
To: Elected Members

From: Manager Transportation

Date: 14 October 2024

Subject: 2025-34 Long Term Plan – Kerbside Refuse Service

PURPOSE

The purpose of the 14 October Elected Members long term plan (LTP) workshop is to provide information on the assumptions made regarding a kerbside refuse service which will support a detailed budget discussion on 16 October.

COMMENTARY

Refuse collection has been a private sector service for over 20 years. There are several real or perceived negative impacts from Council not providing the service such as the higher cost of providing the service and illegal dumping. Through consultation on the Waste Management and Minimisation Plan in 2023, feedback from the community signalled a desire for Council to investigate service options.

Since then, staff have been investigating a new refuse collection service. At the end of 2023, several service delivery options were presented and discussed with Council and work has been progressing to investigate these options further.

Pay as you throw model

Initial service delivery options explored ‘pay as you throw’ models. These can work well in areas where there is a high level of non-permanent ratepayers, e.g. holidays homes, however, it can be problematic in other areas as the cost of refuse disposal can be a prohibiting factor leading to higher rates of recycling contamination and illegal dumping. In addition, ‘pay as you throw’ schemes may include options of households purchasing tags or bins of a certain size, the refuse service may not be used. The operational management of user-pays services also tends to be costly. Due to this, staff have developed a possible scenario which provides a service upon which a provisional estimate can be included in LTP modelling.

Food waste service

The previous government signalled a to-be-legislated kerbside food waste service. The current government is now reviewing that requirement and whether it should be a priority for councils.

At the 10 September LTP workshop, Elected Members acknowledged that a new kerbside food waste service did not align to the prioritisation principle of maintaining existing levels of service. Consequently, and together with the uncertainty in government direction, Elected Members requested the budget be reallocated to a possible new refuse service. This was seen as more

beneficial and providing greater value to Waipā households. A food waste collection service will be reconsidered through the development of the 2027-37 LTP.

Assumptions

Several assumptions have been made with regard to the proposed service:

- Wheelie bin size to be determined and collected weekly or fortnightly.
- Service designed to suit majority of households.
- Service will cover urban and properties on the fringes of residential areas (21,000 households).
- Will start 1 July 2026.

Exclusions include:

- Not a rural service due to cost.
- Not for retirement villages and body corporates.
- Not a pay as you throw scheme.

Costs are in three parts.

1. Establishment:
 - Project and systems set up and tendering \$900k;
 - Bin purchase \$1.86m +\$60k/year for replacements.
2. Annual staff management and overheads \$475k.
3. Contracted service \$3.2m +5%/year for inflation.

These costs are an **estimate** and **not** an exact cost. Actual costs will depend on many factors including how competitive the tender bid process is, what is included in the contract or not, how much risk the operator takes on, the term of the contract etc.

NEXT STEPS

A workshop providing details on the service delivery options will be scheduled some time in the next few weeks. The outcome of this workshop will then inform the 5 November LTP workshop where consultation topics will be discussed.

ATTACHMENT

Title	ECM #
Kerbside refuse service presentation	11315534



Bryan Hudson
MANAGER TRANSPORTATION