

Kōrero mai: te para me te hangarua

Talk with us: rubbish and recycling

He toro whakaaro ki te panonitanga o te Mahere ā-Ngahurutanga 2018-2028
Consultation document for an amendment to the Long Term Plan 2018-2028



Read through this document or
scan the code to read online at
haveyoursay.huttcity.govt.nz

HUTT CITY
TE AWA KAIRANGI

**Mā tō rourou, mā taku rourou
ka ora ai te iwi**

**With your basket and with my
basket, the people shall thrive**

A rourou is a small flax plaited food basket. The food baskets are put together to nourish the people.

This whakataukī is used to inspire unity.

It's going to take both the Council and our community to bring financial and environmental stability to our city.





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This document provides a summary of the approach we're taking to amend our Long Term Plan so we can make plans to implement improved rubbish and recycling collection systems for the city. This change will affect all households and we value your feedback. These proposals do not apply to commercial property owners. See page 4 for the ways you can have your say.

Consultation on the proposed changes and the options we are considering opens on Thursday 16 July and closes on Sunday 16 August.

To view the detailed amendment to the Long Term Plan visit
haveyoursay.huttcity.govt.nz



Message from the Mayor and Chief Executive

Kia ora

Our focus at Hutt City Council is on getting the basics right and making sure that Lower Hutt – Te Awakairangi is a place where everyone thrives. To achieve our shared aspirations we need good basic services provided where and when needed, and new investment in our infrastructure assets. We're taking a fresh approach to one of these services – rubbish and recycling – and we're seeking your views on our proposals to modernise these.

One of the key drivers for the changes we're seeking is that we need to do a better job at protecting our environment. On recycling day, and especially if it's windy, you can often see paper and other plastic products flying around our streets. These end up in our stormwater system and eventually the harbour and wash up on our beaches.

What's more, illegal dumping of rubbish is an ongoing problem, whether it's fly-tipping which directly contaminates the environment or rubbish left at recycling stations which results in all materials having to go straight to landfill. This is not acceptable or sustainable and costs ratepayers many thousands of dollars every year.

We want to make improvements and a positive contribution to protecting our environment for future generations. So it's really important that we get a system in place for rubbish and recycling that works for everyone and that, whatever approach is adopted, this contributes to cutting carbon emissions and reducing the amount of waste going to landfill. We also need to consider national emphasis on doing what we can to achieve a circular economy approach to waste management – this means that we re-use plastics as much as possible, rather than using more plastics and discarding them.

We're also keen to receive your feedback on how we can support our schools, early childhood centres and kōhanga reo in our city to do more recycling. We want to make it as easy

as possible for the organisations educating our children and tamariki and influencing their future behaviour to do this and not have the cost of these services being a barrier.

We acknowledge that many people have been choosing to pay for other options for their rubbish collection at the kerbside, such as private wheelie bins. We want to take a system-wide approach to rubbish and recycling, and better manage where that rubbish goes. It's also time to stop using rubbish bags and remove the health and safety risks to the people who pick them up.

We need to nurture our natural environment, to work with our communities to be the best we can be, and focus our attention on building a sustainable future. To meet all of our aspirations we are proposing a significant change to rubbish and recycling that could impact you, your family and the amount you pay to Council in rates.

We look forward to hearing your views so please take this opportunity to have your say.

Ngā mihi

Mayor Campbell Barry and Chief Executive Jo Miller



He kupu nā Te Koromatua rāua tahi ko Te Tumu Whakarae

Kia ora

Ko tā mātou aronga nui i Te Kaunihera o Te Awa Kairangi ko ngā mea matua, ka whāia kia tika. Ka tahi, ka rua kia noho mai tēnei tāone o Te Awa Kairangi hei wāhi pārekareka, whai hua ki hōna tāngata. E tutuki ai hō tātou nā wawata, me whai ratonga matua, i ngā wā, ā, ki ngā wāhi anō hoki e pīrangitia ana, me te whai whakaaro hoki ki hō tātou nā rawa, tūāpapa ōhanga nei. He rautaki hou tā mātou ki tētehi o ngā ratonga nei – rāpihi me te hangarua – ā, e pīrangi ana mātou ki hō koutou nā whakaaro ki tēnei tono hā mātou.

