

2. OPTIONS FOR PROVIDING HARDSHIP ASSISTANCE FOR DOMESTIC REFUSE COLLECTION UNDER A WASTER PAYS REGIME

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The purpose of this report is to assist the Council in making a policy decision for the provision of hardship assistance for domestic refuse disposal under a waster pays regime.

BACKGROUND

The Council resolved on 15 July 2003 to halve the number of rate-funded rubbish bags supplied to each household in a year. This resolution was also subsequently confirmed at the Council meeting of 23 October 2003. In addition it was also resolved that a hardship policy be developed as a matter of urgency and be part of the consultation process. In considering this move, the Council wished to ensure that assistance was provided for rubbish disposal to those households facing genuine hardship. It was resolved at the 12 September 2002 meeting of the Sustainable Utilities and Transport Committee, that \$40,000 be included in the Solid Waste budget from 2003/04 onwards for this purpose. The issue of how to provide this assistance has been before the Sustainable Utilities and Transport Committee twice (September and November 2002) but has still not been agreed. This report evaluates the options for providing hardship assistance with the intention of reaching a decision on this matter.

OPTIONS AVAILABLE TO THE COUNCIL

The following is a description of the options available to the Council.

1. Provide No Assistance

All households will receive 26 rubbish bags per year and can buy additional bags if they require them. The initial "waster pays" proposal of moving to zero rate-funded bags provided greater justification for the provision of hardship assistance, but the decision to provide 26 rate-funded bags can be seen to significantly reduce the need for hardship assistance. Therefore, the Council can consider not providing any additional bags to residents facing hardship, as is practised in all other major centres that have moved to full "waster pays".

2. Provide Assistance Through The Mayors Welfare Fund

The Mayor's Welfare Fund (MWF) can be used to provide hardship assistance for domestic refuse disposal in the following way. When interviewing clients who are seeking financial assistance, MWF staff can give the client, if they qualify for assistance based on the MWF's existing criteria, a voucher for a suitable number of rubbish bags redeemable at the Civic Offices, (this assistance can only be given by the MWF staff in the Civic Offices). Information on how to reduce household rubbish would also be provided at this time. The MWF would not issue rubbish bags in isolation, but as part of the assistance package provided to suitable applicants.

Currently around 2,500 people per year are given assistance through the MWF. Providing 25 rubbish bags to each applicant would amount to \$63,000 worth of rubbish bags per year, excluding GST.

3. Provide Assistance Through The Mayors Welfare Fund And Council Service Centres

Residents could seek free rubbish bags from both the MWF (option 2) and from customer representatives at service centres and the Civic Office. It is suggested that an appropriate quantity of bags to issue at the service centres is ten bags per applicant. Given the relatively low value of such an issue (approx \$11.50), it is considered that no rigorous evaluation process would be warranted. Consequently, the assistance provided through the service centres will effectively be "on demand". Residents seeking free bags would be required to provide proof of identity and proof of their permanent address, so that these details can be entered into and monitored through the "Request For Service" system. Staff would issue bags at their discretion but no more than 10 bags would be issued per year for an individual property. Based on 10% of households asking for free bags at the service centres, plus the bags being issued through the MWF, this option would cost the Council approx \$190,000 per year excluding GST. In the extreme, if all residents requested an additional 10 bags, then it could cost the Council \$1.3 million in lost revenue and potentially defeat the purpose of direct charging.

4. Provide Assistance Through Existing Community Supporting Networks

Free rubbish bags could be allocated through organisations such as the City Mission, Age Concern, the Salvation Army, the Refuge and Migrant Centre and church related networks like the Methodist or Presbyterian Support. Like option three a rigorous evaluation process is not considered warranted and the allocation of rubbish bags will again effectively be "on demand". This option was discussed in the 5 November 2002 report and has a range of disadvantages including the support organisations being overrun with requests for bags, distribution and storage difficulties for the support organisations and the need for the Council to be even handed in allocating the bags to a wide range of organisations. This option provides even less control than option 3 because the organisations will not be able to track the applicants details. The cost of this option is likely to be similar to option three.

5. Special Needs Groups

The issue of providing free rubbish bags to groups with special needs has been raised, for example, to users of incontinence pads. This option has been discarded because of the need for the Council to be even handed in the allocation of bags (one group is no more likely to be facing genuine hardship than another) and because of difficulties in identifying the individuals within a certain group. In effect, this option is covered by option 3 or 4 and would once more be "on demand".

CONCLUSION

Professional advice from the staff is to provide assistance for hardship via the Mayors Welfare Fund only and that this assistance would include a voucher for an additional 26 rubbish bags per applicant. This system is estimated to have a total cost of \$63,000 per year (option 2). However, if the Council decides on another option, it can be implemented, but may have a considerable cost and could potentially impact on the Council's waste minimisation goals.

SUMMARY

Following its decision to reduce the number of rate-funded rubbish bags to 26, the Council has requested that options for providing hardship support be presented to Council for consideration. The Council must decide if it will provide hardship assistance for refuse disposal and if so, how it will be implemented. Five options have been put forward for consideration:

1. Provide no assistance (zero cost).
2. Provide assistance through the Mayors Welfare Fund (estimate \$63,000 per year excl GST).
3. Provide assistance through the Mayors Welfare Fund and the Council service centres (estimate \$190,000 per year excl GST).
4. Provide assistance through existing community support networks (estimate \$190,000 per year excl GST).
5. Provide assistance to individuals with special/medical needs (estimate \$190,000 per year excl GST).

Option two is strongly recommended at a cost of approximately \$63,000 per year. Should the Council choose another option it is likely to have a considerable additional cost and may impact on the Council's waste minimisation goals.

Recommendation: That option one above be adopted and no assistance be provided.