



## New Developments Contribution Policy

### 4.0 THE ADOPTED POLICY

#### PART 1 ► INTRODUCTION

Council is required under the Local Government Act 2002 (LGA 2002) to have a policy on development contributions or financial contributions in its Long Term Council Community Plan (Community Plan). This policy on development contributions replaces a previous transitional policy on financial contributions.

The substantive part of this policy is contained in Part 2 which sets out how and when development contributions are assessed, as well as other provisions relating to payment of contributions such as timing of payments, enforcement, remission and postponement of payments. This part is read with the schedule of contributions at the end of the policy.

**Part 3** provides background to **Part 2**. It sets out, at a conceptual level, how the charges have been developed.

A summary of the financial contribution provisions contained in the Gisborne District Combined Regional Land and District Plan, which were adopted under the Resource Management Act 1991, is provided in Part 4 of the Policy.

**Part 5** addresses review of the Development Contributions Policy and revision of the contribution rates.

#### Part 2 ► ASSESSMENT OF DEVELOPMENT CONTRIBUTIONS

##### 2.1 COMMENCEMENT

Relevant applications (as set out in section 2.2) lodged after this policy is operational will be subject to assessment for development contributions. Any application lodged before this policy is operational will not be subject to assessment for development contributions. However any such application shall continue to be assessed under the existing financial contributions chapters of the Part-Operative Combined Regional Land and District Plan.

##### 2.2 TIMING OF ASSESSMENT and PAYMENT

By section 198 of the LGA 2002 Council may require a development contribution to be made when:

- ▶ A resource consent is granted under the Resource Management Act 1991 for a development;
- ▶ A building consent is granted under the Building Act 2004;
- ▶ An authorisation for a service connection is granted.

Gisborne District Council will assess the following types of applications to determine whether development contributions are required under this policy:

# New Developments Contribution Policy



## Residential Applications

- ▶ Subdivision (resource) consent applications where the subdivision would create the potential for additional residential allotments.
- ▶ Land use (resource) consent applications that are associated with new independent dwelling units e.g. a consent application to build a second dwelling on a property.
- ▶ Building consent applications that create the potential for a new independent dwelling unit.
- ▶ Applications for service connections to independent dwelling units (in the case of network infrastructure).

## Non Residential Applications

- ▶ Subdivision for non-residential purposes.
- ▶ Applications for land use (resource) consent or building consent associated with the construction of new buildings or the extension to buildings for non-residential purposes.
- ▶ Applications for land use (resource) consent or building consent associated with a change of use from residential to non-residential use, or to change the type of non-residential use,
- ▶ All service connection applications associated with non-residential activities including water, wastewater, trade waste and stormwater applications.

Applications will be assessed for five different types of contributions: Parks & Reserves, Land Transport, Water Supply, Wastewater and Stormwater.

Council will require payment of any contributions due at the first assessment for the development and when (if any) subsequent consent is sought for the development, a reassessment will be undertaken to determine whether further contributions are payable by applying the methods provided in sections.

## 2.3 METHOD FOR ASSESSMENT OF CONTRIBUTIONS

### 2.3.1 Formula for Calculating Contributions

Contributions (C) for Parks and Reserves, Land Transport, Water Supply, Wastewater and Stormwater will be calculated according to the following formula:

$$C = H \times R$$

Where:

H = Number of Household Unit Equivalentents (HUEs) calculated in accordance with section 2.3.2; and

R = The applicable rate per HUE for the type of contribution (activity) and the catchment associated with the development, as set out in Part B of the Schedule.



## New Developments Contribution Policy

### 2.3.2 Household Unit Equivalents (HUEs)

The Household Unit Equivalent (HUE) is the unit of demand which forms the basis for assessing development contributions.

#### 2.3.2.1 Residential Developments

For residential developments 1 HUE is attributed to each additional lot created (in the case of subdivision) and for every second and subsequent dwelling on a lot according to the following formula:

$$H = L + D - Cr$$

Where:

L = The number of existing and new allotments for residential purposes associated with the development which are located within the catchment for the contribution;

D = The sum number of second and subsequent independent dwelling units associated with the development, both existing and proposed, on each allotment.

Cr = The number of credits for existing demand and contributions already paid in relation to previous applications determined in accordance with section 2.3.3

Provided that

- a) Developments for dwelling units less than 60m<sup>2</sup> shall be attributed half the units of demand determined according to the above formula. A further half a unit of demand will be attributed for any application to extend a dwelling unit to 60m<sup>2</sup>.

Note:

- ▶ For the avoidance of doubt, buildings which are considered to be minor dwelling units under the Combined Regional Land and District Plan will be required to pay a half charge if a household unit could potentially reside in the building.
- ▶ Development contributions will not be payable where a consent is granted for a boundary adjustment and no additional dwelling units or allotments are proposed.
- ▶ When residential buildings are demolished or destroyed no development contributions will be payable on rebuilding provided that the same number of independent dwelling units are rebuilt.

## New Developments Contribution Policy



- ▶ When two independent dwellings are on one registered title and resource consent application is made to separate the properties into separate allotments (with individual titles) development contributions will not be charged.
- ▶ Additions to residential buildings do not attract development contributions unless the development creates an additional dwelling unit.
- ▶ Some home occupations will attract development contribution charges in accordance with the applicable rates for non-residential activities. Only those spaces used for the home occupations will be assessed.
- ▶ The conversion of dwelling units to non-residential use will also attract development contribution charges in accordance with the applicable rates for non-residential activities.

### 2.3.2.2 Assessment of HUEs for Non-Residential Development

The number of HUEs attributed to non-residential development (H) is calculated separately for each type of development contribution (activity) according to the following formula:

$$H = (U \times M) - Cr$$

Where:

U = The number of Units of Measure associated with the development;

M = The multiplier per unit of measure for the type of development as set out in Part C of the Schedule

Cr = The number of credits for existing demand and contributions already paid in relation to previous applications determined in accordance with section 2.3.3.

Provided that:

- a) If the actual development is unknown or uncertain at the time of subdivision then an assessment will be made of 1 HUE per new allotment for each service and the balance of the contributions assessed at the time of a building, land use and/or service consent application.
- b) Where the development is considered as a combination of different types of developments (in accordance with Part C of the Schedule) U x M represents the sum of the calculation for each part, i.e:

$$H = (U_1 \times M_1) + (U_2 \times M_2) \dots (U_n \times M_n) - Cr$$



## New Developments Contribution Policy

- c) If the actual demand associated with a non-residential development is likely to be significantly different, that is more than twice as much or less than half as much, than what is implied by the multipliers and demand assumptions in Parts C and D of the Schedule, the Council may, in its discretion, choose to calculate the number of HUEs by dividing the anticipated actual demand by the demand assumptions in Part D. In determining whether to use this alternative calculation the Council will consider:
- (i) The likelihood that the demand will change overtime and whether there would be further opportunities to assess for development contributions.

