

6. HARDSHIP ASSISTANCE FOR DOMESTIC REFUSE DISPOSAL

General Manager responsible:	General Manager City Environment, DDI 941-8656
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PURPOSE OF REPORT

1. The purpose of this report is to review hardship assistance for domestic refuse disposal, via the mechanism of a targeted free refuse bag supply.

EXECUTIVE SUMMARY

2. Over the past four years the Council has considered the issue of hardship assistance for domestic refuse disposal a number of times. When discussed by the Council in September and November 2002, no decision was reached and the matter was referred for further review. In November 2003, the matter was brought to the Council again after further review by Council staff. The Council voted against the provision of hardship assistance for domestic refuse disposal.
3. In December 2005, the Liveable City Portfolio Group considered a staff presentation on the matter, the issue having arisen from consideration of a related matter. Staff recommended confirmation of the November 2003 Council decision. However, the Portfolio Group requested that the issue of hardship assistance for domestic refuse disposal be brought to the Council for further consideration.
4. A number of options have been reviewed, ranging from no hardship assistance for domestic refuse disposal to allocating refuse bags based on "special needs":
 - Option 1 - Maintain status quo - provide no assistance
 - Option 2 - Provide assistance through the Mayor's Welfare Fund
 - Option 3 - Provide assistance through the Mayor's Welfare Fund and Council Service Centres
 - Option 4 - Provide assistance through existing community support networks
 - Option 5 - Provide allocation to "special needs" groups only
 - Option 6 - Provide metered assistance through specified community support networks
 - Option 7 - Provide refuse bags to low-income tenants
5. Options 1 through 5 were considered previously at the Council's 23 November 2003 meeting. Option 6 was proposed at the 15 December 2005 meeting of the Liveable City Portfolio Group, and also arising from that meeting, Option 5 has been re-examined in more detail. Option 7 was identified subsequent to the December 2005 Portfolio group meeting.
6. All options have focused on the domestic situation only.
7. Significant issues exist for any approaches to the provision of hardship assistance for domestic refuse disposal, including the difficulty in many instances in determining the recipients and in implementing and monitoring the programme.

FINANCIAL AND LEGAL CONSIDERATIONS

8. There will be no financial impact for option 1.
9. Annual costs to provide hardship assistance for domestic refuse disposal could range from \$25,000 to \$900,000 or more for options 2 through 7, depending upon how the assistance was implemented, and the demand for the service.

STAFF RECOMMENDATION

It is recommended that the Council retain the current policy of providing no special assistance for domestic refuse disposal.

BACKGROUND ON HARDSHIP ASSISTANCE FOR REFUSE BAGS

10. Occasionally, residents contact Council staff and Councillors inquiring about the provision of official Council refuse bags above the allocation of 26 bags funded through rates. Requests may be made by households in which incontinence products are used, dialysis products, and other requests related to household conditions which may result in larger quantities of refuse being generated by the household (eg large households).
11. Over the last four years, the Council has considered hardship assistance for domestic refuse. At its 12 September 2002 and 21 November 2002 meetings, the Council discussed the issue. A decision was not reached at that time, with the Council resolving on 21 November 2002 to further review the matter.
12. A subsequent review of options for provision of hardship assistance for domestic refuse was considered at the 23 November 2003 Council meeting. Five options for hardship refuse disposal assistance were reviewed. At that meeting the Council resolved to provide no additional hardship assistance for domestic refuse disposal.
13. The Liveable City Portfolio Group, at its 15 December 2005 meeting, discussed hardship assistance, the issue having arisen from consideration of a related matter. Staff recommended continuance of the Council's 23 November 2003 decision, but the Portfolio Group decided to refer the matter to the Council for further consideration.

EXISTING ASSISTANCE PROGRAMMES

14. There are existing programmes which can provide some assistance to those on limited or fixed incomes and those with health problems or disabilities. Organisations such as Work and Income New Zealand, Age Concern, and Nurse Maude all provide forms of assistance to their clients (see Attachment 1).

OPTIONS FOR HARDSHIP ASSISTANCE

15. Five options were considered at the Council's 23 November 2003 meeting. These same options were discussed at the 15 December 2005 Liveable City Portfolio Group meeting. A sixth option arose at the December 2005 Liveable City Portfolio Group meeting, while a seventh approach was identified subsequent to that meeting.
16. A summary of each of the seven options, with advantages and disadvantages for each, is provided in Table 1. A more complete discussion of these options is provided in Attachment 1.

