

**13. REFUSE BAG ALLOCATION POLICY**



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<b>Officer responsible:</b>	City Water & Waste Manager
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**PURPOSE OF REPORT**

1. The purpose of this report is to propose an update to the Refuse Bag Allocation Policy.

**EXECUTIVE SUMMARY**

2. The Council adopted the current Refuse Bag Allocation Policy in 2001, which reflected both the government valuation of properties at that time and the allocation of a coupon for two 26 bag Council rubbish bag packs which was in effect at that time. With changes to the government valuation in 2004 and changes to the allocation of Council rubbish bag packs, the Refuse Bag Allocation Policy should be updated to reflect current conditions.

**FINANCIAL AND LEGAL CONSIDERATIONS**

3. The proposal seeks only to update the Refuse Bag Allocation Policy to reflect current conditions and as such, no adverse financial impacts are anticipated.

**STAFF RECOMMENDATIONS**

It is recommended that the Council amend the Refuse Bag Allocation Policy, as follows:

- (a) That Council-owned community facilities be supplied with a coupon for one 26 bag pack.
- (b) That a coupon redeemable for one 26 bag pack be allocated annually to all properties of capital value greater than \$21,000, except undeveloped sections, on which full rates are paid.

## **BACKGROUND ON REFUSE BAG ALLOCATION POLICY**

4. On 26 July 2001, the Council resolved:
  - *That officers enhance the rates demand so that the refuse collection service is identified separately.*
  - *That Council-owned community facilities be supplied with a coupon for two 26 bag packs and that non-rateable properties such as schools, churches etc which do not pay full rates will not be eligible for an annual bag supply.*
  - *That a coupon redeemable for two 26 bag packs be allocated annually to all properties of capital value greater than \$14,000, except undeveloped sections, on which full rates are paid, and that ratepayers be encouraged to reduce to 26 bags per annum.*
5. In August 2004 the State Valuation Office (SVO), an independent valuer engaged by the Council, conducted a three-yearly determination of capital values of properties in Christchurch. The SVO reported that the total increase in the capital value of the city was \$47,304 million, an increase of 50% from the previous valuation conducted in 2001.
6. On 13 December 2005, the Liveable City Portfolio Group met to consider updating the Refuse Bag Allocation Policy.

## **PROPOSED REFUSE BAG ALLOCATION POLICY**

7. With a 50 per cent increase in property valuations in August 2004 compared to the 2001 valuations, the current refuse bag allocation policy has become outdated, given that it sets a property value limit lower than current valuation. At its 13 December 2005 meeting, the Liveable City Portfolio Group endorsed the recommendation that, in line with the 50 per cent increase in the average property valuation, the property value limit in the allocation policy be raised by 50 per cent, from \$14,000 to \$21,000.
8. In May 2004, the number of rates-funded rubbish bags redeemed per coupon was reduced from 52 to 26, which also rendered the current policy out of date. The Portfolio Group endorsed the recommendation that the refuse bag allocation policy be updated to reflect the change from 52 to 26 rates-funded rubbish bags, with an allocation of a single 26 bag pack per coupon.
9. The existing refuse bag allocation policy allocates refuse bags to fully rateable properties only. Non-rateable properties do not pay for refuse collection through rates, so are therefore ineligible for rates-funded allocations of refuse bags. Non-rateable properties include churches, schools, community halls and unrated sports club facilities.
10. Options for an allocation approach for non-rateable properties are:
  - Retain the current policy, in which only fully rateable properties are eligible to receive rates-funded refuse bags; or
  - Provide bags to non-rateable properties, even though these properties are not paying for refuse collection through rates and the added costs would have to be borne by fully rateable properties, which are paying for refuse collection through rates; or
  - Add refuse collection rates to non-rateable properties, a move likely to be of little value to larger non-rateable properties such as larger schools which are likely to require commercial refuse collection owing to the volume of waste. It is also questionable whether the addition of a targeted rate for refuse bags would provide any advantage over simply purchasing the needed bags.
11. At its 13 December 2005 meeting, the Liveable City Portfolio Group endorsed the recommendation to retain the current approach for allocation of refuse bags with respect to non-rateable properties.

12. With respect to the first resolution requesting that the rates demand be enhanced so that the refuse collection service be separately identified, this issue was debated during a subsequent Annual Plan process, and a Council decision was taken not to proceed with this initiative. However the issue was raised during the Council's recent debate on the draft Waste Management Plan, and staff have been asked to report again on this issue, which will be the subject of a separate report.

**SUMMARY**

13. Changes in property valuations and changes to the number of rates-funded rubbish bags have rendered the current refuse bag allocation policy out of date. An updated policy is recommended, which incorporates:
  - changes in minimum property valuations from \$14,000 in the current policy to \$21,000 in the updated policy; and
  - changes in the number of rates-funded rubbish bags from two 26-bag packs to one 26-bag pack per allocation.