Note:

- ▶ Farm buildings such as hay sheds, store sheds, etc, will not attract development contributions if there is no change in the underlying rural activity to another type of activity (e.g. to light industrial, etc.) Otherwise non-residential developments in rural areas e.g. packhouses etc. will be assessed in the same way as those in the urban area.

### 2.3.3 Credit

The number of HUEs credited for existing developments and development contributions already paid in relation to previous applications shall be determined in accordance with the following principles:

- a) Non Transferable  
Credit HUEs are attributed to the allotment on which the development that is associated with the credit is/was located. For the avoidance of doubt, this prohibits transferring of credits from one allotment to another.
- b) Credits for Existing Residential Developments  
Credits for residential developments existing when the policy was introduced shall be calculated at a rate of:
- ▶ 1 HUE per service for each residential allotment in existence at the date of the policy; and
  - ▶ 1 HUE per allotment for any further allotments for which the subdivision application to was lodged, and the lodgment was accepted by Council, prior to this policy coming into operation; and
  - ▶ 1 HUE for every second and subsequent dwelling unit built or consented to on each allotment as at the date the policy was adopted, or for which a building consent was sought prior to notification of the policy.

Provided that no credits shall be granted for network infrastructure if the allotments/dwelling units are outside the area of service as at the date the policy was adopted.

## New Developments Contribution Policy



c) Credits for Existing Non-Residential Development

Credits for non-residential development existing when the policy was introduced shall be applied to every service connection granted before adoption of the policy, or for which connection was applied prior to notification of the policy. Credits shall be calculated in terms of the methodology and multipliers in place when the policy was adopted.

d) Credits for Past Payments

Where development contributions for a development have previously been assessed and paid, credit to the number of HUEs assessed shall be given with no historical time limit and all previous payments taken into account.

e) Special Circumstances

Special circumstances may apply in relation to some service connections which will be taken into account in determining credits e.g. a targeted or special rates levy has been agreed pending the installation of a new service and as such provides for that property to connect to the services when commissioned. Under these circumstances the special agreement would be honoured and no development contribution would be applied, except for where the demand proposed is greater than that envisaged by the special rate and a development contribution, or part thereof, will be charged.

Note:

- ▶ Credit will not be granted for infrastructure and/or services provided by a developer in excess of that required as a condition of any consents issued by Council except pursuant to a Special Circumstances Agreement provided for in section 2.3.7.

### 2.3.4 Catchments for Charging

The catchments for charging each type of contribution are set out below:

- ▶ Parks and Reserves – District-wide
- ▶ Land Transport - District-wide
- ▶ Water Supply – Gisborne Urban Area
- ▶ Wastewater - Gisborne Urban Area
- ▶ Stormwater – Gisborne Urban and Peri-Urban Area.

Maps of the Water Supply, Wastewater and Stormwater catchments are provided in Part E of the Schedule.



## New Developments Contribution Policy

Developments lying within a catchment will be charged the development contribution for that area. If for any reason a development falls outside the catchment and is still served by the network infrastructure in the adjacent catchment (e.g. if infrastructure is extended from the catchment into a neighbouring area to service a new development) then the calculation of contributions shall be as if the development was located within the adjacent catchment.

Development contributions shall not be payable for network infrastructure if a connection to the network is unavailable.

### 2.3.5 Money or Land

The LGA 2002 provides that a development contribution for Reserves may be money or land, or both. Under this policy the contribution for Parks and Reserves shall be made in money unless, at the sole discretion of the Council, land is accepted.

In general Council will only accept land as a development contribution for Parks and Reserves where it is specifically a recreation, scenic or historic reserve and will be vested as such on subdivision or otherwise classified. However Council may also accept easements for access, etc to Parks and Reserves or for recreational purposes. In determining whether to accept land the Council will have regard to its existing policies e.g. the Open Space Strategy for Gisborne City and Wainui and the Walking and Cycling Strategy. Drainage reserves and areas within reserves which are used primarily for drainage (e.g. retention pond areas), while they may be accepted by Council, will not form part of a development contribution for Parks and Reserves.

Contributions in land shall be valued at the equivalent market value at the time the land is accepted.

Esplanade Reserves required under the Resource Management Act 1991 will be offset against development contributions payable for Parks and Reserves, up to the value of the contribution payable.

### 2.3.6 Basis of Land Valuation

Where a land valuation is required for the purpose of calculating a development contribution, the valuation shall be a market valuation (GST exclusive) and shall be undertaken on the basis of:

- ▶ The rights and configuration given to the land under the consent application which gives rise to the development contributions assessment and including any rights or configuration given by consents already granted.
- ▶ The market value at the time the development contribution is assessed and required.

## New Developments Contribution Policy



### 2.3.7 Special Circumstance Agreements

Where it is in the best interests of all parties (the developer, the community and Council), the Manager of Engineering and Works and the Manager of Environment and Planning, on behalf of Council, may enter into a Special Circumstance Agreement with a Developer. The agreement must clearly state any departures from the standard development contribution calculation, and the reasons for entering into the agreement. Entering into a Special Circumstance Agreement will always be at the discretion of Council.

Reasons for entering into a Special Circumstance Agreement may include:

- (a) The developer seeks that infrastructure be provided over a different timeframe from what planned in the capital works programme;
- (b) Services can be provided in a manner different to Council's standard procedures/guidelines;
- (c) The Council seeks to acquire land for Parks and Reserves;
- (d) The development includes works which duplicate works provided for in Council's Community Plan; and/or
- (e) The development requires service levels in excess of what would generally be provided for in the zone and the Council considers that it is appropriate to provide the service;

### 2.4 PAYMENT and ENFORCEMENT POWERS

Until development contributions required in relation to a development have been paid Council may pursuant to section 208 of the LGA 02:

- (a) In the case of a development contribution required when granting a resource consent under the Resource Management Act 1991, withhold the section 224(c) certificate on a subdivision and prevent the commencement of a resource consent.
- (b) In the case of a development contribution required when granting a building consent under the Building Act 2004, withhold a code compliance certificate to be issued under Section 95 of the Building Act 2004;
- (c) In the case of a development contribution required for an authorisation for a service connection, withhold that service connection;
- (d) In each case register the unpaid development contribution under the Statutory Land Charges Registration Act 1928, as a charge on the title of the land in respect of which the development contribution was required.