Ko tētehi āki i toko ake ai tēnei whakaaro, ko te whai whakaaro nui ki a Rangi ki a Papa me hā rāua tamariki. Hei taura, i ngā rangi hangarua, haere mai ana te taraka kohipara, kua pūhia kētia te para e te hau, ki ngā tiriti rērere haere noa iho ai. Ko hēnei para ka tau ki te puna wai āwha, ā, ka ū ki Te Whanganui a Tara, oti tōpū atu ki tātahi.

Ko tētehi raru nui anō, ko tā te tangata tuku noa i hāna para ki ngā wāhi kāhore rawa i te pai kia pēnā, akuanō te aha ko te mutunga iho o tēnā mahi, ko te tūkinotanga o Papa e takoto nei. Kāhore mātou e paku whakaae ana ki tēnā, ka mutu, ko ngā utu ka pīkaungia e ngā kaiutu rēti, inā ngā mano tāra ia tau.

E pīrangi ana mātou ki te whakapai ake i ngā mahi, hei painga anō ki te tiakitanga o te whenua, otinō hei oranga mō ngā whakareanga e haere mai nei. Nā reira, koinei tētehi mahi, tētehi rautaki, me mahi, me whakaū hei painga mō te katoa, ā, akuanō te mahi ka mahia, ko te mea nui ko te whai whakaaro ki ngā paihana e tukuna ana e tātou ki te taiao otinō ki ngā rua para. Kātahi, ka rua he aro ki te motu tonu, ā, ka pēwhea tā mātou tautoko, e porowhita mai ai te rere o ngā para me tōna ōhanga – arā kia rite tonu rawa te whakamahinga o te kirihou, ki tōna otinga, tēnā i te whakamahi i ngā mea hou, ā, ka tuku noa atu.

E pīrangi hoki ana mātou ki te whakarongo ki ngā whakaaro me pēwhea e tautokona e mātou ngā mahi hangarua ki roto ki hō tātou kura katoa o Te Awa Kairangi, rangatahi mai, kōhungahunga mai, kōhanga reo mai. Ka mutu, e whāia ana e mātou kia māmā rawa atu tā ngā ohu kaiako tuku i hēnei kōrero ki ngā taura, ā, kia kaua e noho mai ko te moni hei taiepa tiketike.

Mōhio pai ana mātou kua piri kē hētehi ki ngā kamupene kohi para me utu, arā, ngā wīripara nei, ka kitea i ngā taharori. E pīrangi ana mātou kia okea te tūāpapa o te pūnaha kia māmā ake ai te mōhio ki whea haere ai te para. Ka mutu, kua tae ki te wā, me mutu te whakamahinga o te pēke kirihou, me hōna tini ngārara ka tau peange ki ngā tāngata kua pāngia e rātou te pēke kirihou nā.

Me tiaki e tātou tō tātou taiao, me mahi tahi ki te ririte, me arotahi rā ki te anamata, hei anamata pai mo te katoa. He panonitanga nunui ki te pūnaha kohi para hangarua tā mātou e tono nei, ā, ka pāngia peange koe me tō whānau e hōna kawekawe, me te nui, te iti rānei, o ngā rēti ka utua ki te Kaunihera.

E hīkaka ana ki te whakarongo atu ki hō koutou nā whakaaro, nō reira, e pao Tōrea, kei whati te tai.

Ngā mihi

Koromatua Campbell Barry, Tumu Whakarae Jo Miller



Te tuku i ōu whakaaro

How you can have your say

We're making it easy to have your say.

We encourage you to:



Go online to haveyoursay.huttcity.govt.nz – for online feedback. This consultation document, the detailed amendment to the Long Term Plan and other relevant information can be viewed here.



We have also developed a rubbish and recycling cost calculator. Find out how your household's annual collection costs could change with the proposed options at haveyoursay.huttcity.govt.nz



OR Fill out the feedback form and return it to us by Sunday 16 August 2020.



OR Korero with your councillors. Your elected representatives will be available online. Send them a message!



We can also speak with your club, group or association. Call us on 04 570 6666 to arrange a time for us to talk to you.



If you prefer, you can write to us at:
**Rubbish and Recycling, Freepost 100039,
Private Bag 31912, Lower Hutt 5040.**



Information will also be available on our website www.huttcity.govt.nz

Your feedback will help guide our decision-making in finalising the amendment to the Long Term Plan 2018-2028, which will be adopted in September.

