or by contacting the Council by telephone on (07) 348-4199.

After considering the advantages and disadvantages of each option and the submissions received Council selected option 4B.

Impact of Council's selected waste minimisation option

The following table shows the impact of Council's selected option (4B) over the period of the Ten Year Plan:

Changes (\$000)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Waste Management										
Direct Cost (Net) ¹	-	-\$686	-\$490	-\$505	-\$520	-\$535	-\$550	-\$565	-\$580	-\$600
Funding:										
Targeted Rates		-\$824	-\$848	-\$814	-\$900	-\$927	-\$955	-\$984	-\$1,013	\$1,043
General Rate	-	\$138	\$358	\$369	\$380	\$392	\$405	\$419	\$433	\$443

¹ Council had made provision in the Ten Year Plan 2009-19 to establish an improved refuse collection service from 1 July 2010 to be funded from targeted rates. Council has selected option 4B (improving the in-town recycling centre and establishing a drop-off at Ngongotaha) from 1 March 2011. The figures show the net cost of option 4B and changes to funding over the period of the Ten Year Plan 2009-19.

Amendment 3

Expanding Rotorua waste minimisation services [cont.](#)

Summary

Following consideration of all submissions on this matter, Council has selected what it believes to be the most sustainable recycling option for residents of Rotorua District.

The extension of recycling drop-off centres, including provision of a new centre at Ngongotaha and improvements to the existing In-Town Recycling Centre will have a one-off capital cost of \$1 million to establish with additional ongoing annual operating costs of approximately \$352,500 per annum and the operating costs will be paid for from the general rate.