## New Developments Contribution Policy

### 2.5 REVIEW - REFUNDS - POSTPONEMENTS

#### 2.5.1 Refunds

A refund of money or return of land will occur in the circumstances set out in sections 209 and 210 of the LGA 02 where applicable.

Refunds will only be issued to the current consent holder and any costs already incurred by the Council in relation to the development or building and its discontinuance will be deducted.

NOTE: For the avoidance of doubt, Council will not refund a contribution where a specific capital project does not proceed, except when the service for which the contribution was taken is not provided.

#### 2.5.2 Postponements

For the purposes of this policy postponements on payment of a development contribution will not be applied.

#### 2.5.3 Review Process

Any applicant for a resource consent, building consent or service connection may seek a review by the Manager of Engineering and Works and the Manager of Environment and Planning, on behalf of Council, as to whether the policy has been applied correctly. Any such request must be made in writing within 20 working days of the Council advising that a development contribution is required, or within 20 working days after the consent has been granted, whichever occurs later.

The request must clearly state the site and specific application subject to the contribution, the particular contribution(s) to be reviewed, and any matters the applicant would like Council to take into consideration when undertaking the review.

The applicant will be advised of the result of the review in writing and within 20 working days of the review request being considered.

At this time there is no charge for the administrative costs of processing these reviews. The Council may introduce a charge at a later date.

### 2.6 OTHER MATTERS

#### 2.6.1 Goods and Services Tax (GST)

Once all the development contribution calculations are complete, GST shall be added to the final invoice as required by the legislation and/or regulation of the day.

## New Developments Contribution Policy



### 2.6.2 Applications to Vary Consents or the Conditions of Consent

Where applications are received to vary a consent or the conditions of a consent, a new assessment will be made reflecting any increase or reduction on the demand for infrastructure and/or services that would result in a change to the household unit equivalents (HUEs) relating to the original consent application.

### 2.6.3 Council Developments

The Council is exempt from paying any development contributions on any development that itself is a capital expenditure for which development contributions are required. The Council is otherwise required to pay development contributions as appropriate.

## PART 3 ► EXPLANATION OF THE METHOD FOR DEVELOPING THE SCHEDULE OF CHARGES

### 3.1 RELEVANT PROVISIONS IN THE LOCAL GOVERNMENT ACT 2002

Relevant provisions in the Local Government Act include the following:

- Section 199, which provides the basis on which development contributions may be required –
  - (1) Development contributions may be required in relation to developments if the effect of the developments is to require new or additional assets of increased capacity and, as a consequence, the territorial authority incurs capital expenditure to provide appropriately for –
    - (a) Reserves:
    - (b) Network infrastructure
    - (c) Community infrastructure

Subsection 2 clarifies that Council may require a development contribution in relation to capital expenditure already incurred by the territorial authority in anticipation of the development. Subsection (3) states that in subsection (1) effect includes the cumulative effects that a development may have in combination with another development.

- Section 203, which sets the maximum contributions for reserves and for network infrastructure and community infrastructure –
  - (1) Development contributions for reserves must not exceed the greater of—
    - (a) 7.5% of the value of the additional allotments created by a subdivision; and
    - (b) the value equivalent of 20 square metres of land for each additional household unit created by the development.



## New Developments Contribution Policy

- (2) Development contributions for network infrastructure or community infrastructure must not exceed the amount calculated by multiplying the cost of the relevant unit of demand calculated under clause 1 of Schedule 13 by the number of units of demand assessed for a development or type of development, as provided for in clause 2 of Schedule 13.
- ▶ Schedule 13, which contains the general methodology for determining the maximum development contribution in respect of a community facility or an activity or group of activities for which a separate development contribution is to be required. In short, this requires identification of the costs, as set out in the Community Plan, which the Council expects to meet increased demand resulting from growth and to attribute these costs to units of demand. Clause 2 further requires that the Council demonstrate that the units of demand are attributed to developments on a consistent and equitable basis.

### 3.2 THE CAPITAL WORKS PROGRAMME

Development contributions are only charged in relation to capital projects identified in the Community Plan. This includes both current projects identified in the Activity Management Plans, as well as 'Past Projects with Residual Capacity' which are identified in Part F of the Schedule.

The Capital Works Programme, in turn, is founded on a range of considerations, including:

- ▶ The community outcomes identified under the LGA
- ▶ Provisions of the LGA 2002 such as the purpose of local government (section 10), decision making requirements (sections 76-81), the principles relating to local government (section 14).
- ▶ Projections of growth and other changes in the community which could drive changes in demand.
- ▶ Service provision levels and standards, which define the services being provided to the community in terms of criteria.
- ▶ Plans and Strategies

Development contributions have been considered as a potential funding source for the following types of capital projects (but for Public Conveniences and Theatres and Community Halls development contributions are not charged):

Land Transport Activity -

- ~ A selection of roading projects which were considered most likely to be related to growth
- ~ Walkway/cycleways projects

# New Developments Contribution Policy



Parks and Reserves

~ All capital projects

Public Conveniences Activity

~ All capital projects

Theatres and Community Halls

~ All capital projects

Stormwater Activity

~ All capital projects

Water Supply Activity

~ All capital projects

Wastewater Activity

~ All capital projects

It is anticipated that, in the future, other types of network and community infrastructure capital projects could also be considered for development contributions.

The Council has used the best information available at the time of developing this policy to estimate the capital expenditure but it is likely that actual costs will differ from estimated costs due to factors beyond the Council control, such as changes in the price of raw materials, labour, etc and the timing of capital works taking place. Amendments will be made to the Community Plan and Development Contributions Policy to reflect actual project costs and significant changes to cost estimates.

### 3.3 UNIT OF DEMAND

The Household Unit Equivalent (HUE) is the base unit of demand used to apportion costs between different types of development in the calculation of development contributions. It represents the assumed demand for the service generated by an average household, as set out in Part D of the Schedule.

Every dwelling with a gross floor area of 60m<sup>2</sup> or more considered to be associated with one HUE for each service. Dwellings with a gross floor area of less than 60m<sup>2</sup> are considered to be associated with half a HUE.

Part C of the Schedule contains the multipliers used to calculate the number of HUEs associated with non-residential development. In essence, these multipliers represent the assumed average relationship between the demand generated by non-residential development and the demand generated by households.