We need your feedback by Sunday 16 August 2020. If you want to provide your feedback directly to the Mayor and Councillors, there will be an opportunity for this through our hearings which are planned for Friday 28 August. We will make final decisions on Tuesday 15 September.

Te Panonitanga o Te Mahere ā-Ngahurutanga

Long Term Plan Amendment

As far as possible, we try not to change our three-yearly LTP, but the important decisions we need to make about our recycling and rubbish systems can't wait. We also received a strong message through our recent Annual Plan consultation that our community wants us to get on and address the issues with these services. That's why we're proposing an amendment to the current LTP.

Next year we will be required to do a full review and update of our LTP for the period 2021-2031. As part of this process we will review key strategies such as our infrastructure strategy and financial strategy, and complete a comprehensive review of priorities, plans and budgets.

Recycling and rubbish collection

Environmentally this is one of our biggest issues. We have to get better at collecting rubbish and recycling, and minimising what is sent to our landfill unnecessarily. We also need to get better at containing our recycling so that it doesn't enter the environment instead of going to the processing centre.

These changes will impact your rates. For recycling there would be an increase in the targeted rate currently charged to individual property owners. For rubbish, depending on which option is chosen, a new targeted rate could be introduced or costs would be paid by users. These costs are outlined later in this document so it's really important that you have your say now and this will help inform Council's decisions later on.

The next few pages examine these issues in more depth, provide options on how we could address these, outline the effect on rates, debt and levels of service, and invite your views on what we're proposing.

Our Significance and Engagement Policy considers a range of factors in determining the significance of our proposals. The proposed amendment to the current LTP has been assessed as meeting the requirements of the Policy and requires formal consultation under the Local Government Act 2002.

The detailed amendment to the LTP can be viewed on Council's website or haveyoursay.huttcity.govt.nz

Go to haveyoursay.huttcity.govt.nz for more information on our proposals and to give us your feedback.



Te hangarua me te kohinga para

Recycling and rubbish collection

Background

Every year, on average, each person in the Wellington region sends more than 600kg of rubbish to landfill. This is more than the weight of a full grown polar bear. We need to get better at reducing, re-using, reprocessing and recycling.

We are proposing significant changes to how kerbside collection operates in our city. For rubbish, households can currently choose to use our official rubbish bags or pay a private company. For recycling, as well as the weekly collection service, there are five community recycling stations across Lower Hutt.

We need a modern approach, that is environmentally-friendly and that is easier for more people to use.

Council's preferred approach

Council is looking at a system-wide change to rubbish and recycling to align with our wider waste minimisation objectives which include reducing litter, reducing waste going to landfill and less contamination in our recycling. Our preferred approach to rubbish and recycling is to change to an alternate weekly collection system. This means rubbish is picked up one week and recycling the next. As part of any new service, bins would be fitted with latches to prevent rubbish and recycling ending up as litter. These services would be funded by targeted rates, i.e. a cost per property, and would start in July 2021.

In any new rubbish and recycling system we want to provide services that customers want, can easily use and can afford. We must also consider the environment and how we're going to reduce our greenhouse gas emissions.

Impact on levels of service

Rubbish and recycling services that we provide are expected to improve with greater customer satisfaction and less litter

entering the environment over time as a result of the proposed change. Measures of performance will be developed in 2020/21 for implementation in the following year when the system is operational.

What's wrong with what we have now?

Recycling

- Recycling crates are too small, requiring community recycling stations to take the overflow.
- Illegal dumping at recycling stations causes contamination, which is costly to remove.
- Litter is often sent flying on windy days; it can get into our stormwater systems and lead to ocean and beach pollution.
- It is not a full cost service. Users are expected to pay for their own crates and nets.

Rubbish

- There are many health and safety risks for the people who collect rubbish bags.
- Increasing costs of bags could lead to more illegal rubbish dumping.
- Bags are prone to 'animal strike', e.g. damage from rats, dogs and cats.
- The market is increasingly moving towards alternative collection models with bins.

Hō mātou whakakaupapa

Our proposals

Recycling

We are proposing a change to recycling. The current kerbside collection service using crates has not been reviewed for many years.

Council currently charges \$40 per annum as a targeted rate to households that are able to receive this service. The advice Council has received during its review of the recycling service is that the existing crate service cost is expected to increase to an estimated \$116 per annum from 1 July 2021. This is largely because of higher processing costs, changing market values for recyclables and less efficient manual collection methods.

