

10. TARGETED UNIFORM ANNUAL CHARGE FOR REFUSE BAG COLLECTION AND DISPOSAL

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The purpose of this report is to recommend that refuse collection charges be shown on property owners rates assessments as a targeted uniform annual charge, ie in a similar manner as for water, sewerage, and land drainage.

BACKGROUND

During the process of public debate regarding the Council's proposal to reduce the number of rates funded black refuse bags, considerable confusion and scepticism existed in the public's mind about whether moving to 'waster pays' would result in a removal of any portion of their current rates bill. Under the current system, the net cost of the collection and disposal of black bags is included in the general rate. Because this cost is 'hidden' in this fashion, there is no clear and simple way of explaining to the public how the refuse portion of their rates bill is applied. It has been extremely difficult providing transparency to individual callers, much less getting the message across to the public at large. This confusion has also manifested itself at the Committee table on more than one occasion during debate on the issue of 'waster pays'.

OPTIONS

Option 1

Continue to fund the 26 refuse bags under the general rate.

- **Principal advantage**
 - No change required
- **Principal disadvantage**
 - Property owner cannot identify cost of service.

Option 2

Show the 26 bag funding as a separate targeted uniform annual charge (ie separate line item) on their rates assessment. For the 2004/05 year this would be for the sum of \$26 (excluding GST), and it would be applied in the same way as the uniform annual general charge (UAGC), with two exceptions.

Firstly the commercial properties in the CBD, which would not be charged this targeted refuse rate. The inner city has for many years operated on the basis of a seven day a week collection service with access to this service by direct purchasing of refuse bags. The proposal in this report is not seeking to change that arrangement.

Secondly vacant sections would not be charged the targeted refuse rate, and would therefore not receive any bags.

Note here that the \$26 charge will cover bag costs, collection, transfer and disposal.

Under this option it is proposed that the UAGC be reduced from the current \$105 to \$79. The total amount payable as a uniform charge therefore remains at \$105. Doing this means that the charge does not impact more heavily on lower value properties than higher valued ones.

- **Principal advantages**
 - For purposes of clarity the property owner will know the cost of service.
 - It makes the current complicated bag entitlement rules redundant. These rules would be replaced with the simple principle that those ratepaying properties on which the proposed uniform annual charge is applied would receive an allocation of bags. Those to whom the charge is not applied would simply purchase the quantity of bags they need.

- **Principal disadvantage**

- None

LEGAL ISSUES

The requirements of the both the Local Government Rating Act 2002, and the Local Government Act 2002 with respect to rating requirements can be met with this proposal.

SUMMARY

For purposes of clarity separate line items (ie targeted rates) are shown on a property owners rates assessment for water supply, land drainage and sewerage. For the same purposes of clarity it is recommended that the 26 bag refuse collection and disposal activity is listed separately as a targeted uniform annual charge on the assessment.

Staff

Recommendation: The Committee recommends to the Strategy and Finance Committee (or Annual Plan Working Party) that:

- (a) A refuse bag targeted uniform annual charge of \$26 (excluding GST) be set for 2004/05 with this charge being applied as per the UAGC, except for:
 - (i) vacant sections, and
 - (ii) commercial properties within the inner city area which is serviced by the seven day a week refuse collection service, and
- (b) The UAGC be reduced from its current \$105 to \$79.

Chairman's

Recommendation: That the above recommendation be adopted.