### 3.4 ASSESSMENT OF GROWTH

#### 3.4.1 The Growth Model

Council has developed a Growth Model for the period 2006-2051 to estimate future growth within the Gisborne District. This underpins the development of the policy at two levels. Firstly, as growth drives changes in demand on infrastructure, the growth projections are a foundation for the capital works programme which development contributions fund. Secondly, the growth projections are converted into HUEs to model funding and to calculate the development contribution charge (refer to section 3.5.4).



## New Developments Contribution Policy

The growth model addresses three indicators of growth: Resident Population (divided in two areas: the Gisborne Urban Area and the remainder of the District); Households (divided into 34 localities within the District); and Non-Residential Activities (divided into 34 localities and expressed in gross floor area by activity-type).

A full explanation of the methodology used to produce the growth model and spreadsheets containing the relevant figures for the model can be accessed as a supplementary report.

### 3.4.2 Key Risks/Effects Associated With Growth Projections

Growth projections are subject to uncertainties as to the quantum, timing and location of growth. There is a risk that the growth projections in the model will not eventuate, resulting in a change to the assumed demands on reserves, network infrastructure and community infrastructure. This could result in the over-provision of infrastructure. Furthermore if the total amount of growth is less than projected or the proportion of capital expenditure recovered through development contributions may be less than expected. Under-assessing growth, on the other hand, may result in the under-provision of infrastructure to meet the growth.

As a consequence there may be increased debt servicing costs to Council. Council will continue to monitor the rate of growth and will update outcomes in the growth and funding models as required.

## 3.5 IDENTIFICATION OF GROWTH EXPENDITURE and FUNDING MECHANISMS

### 3.5.1 General Approach

A summary of the capital expenditure identified in the Community Plan that the Council expects to incur to meet the increased demand for community facilities resulting from growth is contained in Part G of the Schedule. The proportion of this growth expenditure which the Council expects to fund from development contributions is also indicated.

In determining the growth expenditure and associated funding mechanisms analysis is undertaken at three levels:

1. Activity Level

The range of funding mechanisms (consistent with the Revenue and Financing Policy) are identified at the activity level and an initial analysis is made of the considerations in the LGA 2002 (including section 101(3) of the LGA 2002) and the implications for choice of funding mechanisms.

2. Programme Level

Further consideration is given to the considerations in the LGA 2002 and the implications for the choice of funding mechanisms.



## New Developments Contribution Policy



### 3. Project Level

At the project level the drivers for the project are reviewed and a cost process is undertaken to separate the costs into three drivers (growth, backlog and renewal). A catchment is then identified for the project and the funding model applied to give an indicative development contribution for the growth component. Further consideration is then given to appropriate funding mechanism, building on the analysis at the activity and programme level and the considerations in the LGA 2002. This may result in further consideration of the drivers and cost allocation process.

In general terms, the Council has determined to use development contributions to fund the portion of capital indicated in Part G of the schedule because:

- ▶ The portion of capital expenditure identified relates to the growth community in terms of sections 101(3)(a)(ii) (beneficiaries) and/or 101(3)(a) iv) and development contributions provide a means of directing funding to the growth community.
- ▶ Council recognises that liability for rates is increasingly putting pressure on the social wellbeing of the community and the use of this alternative source of funding will have the benefit of easing the burden of rates.

#### 3.5.2 **Cost Allocation**

The cost allocation methodology carried out on each project is called the 'Modified Shared Drivers' methodology, and it allocates the project costs into three categories so that possible sources of funding can then be identified with reference to the Revenue and Financing Policy. The three categories of costs are:

##### 1. Backlog

The portion of the planned (or completed) project that is required to rectify a shortfall in service capacity to meet existing community demand at the current agreed levels of service. Levels of service describe in quantitative and qualitative terms, the standard of services that the Council provides for each activity. The Council defines levels of service in consultation with the community on the Community Plan and through strategies and policies. It is assumed that any requirement to increase the Level of Service for existing users will be funded by rates and other funding mechanisms and will not be funded by way of development contributions.

##### 2. Cost of Renewal

The gross cost of replacing an existing asset with a modern equivalent asset to the same function and capacity at the end of its life.



## New Developments Contribution Policy

### 3. Cost of Growth

The portion of a planned (or completed) capital project providing capacity in excess of existing community demand at the current agreed levels of service. Only the growth portion of the capital works programme is considered for development contributions.

A summary of the Cost Allocation Methodology is as follows:

#### **Step 1 ▶ Identify Project and costs**

- ~ Information about the gross cost and planned timing of expenditure is identified. Costs are specified in present value;
- ~ Pre-feasibility, catchment planning and strategic planning that gives rise to the project are considered to be operational costs and are therefore excluded from the analysis.
- ~ External Third Party funding (e.g. Land Transport New Zealand) is identified and also deducted from further analysis.

#### **Step 2 ▶ Consider Drivers for the Project and Identify Associated Levels of Service**

- ~ The reasons for doing the project are reviewed and associated levels of service identified.
- ~ Where there is more than one driver the project is split into multiple drivers (on a percentage basis) and associated level of service are identified for each driver.

#### **Step 3 ▶ Define Capacities relating to the Project**

- ~ A capacity measure is identified to reflect each driver of the project and associated level of service. The existing capacity of the current infrastructure, existing demand and total capacity provided by the current infrastructure plus the planned works are identified (based on the year of analysis). The capacity and demand measures are used to divide the cost of the works into Backlog and Growth cost shares.
- ~ The growth in demand from existing users without any change in level of service (e.g. more vehicle movements per day per household) is considered a backlog component rather than a growth component and is accounted for by adjusting the capacity measures to reflect anticipated changes in demand.

#### **Step 4 ▶ Asset Renewal**

- ~ Any assets replaced by the project for which depreciation has been collected to fund the eventual replacement are identified.
- ~ The amount of renewal funded by past depreciation is calculated by taking into account the gross replacement cost of the modern equivalent asset and the remaining life at the time of renewal.

## New Developments Contribution Policy



### Step 5 ▶ Cost Efficiency

- ~ The renewal cost share is adjusted to recognise the efficiencies which may occur by carrying out the renewal component with the provision of new capacity to meet current shortfalls and/or to provide for capacity for the future.

### Step 6 ▶ Determine Cost Shares to Growth and Backlog

- ~ The remaining proportion of the cost (i.e. excluding the renewal component calculated in Step 4 and Step 5) is then attributed to growth and backlog according to the proportions identified in Step 3.