We are proposing that households would receive a 240-litre wheelie bin for mixed recycling, and a crate or wheelie bin for glass - both collected fortnightly. Households would also be able to opt for a smaller wheelie bin for recyclables such as a 120-litre bin. The targeted rate remains the same regardless of bin size. This new approach to recycling would assist in addressing the problems with the current crate where it is not large enough to contain recycling which then ends up as litter in the environment. This would mean an increase in the current \$40 per annum targeted rate to an estimated total of \$105 per property from 1 July 2021. This would apply to all households. The current community recycling stations would be removed. This does not include the recycling station at Seaview, which is run by a private company.

We've developed this proposal as a way of addressing problems with the current recycling system, and we'd value your feedback.

As part of the recycling change, we're also considering making this service free to the 200 or so schools, early childhood centres and kōhanga reo in our city. This would mean that the cost of providing free services to schools could be spread across ratepayers. Based on information from a neighbouring council that has implemented this practice, the cost (if funded by households) would be less than \$2 per annum. We would include this in our next LTP consultation, and would like to hear your views leading up to this.



Options for rubbish

We've worked with experts to come up with the following options as a way forward for rubbish collection for residents:



Option 1

(Council's preferred option):
Council provides a fortnightly
rubbish bin collection service



Option 2

Council provides a
pay-as-you-throw rubbish
collection service

Households would receive: a 240-litre wheelie bin collected fortnightly (default size)

NOTE: There will be some flexibility to choose a different size bin with a targeted rate reflecting the size of the bin. It's likely a fee would be charged for this separately and the details for this will be worked out in the coming year.

An 80-litre or 120-litre bin could be selected but this would have to be by 31 March each year because of the way rates are set.

Estimated targeted rate per property per annum from 1 July 2021 (based on fortnightly collection)

- **\$115** for a 240-litre bin
- \$80 for an 80-litre bin
- \$90 for a 120-litre bin

Households would receive: a 120-litre bin as part of a pay-as-you-throw wheelie bin collection service

NOTE: Households would only pay when the bin contents were collected.

Actual costs to households would depend on how frequently the bin was emptied and on sufficient numbers of households taking this up to make it a viable option.

Estimated user fee per property per annum from 1 July 2021 (based on weekly collection)

- **\$234** for a 120-litre bin if bin emptied weekly
- If the bin is emptied less frequently the cost would be \$117 per annum for fortnightly collection, \$58.50 per annum for four-weekly collection, or \$4.50 per pick up





Option 3

Council provides a weekly rubbish bin collection service

Households would receive: a 120-litre wheelie bin collected weekly (default size)

NOTE: There will be some flexibility to choose a different size bin with a targeted rate reflecting the size of the bin. It's likely a fee would be charged for this separately and the details for this will be worked out in the coming year.

An 80-litre or 240-litre bin could be selected but this would have to be by 31 March each year because of the way rates are set.

Estimated targeted rate per property per annum from 1 July 2021 (based on weekly collection)

- **\$144** for a 120-litre bin
- \$114 for an 80-litre bin
- \$288 for a 240-litre bin



Option 4

Council no longer offers a rubbish collection service

Instead of Council providing a rubbish collection service, **households would pay a private rubbish bin service provider**

Estimated user fee per property per annum from 1 July 2021 (based on weekly collection)

- Current market price - **\$285** for a 120-litre bin based on an average price (if bin emptied weekly)*
- Current market price - \$242 for an 80-litre bin based on an average price
- Current market price - \$411 for a 240-litre bin based on an average price

*Business case provided an indicative cost. As at February 2020 the price range for this service was \$245 to \$325 per annum, ascertained from pricing information publicly available on service provider websites. We've used a figure midway through the range for the purposes of this estimate.





Green Waste Optional Add-On

Council provides an opt-in green waste collection service

Council could provide households with a 240-litre green waste wheelie bin collected every four weeks. Households would only pay for this service if they have opted-in by 31 March each year. The green waste bin would only be available for garden waste, it would not be able to be used for any food waste.

Estimated targeted rate per property per annum from 1 July 2021 (based on four-weekly collection)

- \$95 optional cost

How do the rubbish collection options compare?