Table 1. Summary of Options

Option	Advantages	Disadvantages	Costs
1. Status Quo - Provide no assistance	<ul style="list-style-type: none"> ▪ Level playing field; all residents treated the same ▪ Avoids creation of black market 	<ul style="list-style-type: none"> ▪ Reluctance by the Council to be seen to be "doing nothing" 	<ul style="list-style-type: none"> ▪ No additional cost
2. Provide assistance through the Mayor's Welfare Fund (MWF), as part of any overall assistance provided	<ul style="list-style-type: none"> ▪ Established programme ▪ Established system for eligibility ▪ Relatively constant number of participants in MWF 	<ul style="list-style-type: none"> ▪ May face marked increase in demand for MWF ▪ Assistance only through MWF Office. ▪ MWF not intended for long-term assistance ▪ Existing MWF staffing may be insufficient to handle demand 	<ul style="list-style-type: none"> ▪ Annual costs of \$78,000 in lost revenue

Option	Advantages	Disadvantages	Costs
3. Provide assistance through the Mayor's Welfare Fund and Council Service Centres	<ul style="list-style-type: none"> ▪ Some oversight of process, as Council operation ▪ Greater accessibility than Option 2 	<ul style="list-style-type: none"> ▪ Unknown level of demand ▪ Council infrastructure may not be adequate to handle demand ▪ Unknown level of demand creates uncertainty for budget planning ▪ Lack of control: who determines eligibility and how it is verified; ▪ Auditing of the RFS system would be needed to avoid potential for "double-dipping" ▪ Potential for black market in refuse bag sales ▪ Current staffing may be inadequate to handle demand 	<ul style="list-style-type: none"> ▪ Annual costs from this "on demand" service could range from \$245,000 to over \$900,000 or more in lost refuse bag revenue
4. Provide assistance through existing community support networks	<ul style="list-style-type: none"> ▪ Wide range of outlets for public to utilise, depending on the number of organisations included in the programme 	<ul style="list-style-type: none"> ▪ Need for even-handedness in distributing refuse bags; would need to provide to wide and diverse range of community support organisations ▪ Lack of co-ordinated tracking, with potential for "double-dipping" ▪ This "on demand" service the programme would severely limit ability to plan and budget ▪ Need for Council infrastructure to administer and audit programme ▪ Not all community organisations may favour this option, since they could be overwhelmed ▪ Potential for black market in refuse bag sales 	<ul style="list-style-type: none"> ▪ Annual costs could be expected to be similar to option 3.

Option	Advantages	Disadvantages	Costs
<p>5. Provide allocation to "special needs" groups. Only domestic situation considered. Assumed that businesses eg rest homes and the like would not be eligible, (see further information Attachment 1)</p>	<ul style="list-style-type: none"> ▪ Council seen to be responding to a demand ▪ If criteria developed, could be relatively objective determination of eligibility 	<ul style="list-style-type: none"> ▪ Definition of "special needs" problematic ▪ Identification of those who fall into category of special needs also challenging ▪ Likelihood that other groups may seek "special needs" status in order to gain access to free refuse bags ▪ Potential for abuse of system. Need to create Council infrastructure to administer and monitor 	<ul style="list-style-type: none"> ▪ Annual costs difficult to estimate until "special needs" defined. Upper limit of costs could be expected to be similar to option 3.
<p>6. Provide metered assistance through specified community support networks. (ie allocate a fixed number of bags per organisation per annum)</p>	<ul style="list-style-type: none"> ▪ Compared to options 3 and 4, this approach could allow for better planning due to a specified number of bags to be distributed 	<ul style="list-style-type: none"> ▪ Like option 4, need for even-handedness, to provide to wide and diverse range of community support organisations ▪ With limited number of bags, participating organisations would need to develop system for free bags ▪ Need for Council infrastructure to administer and audit programme ▪ Like option 4, lack of coordinated tracking could allow "double-dipping" ▪ Community support organisations may not favour this option, since they could be overwhelmed by requests for refuse bags ▪ Could lead to inequities, since large organisations would receive the same number of bags as smaller ones ▪ Potential for black market in refuse bag sales 	<ul style="list-style-type: none"> ▪ Annual costs would depend on number of specified organisations and number of bags allocated to each; at least \$25,000 in lost revenue expected
<p>7. Provide refuse bags to low-income tenants</p>	<ul style="list-style-type: none"> ▪ By distributing through existing housing office, no need for new infrastructure 	<ul style="list-style-type: none"> ▪ Demand uncertain ▪ Not all low income tenants in state housing ▪ Little or no control, other than by limiting to those receiving housing assistance ▪ Potential for abuse, due to lack on controls ▪ Potential that other groups of residents would request similar service based on financial, social, medical or other need 	<ul style="list-style-type: none"> ▪ Annual costs would be approximately \$245,000 in lost revenue if all of state sector housing households requested the service

17. Significant issues exist with these approaches:

- Defining hardship. There is no single definition of hardship. Some of the approaches described here consider financial factors, others consider health factors, and some may consider both.
- Defining special needs. This term also has no single definition. Any programme using “special needs” status as the basis for provision of a service must define what the term means.
- How will the programme be managed and monitored? Each option would require some degree of monitoring of the programme, while three of the options would require management by Council units.
- Where is the line drawn for “special needs”? Assuming that a class or classes of those with special needs are identified, it is likely that residents with other needs will come forward to request similar assistance.
- What will be the impact to the Council’s waste minimisation goals? Some of the options could result in the provision of a significant quantity of free refuse bags.

18. These issues are discussed in greater detail in Attachment 1.

SUMMARY

19. The Council has considered this matter of domestic refuse disposal hardship assistance several times over the last four years, resolving in November 2003 to provide no special assistance for domestic refuse disposal. In this latest examination of the issue it is clear that the practicalities involved in setting up a programme for the allocation of refuse bags remain problematic due to several factors, not the least of which is the determination of who would be eligible for such a programme.