### Step 7 ▶ Check Growth Cost Share

- ~ To ensure that the growth cost is not significantly more when the capacity for growth is provided in conjunction with backlog and renewal components a comparison is made of the calculated growth cost share and a 'Stand Alone Growth Project' which a third party could install to meet just the growth capacity of the proposed works.

All analysis is undertaken in current year dollars. Historic project costs are the actual completed project costs in the dollars of the years in which they were completed and are not inflated to the current year.

#### 3.5.3 Catchments

The capital expenditure related to growth is associated with one or more catchments on an activity-basis. The catchments are determined based on key characteristics including geography, service delivery and the nature and complexity of service provision. The catchments can be either local or district-wide and individual capital works projects are allocated to catchments depending on the nature of the project and the community it is required to serve.

#### 3.5.4 Funding Model

Once the growth component and catchments have been identified for each project a funding model is applied to determine what contributions would need to be collected to fund the growth component of each project (if development contributions were to apply to the project).

Essentially the funding model takes the growth portion of the gross cost of the project divided over the number of Household Unit Equivalents projected for the catchment over the lifetime of the project or the maximum funding period of the project (whichever is shorter) and calculates the individual development contribution for the project, taking into account:



## New Developments Contribution Policy

- ▶ The funding requirements to support the cost of growth related to network and community infrastructure;
- ▶ Equitable application of those funding requirements to the incoming growth community;
- ▶ Interest on funds raised to implement growth network and community infrastructure;
- ▶ Interest on contributions received in advance of provision of growth network and community infrastructure.
- ▶ The effects of inflation on costs.

The interest rates used within the Development Contributions Funding Model to account for the debt borrowing Council has undertaken to complete capital projects in anticipation of growth requirements is 7.13%.

The interest rate used within the model to account for interest earned on funds received in advance of carrying out growth-related capital expenditure is 5.63%. Interest rates are subject to fluctuation and will be reviewed at each policy review.

The funding model also applies a 'backcharge' which recognises that rating charges to cover the backlog components of the growth may also be applied to the incoming community. The backcharge offsets the resulting rating charge on the incoming community against the DC charge.

### 3.6 AGGREGATE THE CONTRIBUTIONS

Once funding mechanisms have been decided at the project level the development contributions per HUE are aggregated by catchment and activity.

The development contributions charges per HUE and catchment are listed in Part B of the Schedule.

## PART 4 ▶ FINANCIAL CONTRIBUTIONS, WORKS and SERVICES

### 4.1 FINANCIAL CONTRIBUTIONS

A Financial Contribution is a contribution from developers in cash or land (or a combination of these) provided for under the Resource Management Act 1991 (RMA). In addition to the contributions introduced by this development contributions policy, financial contribution provisions apply to the District in relation to:

- ▶ Reserves
- ▶ Roads

## New Developments Contribution Policy



- ▶ Stormwater
- ▶ Wastewater collection
- ▶ Water supply
- ▶ Reserves

The financial contribution provisions are contained in Chapter 13 (Esplanade Reserves and Strips), Chapter 14 (Financial Contributions) and Chapter 15 (Roads, Accessways and Parking) of the Part Operative Gisborne District Combined Regional Land and District Plan. The Plan is available for viewing at Council offices in Fitzherbert Street and Te Puia Springs, the HB Williams Library and on the Council website – [www.gdc.govt.nz](http://www.gdc.govt.nz).

It is intended that Council will review the Financial Contributions provisions in the Part Operative Combined Regional Land and District Plan upon successful adoption of a Development Contributions Policy, with the view to removing financial contributions relating to funding capital expenditure incurred by Council to provide adequately for the effects of developments (i.e. the basis on which development contributions are required) with the exception of those Financial Contributions listed below:

- ▶ Esplanade Reserves and Strips
- ▶ Vehicle parking

In the meantime, Council will not require a development contribution for any activity where a financial contribution has already been imposed as a condition of a resource consent in relation to the same development, for the same purpose.

Council also intends to introduce a change to the Plan to discontinue the application of financial contributions (except where they have already been charged as a condition of consent) upon the successful application of the Development Contributions Policy, except where financial contributions are imposed for the purpose of avoiding, remedying or mitigating adverse effects on the environment, rather than recouping the expected growth related capital costs to Council of network and community infrastructure (i.e. a consent application could have development contributions imposed under the LGA and financial contributions as a condition of consent, under the RMA).

The LGA 2002 requires Council to identify the proportion of capital expenditure that is to be funded by financial contributions. With the exception of esplanade reserves and an upgrade of a sewer pipe on Nelson Road, none of the capital expenditure identified in the Community Plan is expected to be funded by financial contributions.

A summary of the existing financial contribution provisions in the Combined Regional Land and District Plan is set out below.



## New Developments Contribution Policy

### 4.1.1 Reserves and Esplanade Reserves

Contributions for reserves are payable when an additional lot is created for residential purposes and where development exceeds one dwelling unit per allotment. Contributions can be made in a combination of land and cash. Where the contribution is in the form of land vested during the subdivision process the District Plan requires 130m<sup>2</sup> for each additional allotment created, up to a maximum of one hectare. The following formula is used to calculate the cash contribution for each additional unit or each additional residential unit and/or allotment:

$$\frac{\text{Site value (\$)} \times 30}{\text{Site Area (m}^2\text{)}}$$

Esplanade reserves / strips may also be required where the development and/or subdivision affects land abutting the coastal marine area or certain rivers.

For clarity, Council intends to introduce a plan change to discontinue application of the reserve contribution provisions in the Part Operative Combined Regional Land and District Plan once this Development Contributions Policy is in place, but would continue to apply the Esplanade Reserve Contributions in that plan.

### 4.1.2 Stormwater, Wastewater Collection, Water Supply Reticulation

Specific financial contribution formulae apply to the Willows Road Industrial area and the Taruheru subdivision block. It is intended that this provision would be discontinued once this policy is in place.

There are also more general financial contribution provisions relating to the provision of network infrastructure. These provisions are intended to be reviewed shortly, following the introduction of this new policy. In the meantime the provisions could potentially be applied for purposes outside of the scope of development contributions.