Addressing issues with the current services	Option 1 Fortnightly Collection	Option 2 Pay-as-you- throw	Option 3 Weekly Collection	Option 4 No Council Collection Service
Worker health and safety risks with current rubbish bag collection addressed	✓	✓	✓	✓
'Animal strike' issues with current rubbish bag collection addressed	✓	✓	✓	✓
Reduces the number of rubbish trucks on the roads and reduces associated greenhouse gas emissions	✓	No impact	✓	No impact
Opportunity to facilitate the roll-out of electric rubbish trucks in order to minimise greenhouse gas emissions further	✓	✓	✓	No impact
Risk of odour concerns with fortnightly bin collection	✗	No impact	No impact	No impact
Fortnightly bin collection may not suit the needs of larger households	✗	N/A	N/A	N/A
More choice for households to purchase a rubbish collection service that meets their household needs	No impact	✓	No impact	✓
We are concerned over the possibility that user pay options could lead to more household rubbish being illegally dumped or contaminating the recycling bins as a way of avoiding paying for a rubbish service	✓	✗	✓	✗

- ✓ = Positive impact
✗ = Negative impact

What's the timeline if we change the recycling and rubbish system?

- **16 July – 16 August 2020** Community feedback on service changes
- **15 September 2020** Decisions on service changes have been made
- **16 September 2020 – 30 June 2021** Getting ready for the service changes
- **1 July 2021** Service changes in place

Have we got it right? Do you agree with our proposals for change?

We want to hear from you before we make our decision.

Go to **haveyoursay.huttcity.govt.nz** for more information on our proposals and to give us your feedback, or use the Feedback Form at the end of this document.



How could this affect rates for a residential property?

Recycling changes

There is currently a targeted rate for recycling of \$40 per property per annum – with the move to a wheelie bin system this is estimated to increase by \$65 to \$105 per annum from 1 July 2021.

	Indicative cost per year (including GST) ¹				
	2020/21	2021/22	2022/23	2023/24	2024/25 onwards
Targeted rate per residential property	\$40 (current figure)	\$105	\$106	\$108	\$110

Rubbish collection changes

A proposed new targeted rate for all households would be introduced for rubbish collection services for options 1 and 3 and would be effective from 1 July 2021. Households that currently pay for rubbish bags or a private rubbish collection service would no longer have to pay for this under these options.

Option 2 would require households to pay for services directly to the service provider contracted by Council. For option 4 rates would not be impacted as households would pay a fee to a private service provider.

	Indicative cost per year (including GST) ¹			
	2021/22	2022/23	2023/24	2024/25 onwards
Option 1 – Fortnightly collection for a 240-litre wheelie bin: Rubbish collection targeted rate	\$115	\$117	\$120	\$123
Option 2 – Pay-as-you-throw for a 120-litre bin: No targeted rate however fee charged for this service	\$234 (weekly collection service) (\$117 for fortnightly collection, \$58.50 for four-weekly collection, \$4.50 per pick up)	\$239	\$245	\$251
Option 3 – Weekly collection for a 120-litre bin: Rubbish collection targeted rate	\$144	\$147	\$150	\$154
Option 4 – No Council collection service: No impact as service provided by private service provider	-	-	-	-

1. Figures adjusted annually for inflation.
2. Figures adjusted annually for inflation but exclude GST.

How could our finances be affected by changes to rubbish and recycling?

	Net change to budgets per year ²			
	2021/22	2022/23	2023/24	2024/25 onwards
Capital expenditure initially funded from debt	Option 1: \$4.7M Option 2: \$4.1M Option 3: \$4.3M Option 4 (recycling only): \$2.5M			
Net increased operational expenditure (fully funded through targeted rate or user fees) ²				
	2021/22	2022/23	2023/24	2024/25 onwards
Option 1	\$6.5M	\$6.7M	\$7.0M	\$7.2M
Option 2	\$6.7M	\$6.9M	\$7.1M	\$7.4M
Option 3	\$7.5M	\$7.8M	\$8.0M	\$8.3M
Option 4 (recycling only)	\$2.5M	\$2.6M	\$2.7M	\$2.8M

Proposed green waste service changes

How could this affect rates for the households that opt in?

A new targeted rate would be charged for households that choose to opt into this service. The indicative price is based on 50% of Lower Hutt households participating.