### 4.1.3 Roading

The Plan provides that the total cost of developing new roads and streets to serve a subdivision or development shall be met entirely as a cost to the developer. In addition, the developer may be required to pay a financial contribution towards the cost of upgrading existing roads serving the subdivision or development. The following formula is used to calculate the maximum contribution that may be required from a development or subdivision toward the cost of upgrading the existing network:

Estimated costs (\$) of road(s) serving the subdivision or development multiplied by:

$$\frac{\text{Annual Average Daily Traffic Increase AADT}}{\text{Existing Traffic} + \text{Average Daily Traffic Increase}}$$



# New Developments Contribution Policy



It is intended that the provisions on financial contributions for roading will also be reviewed shortly. Financial Contributions for roading could potentially be applied for purposes outside the scope of development contributions.

#### 4.1.4 **Parking**

Chapter 15 contains rules specifying the number of parking spaces that must be provided on site for various types of activities. Where the required parking spaces or loading bays for an activity cannot be provided a financial contribution will be taken based on the formula specified in the chapter.

## 4.2 **CONDITIONS FOR WORKS OR SERVICES**

Nothing in this policy will prevent the Council from requiring as a condition of a resource consent a financial contribution for the provision of works or services to support the immediate proposed development, for example, to connect it to existing infrastructural services and to avoid, remedy or mitigate the environmental effects of the development, except where works are provided for in the Community Plan.

## **PART 5 ▶ REVIEW OF THE POLICY and REVISION OF THE SCHEDULE**

### 5.1 **REVIEW OF POLICY**

It is anticipated that the policy will be reviewed on a three yearly basis, or at shorter intervals if Council considers necessary, to take account of:

- ▶ Changes to the significant assumptions in the Development Contributions Policy;
- ▶ Change in policy as Council continues to develop and implement strategic and structure plans for the District, including but not limited to the Urban Development Strategy, the Urban Coastal Strategy and the Taruheru Structure Plan provisions of the District Plan;
- ▶ Changes to the Regional Plans or District Plan;
- ▶ Changes in the capital works programme accounting for growth;
- ▶ Changes in the pattern and distribution of development in the District;
- ▶ Significant changes in inflation or interest rates;
- ▶ Any other matters Council considers relevant.

### 5.2 **REVISION OF THE SCHEDULE OF CONTRIBUTIONS**

Council may also revise the schedule of contributions (Part B and the cap on the contribution for reserves) with each Annual Plan to reflect actual costs or amendments to the capital work programme.



# New Developments Contribution Policy

## SCHEDULE TO DEVELOPMENT CONTRIBUTIONS POLICY

### PART A ▶ Events That May Give Rise to a Requirement for Development Contributions

#### RESIDENTIAL APPLICATIONS

- ▶ Subdivision (resource) consent applications where the subdivision would create the potential for additional residential allotments
- ▶ Land use (resource) consent applications that are associated with new independent dwelling units e.g. a consent application to build a second dwelling on a property.
- ▶ Building consent applications that create the potential for a new independent dwelling unit
- ▶ Applications for service connections to independent dwelling units (in the case of network infrastructure).

#### NON RESIDENTIAL APPLICATIONS

- ▶ Subdivision for non-residential purposes;
- ▶ Applications for land use (resource) consent or building consent associated with the construction of new buildings or the extension to buildings for non-residential purposes;
- ▶ Applications for land use (resource) consent or building consent associated with a change of use from residential to non-residential use, or to change the type of non-residential use,
- ▶ All service connection applications associated with non-residential activities including water, wastewater, and trade waste and stormwater applications.

If any subsequent consent is sought for a development which has already been subject to development contributions a reassessment will be undertaken to determine whether further contributions are payable.

### PART B ▶ Development Contribution Rates per HUE

The development contributions payable for Parks and Reserves, Land Transport, Water Supply, Wastewater Stormwater per HUE and catchment are set out in the following table.

ACTIVITY	CATCHMENT	CONTRIBUTION PER HUE (\$)
Parks and Reserves	District Wide	\$1,970
Land Transport	District Wide	\$450
Water Supply	Gisborne Urban Area	\$2,224
Wastewater	Gisborne Urban Area	\$2,675
Stormwater	Gisborne Urban Area	\$2,046



## New Developments Contribution Policy



### **PART C ▶ Multipliers for Assessing of the Number of HUEs for Non-Residential Development**

Generally only one multiplier will be used for each development, i.e. the one that best represents the dominant or primary activities associated with the development, and ancillary activities will not be considered separately. For example, offices, tearooms and bathrooms which form part of an industrial development will be included in the calculation of HUEs as part of the industrial Gross Floor Area. However where a development has distinct parts the Council may, in its discretion, consider these parts separately. For example, the wine manufacturing component of a winery may be considered separately from the restaurant component. Any part of the building used for residential purposes shall be excluded from the calculation.

The types of developments addressed by the multipliers are:

**Commercial** - retail (including large format retail), property and business services (e.g. real estate, architects), finance and insurance services, personal services (e.g. beauticians), government administration (e.g. courts, local government), commercial cultural and recreational services (e.g. tourism operators, cinemas), service stations and offices.

**Restaurants, Cafes, Bars** - premises which sell food prepared On-Site and/or bars (whether private or public).

**Health and Community Services** - medical services (e.g. doctors, optometrists, hospitals), veterinary services, dental services, community care services (excludes accommodation).

**Heavy Industry** – manufacturing and processing activities of a substantial size e.g. freezing works, dairy factories, timber processing, packing houses.

**Other Industry / Servicing** – other manufacturing, processing, servicing and construction activities, which may be associated with the sale of goods or services directly to the public e.g. small timber mills, joiners, engineering businesses, panel beaters, mechanics.

**Warehousing** – storage of goods/property.

**Residential Services** – residential care facilities e.g. aged care homes.

**Visitor Accommodation** – hotels, motels, backpackers, campgrounds, etc.

**Education** – schools, childcare services, tertiary education providers, etc.

**Community Infrastructure** - libraries, gyms, halls, churches, clubrooms, sports facilities, places of assembly, museums, etc.

Where the development is not described by the types of developments listed above the multiplier for the activity with the most similar demand characteristics will be used. It is noted that section 2.3.2.2 of this policy allows the Council to choose to use the actual anticipated demand to calculate the number of HUEs associated with non-residential development if the actual demand associated is likely to be significantly different than what is implied by the multipliers.



# New Developments Contribution Policy

## Land Transport (Roading) Multipliers

Type of Development	Unit of Measure	Multiplier for each unit of measure (HUE/Unit of Measure)
Commercial (excluding retail)	GFA (in 100 m <sup>2</sup> ) of the existing and proposed buildings	1.3
Retail	GFA (in 100 m <sup>2</sup> ) of the existing and proposed buildings (any outdoor storage/display areas for goods will also be included in the GFA e.g. garden centre display areas). (The area of each retail premises in the development shall be considered separately).	less than 4,000m <sup>2</sup> GFA: 3.4-(0.016xGFA/100 ) 4,000m <sup>2</sup> or more GFA: 1.8
Restaurants, Cafes and Bars	Primarily dine-in: The number of diners/patrons for which the facility is designed; or Primarily takeaways GFA (in 100 m <sup>2</sup> ) of the existing and proposed buildings	Primarily dine-in: 0.046  Primarily takeaways: 3.4
Health and Community Services	GFA (in 100 m <sup>2</sup> ) of the existing and proposed buildings	Less than 3000m <sup>2</sup> GFA: 17.8 – (0.453 x GFA/100) 3000m <sup>2</sup> or more GFA: 4.2
Heavy Manufacturing	GFA (in 100 m <sup>2</sup> ) of the existing and proposed buildings	0.13
Other Industry / Servicing	GFA (in 100 m <sup>2</sup> ) of the existing and proposed buildings	1.9
Warehousing	GFA (in 100 m <sup>2</sup> ) of the existing and proposed buildings	0.4
Visitor Accommodation and Residential Services	The number of design occupants/beds	0.16
Education	GFA (in 100 m <sup>2</sup> ) of the existing and proposed buildings	Less than 500m <sup>2</sup> GFA: 2.6 – (0.34 x GFA/100)  500m <sup>2</sup> or more GFA: 0.9
Community Infrastructure	GFA (in 100 m <sup>2</sup> ) of the existing and proposed buildings	0.8



# New Developments Contribution Policy



## Parks and Reserves Multipliers

Type of Development	Unit of Measure	Multiplier for each unit of measure (HUE/Unit of Measure)
All non-residential	The Gross Floor Area (GFA) (in m <sup>2</sup> ) of the existing and proposed buildings	0

## Water and Wastewater Multipliers

Type of Development	Unit of Measure	Multiplier for each unit of measure (HUE/Unit of Measure)
Commercial (excluding retail)	GFA (in 100 m <sup>2</sup> ) of the existing and proposed buildings	0.33
Retail	GFA (in 100 m <sup>2</sup> ) of the existing and proposed buildings (any outdoor storage/display areas for goods will also be included in the GFA e.g. garden centre display areas). (The area of each retail premises in the development shall be considered separately).	less than 4,000m <sup>2</sup> GFA: 0.40 – (0.0075x GFA/100) 4,000m <sup>2</sup> or more GFA: 0.1
Restaurants, Cafes and Bars	Primarily dine-in: The number of diners/patrons for which the facility is designed; Or Primarily takeaways: GFA (in 100 m <sup>2</sup> ) of the existing and proposed buildings.	Primarily dine-in: 0.049  Primarily takeaways: 1.5
Health and Community Services	GFA (in 100 m <sup>2</sup> ) of the existing and proposed buildings	Less than 1500m <sup>2</sup> GFA: 3.5 – (0.17 x GFA/100) 1500m <sup>2</sup> or more GFA: 0.1
Heavy Manufacturing and Other Industry/Serviceing	GFA (in 100 m <sup>2</sup> ) of the existing and proposed buildings	0.23
Warehousing	GFA (in 100 m <sup>2</sup> ) of the existing and proposed buildings	0.16
Visitor Accommodation and Residential Services	The number of design occupants/beds.	0.17
Education	GFA (in 100 m <sup>2</sup> ) of the existing and proposed buildings	0.29
Community Infrastructure	GFA (in 100 m <sup>2</sup> ) of the existing and proposed buildings	0.18



# New Developments Contribution Policy

## Stormwater Multipliers

Type of Development	Unit of Measure	Multiplier for each unit of measure (HUE/Unit of Measure)
All non-residential	The Gross Floor Area (in m <sup>2</sup> ) of the existing and proposed buildings.	0

## PART D ▶ Demand assumptions for a HUE

This table contains the assumptions as to the demand created by one independent household unit which are used to determine the multipliers by which HUEs are attributed to developments. In determining the multipliers other factors which influence design and demand on infrastructure capacity may also be taken into account, such as whether the traffic movements from a development are likely to occur at peak time.

ACTIVITY	Unit of Measurement for HUE	DEMAND PER HUE	COMMENTS
Parks and Reserves	Apportionment of total demand on Parks and Reserves	1 Apportionment	
Land Transport	Number of vehicle trips per day associated with the development	6	Assume all light vehicles
Water Supply	Daily flow	800 L/day	
Wastewater	Daily flow	614 L/day	
Stormwater	Impervious surface area	345m <sup>2</sup>	Assessed average impervious surface area within the site per household unit.