	Indicative cost per year (including GST) ¹			
	2021/22	2022/23	2023/24	2024/25 onwards
Impact on residential property rates	\$95	\$97	\$100	\$102

How could our finances be affected by an optional green waste service charge?

Net changes to budgets per year (fully funded through targeted rate) ²				
	2021/22	2022/23	2023/24	2024/25 onwards
Capital expenditure initially funded from debt	\$0.9M increase	-	-	-
Increased operational expenditure	\$1.7M	\$1.7M	\$1.8M	\$1.8M

How do the recycling and rubbish collection proposals impact on our financial strategy?

Council's financial strategy promotes the sustainable funding of services and is based upon the key principles of:

- affordability of rates
- delivering services effectively and efficiently
- achieving intergenerational equity by spreading the costs between both present and future ratepayers
- maintaining prudent debt levels
- strengthening Council's financial position.

These principles provide the foundation to driving towards sustainable financial management.

Impact on debt

The proposed changes would result in capital expenditure being incurred by Council which would be funded from borrowings. The amount of additional borrowings required would be dependent on the option chosen. In the context of the broader projected borrowings of Council across all the activities delivered by Council, the increased borrowing for this proposed service change would not have a material impact on borrowings. Consequently, there is no proposed change to the borrowing limits in the financial strategy.

Impact on rates revenue

The financial strategy includes an assessment of the affordability of rates as an important consideration. The LTP 2018-2028 included limiting rates revenue increases to reflect inflationary cost changes together with growth in the city rating base.

The proposed changes to the recycling service would result in a higher targeted rate for this service. Depending on the option chosen for the rubbish collection service, there may also be an additional rating charge for this service change, which is detailed in the options outlined in this document. The financial strategy would therefore be updated to reflect the changes to rates revenue. For the rubbish collection service, while households may be charged an increased cost, there would be an offsetting saving as there may no longer be the need to buy rubbish bags or pay for commercial operators' rubbish collection services, depending on which option was progressed.



LTP 2021-2031

The financial strategy will undergo a full review as part of the development of the LTP 2021-2031. The decisions made as part of this proposed service change for rubbish and recycling will be incorporated into the broader review of the financial strategy. There will be public consultation on the financial strategy as part of the LTP 2021-2031.



Considerations

As with any significant changes to the way the city operates it's important to consider all the factors that impact our basic services. This is essential when rolling out a new recycling and rubbish system as this affects everyone in our community. The contracts for our recycling and rubbish collection also expire on 30 June 2021, and we need new contracts in place from that date. A decision is required now so that changes can be made in time. We want to clearly set out the things we have considered and the assumptions we've made in developing the options for our new proposed rubbish and recycling service.

The environment

Hutt City Council is committed to reducing its carbon footprint and taking action now to lower our greenhouse gas emissions. Part of our approach with rubbish and recycling includes asking companies who may provide this service in the future to factor in using electric vehicles. Pricing for this is not reflected in the charges outlined in this document. This means that the price of the service may be higher in the short term but over the longer term our city and our people will be better off with less greenhouse gases and air pollutants in the environment.

Risks and Uncertainties

Cost Estimates

The cost estimates for the new rubbish and recycling system have been provided by expert waste management consultants Morrison Low. The cost estimates reflect tender prices from four procurement processes completed in the last 18 months. The costs have recently been reviewed ahead of this consultation and are based on 37,000 households receiving the new service.

Treasury's Better Business Case model was followed in determining the options for future waste management, and the review has confirmed that the Better Business Case estimates of cost per household remain appropriate for the rubbish collection options put forward. The estimates for recycling and green waste collection have been varied from those included in the original business case to reflect current market conditions.

The estimates are based on 90% of households using the fortnightly collection service outlined in option 1. It has been calculated that the costs could increase by \$10 per household per annum if 100% of households used the service. This is because there would be more rubbish going to landfill which would incur more costs.

Effects of Covid-19

While Covid-19 and the ongoing impacts of the economic, financial and social consequences are expected to continue into the future, we know that there was minimal financial impact on the rubbish and recycling services during the lockdown between March and May, so have assumed that any future situation resulting in lockdown would be unlikely to impact the cost of the service.

Businesses and households will be under significant pressure in the months ahead so we need to ensure that whatever system is introduced for rubbish and recycling is cost effective and value for money. Pricing of the proposed services may also be affected in the future and we would advise residents of this.

Council has responded to Covid-19 with a range of initiatives to support the Lower Hutt community. The environment is changing rapidly and there is a need to continue to be responsive and provide immediate benefits that reduce financial stress and provide social support to our residents. There are several aspects to Hutt City Council's Covid-19 Response Plan. These include rates and charges, including a new rates postponement policy which we are promoting widely (www.huttcity.govt.nz/rateshelp); support to businesses, a focus on welfare, and other initiatives including a new Community Resilience Fund.

Pricing

The government has signalled that the cost of sending rubbish to landfill is going to increase. This change and any changes to the Emissions Trading Scheme (ETS) could impact the pricing of rubbish collection services outlined in this document. Our cost estimates are based on current ETS and Waste Disposal Levy costs.

Rubbish and recycling prices also factor in collecting from apartments, private streets and rural areas. The costs of this service, which requires more resourcing, are currently spread across all ratepayers. If there is a very high uptake from these households, this may impact pricing.

The new system means that Council has to pay up front for new rubbish wheelie bins and recycling crates/wheelie bins. The cost of this is then spread over the life of the asset.

The tonnage of rubbish and recycling collected affects pricing as well. The prices we've used for our estimates reflect typical ranges elsewhere in New Zealand. Because of the mix of private and public collection services for rubbish currently, the volumes for Lower Hutt are not known.

Recycling market volatility

As we have experienced over recent years the market for recycling products changes quickly. This affects not only the price that can be obtained for recyclables but also what products can be recycled. The impact of this was recently felt when overseas markets for plastics 3 to 7 disappeared and Hutt City Council made changes to only collect plastics 1 and 2. For our cost estimates we have assumed that revenue is at the lower end, reflecting current market prices.

Other Considerations

Multi-unit apartments and rural properties

Multi-units, apartments and properties on rural roads may not be suitable for receiving the services using 80-240-litre bins. For options 1, 2 and 3, alternative services would be made available, at an average household cost, using an alternative method, such as via a dedicated drop-off point using 660-litre bins.

Disabilities and older people

Wheelie bins can be challenging for older people and those with disabilities. For options 1 and 3, a 'wheel-in-and-wheel-out' service would be offered at an average household cost. This would be subject to qualifying criteria.

Rental properties

A rates-funded rubbish collection service as per option 1 and 3 would be paid for by the landlord as part of the property's rates. In our communications we will give everyone plenty of notice of any change. We will encourage landlords and tenants to talk about their requirements and to select an appropriate bin size.



Whakaaro tātari kaute

Audit opinion

To the readers of Hutt City Council's consultation document

Independent Auditor's Report on the proposed amendment of the 2018-28 long term plan

I am the Auditor-General's appointed auditor for the Hutt City Council (the Council). I have audited the information in the consultation document about the proposed amendment of the 2018-28 long-term plan (long-term plan), using the staff and resources of Audit New Zealand. We completed our audit on 13 July 2020.

Opinion

In my opinion:

- the information in the consultation document about the proposed amendment of the long-term plan provides an effective basis for public participation in the Council's decisions about the proposed amendment, because it:
 - fairly represents the reasons for and implications of the proposed amendment; and
 - identifies and explains the main issues and choices facing the Council and the city, related to the proposed amendment; and
- the information and assumptions underlying the information in the consultation document related to the proposed amendment are reasonable.

Basis of Opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate audit procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the proposed amendment.

We did not, as part of our audit work, evaluate the security and controls over the publication of the consultation document.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document whether in printed or electronic form;

- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document that meet the purposes set out in the Local Government Act 2002 (the Act); and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

I am responsible for reporting on the consultation document, as required by section 93D of the Act. I do not express an opinion on the merits of any policy content of the consultation document.

Independence and quality control

In carrying out our audit, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

In addition to this report on the Council's consultation document and all legally required external audits, we provided an assurance report on certain matters in respect of the Council's Debenture Trust Deed. These assignments are compatible with those independence requirements. Other than these assignments, we have no relationship with or interest in the Council or any of its subsidiaries.



Andrew Clark
Audit New Zealand

On behalf of the Auditor-General, Wellington, New Zealand







How can we stop our rubbish from blowing away on a windy day? 😊

I'm trying to cut down on my waste, can I pay less for smaller bins? 💰💰

What's the difference between rates funded and pay as you throw? 😍