# New Developments Contribution Policy



## PART E ▶ Catchment Maps

Figure 1: Stormwater Catchments

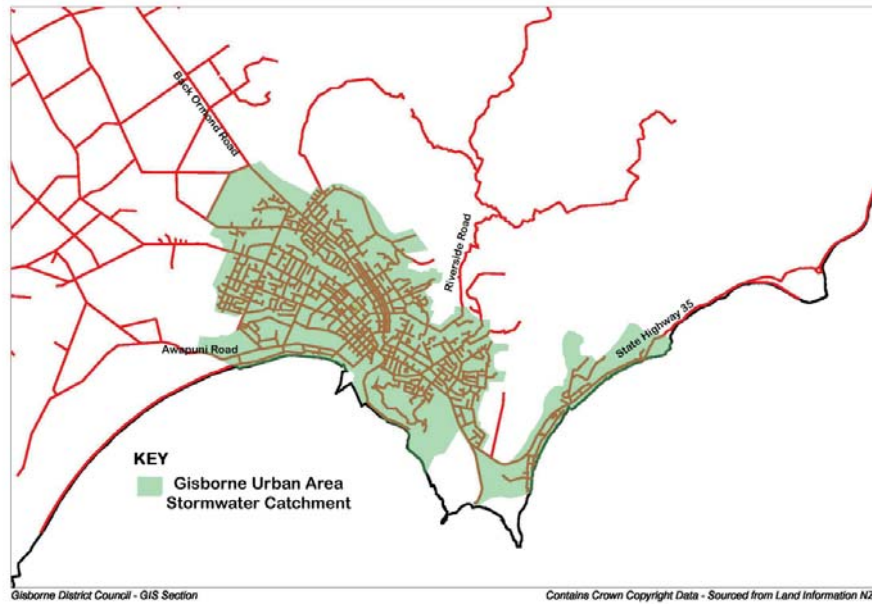
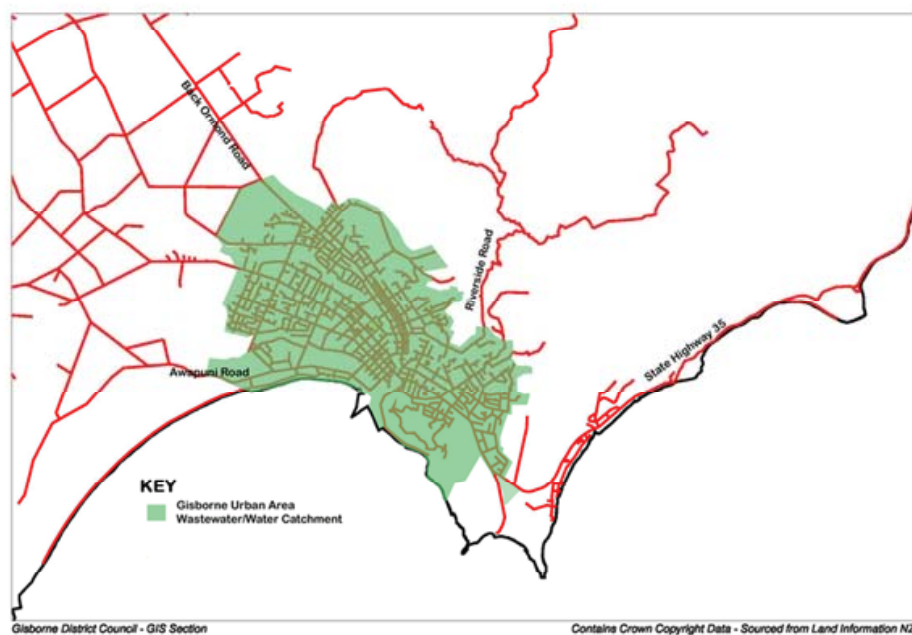


Figure 2: Water Supply and Wastewater Catchments





## New Developments Contribution Policy

### PART F ▶ Schedule of Past Projects with Residual Capacity

The following is a summary of the 'Net Growth' component used in the calculation of development contributions for selected past projects with residual capacity.

ACTIVITY	PROJECT	YEAR	AMOUNT	NET GROWTH COMPONENT TO WHICH D.C'S APPLIED
Wastewater	Taruhuru Trunk Main	1997	\$134,398	\$55 999

Notes:

All dollar amounts are in actual dollars expended exclusive of GST. Backlog and renewal portions of capital expenditure budgets are not funded from development contributions. The calculation of the net growth component also excludes any portion of costs that have been funded from other sources e.g. financial contributions.

### PART G ▶ Capital Expenditure into Backlog / Growth / Renewal

The capital expenditure Council expects to incur, to meet increased demand for network infrastructure and community infrastructure resulting from growth, over the period of the Community Plan, in relation to the purposes for which development contributions may be required has been allocated into three drivers in the following table: growth, backlog and renewal. The portion of the growth component to be funded by development contributions is also identified.

ACTIVITY	TOTAL OF PROJECTS ANALYSED (\$000)	RENEWAL (\$00)	BACKLOG (\$000)	GROWTH (\$000)	PORTION SUBJECT TO D.C. (\$000)
Parks and Reserves	6,720	3,160	1,434	2,126	1,123
Land Transport	113,957	69,115	44,088	754	679
Water Supply	6,111	269	3,245	2,597	2,118
Wastewater	60,169	12,113	42,275	5,781	2,131
Stormwater	8,782	1,797	5,270	1,715	1,524

Notes:

The capital expenditure costs are stated in 2006 dollars.

# New Developments Contribution Policy



## PART H ► Glossary of Terms

Allotment	Has the same meaning as Section 2 and 218 of the RMA.
Backlog	That portion of a project that relates to historical catch-up to meet the required level of service for the existing community.
Community Facilities	Reserves, network infrastructure, or community infrastructure for which development contributions may be required.
Community Infrastructure	Land, or development assets on land, owned or controlled by Gisborne District Council to provide public amenities, including land that the Council will acquire for that purpose.
Cost Allocation	The allocation of the capital costs of a project to the various drivers for the project, such as renewal, catch-up (backlog), and additional capacity to meet growth.
GFA	Gross Floor Area.
GST	Goods and Services Tax.
HUE	Household Unit Equivalent. The 'unit of demand' that relates demand of developments for network and community infrastructure to the typical demand by an average household.
Dwelling Unit	A building (or part of any building) in which a single housekeeping unit resides or could potentially reside.
LGA 2002	Local Government Act 2002.
Lot	Lot is deemed to have the same meaning as 'Allotment' under both the Local Government Act 2002, and the Resource Management Act 1991.
Community Plan	Long Term Council Community Plan.
RMA	Resource Management Act 1991.
Renewal	That portion of project expenditure that has already been funded through depreciation of the existing asset.
Residential	The use of land and buildings by people for domestic accommodation purposes, including unit/strata title developments.
Retail	The use of land, a building or parts of a building where goods are sold or displayed for sale, by retail, or are offered for hire.
Service Connection	A physical connection to a service provided by, or on behalf of, Gisborne District Council.
Subdivision	Subdivision is deemed to have the same meaning as 'subdivision' under the Resource Management Act 1991.



# Amendments to the 2006-2016 Community Plan

# Treasury Management Policy



## Amendment to the Treasury Management Policy

### 1.0 THE ADOPTED AMENDMENT

At its meeting on 26 June 2008 the Council adopted an amendment to the 2006-2016 Community Plan to revise the Treasury Management Policy. The major changes are to section 3.2 Borrowing Limits. The amendment was needed to ensure Council stayed within its own Policy and was able to raise sufficient loan funding to accommodate higher than forecast capital expenditure on, amongst other things, the wastewater treatment project.

The amendment was adopted as stated in the Statement of Proposal used to consult with the community. Nine of the ten submissions received on the proposal opposed it. To see the Statement of Proposal please refer to the DRAFT 2008/09 Annual Plan and Amendments to the 2006-2016 Community Plan.

### 2.0 FINANCIAL IMPLICATIONS

The Treasury Management Policy provides a framework for decision making. It has no revenue streams.

### 3.0 RESULTING TEXT CHANGES TO THE 2006-2016 COMMUNITY PLAN

The 2006-2016 Community Plan includes extracts from Council's Treasury Management Policy (incorporating the Liability Management Policy and Investment Policy) document to assist the reader. Copies of the full Policy are available on request from Council offices.

The revised section of the Treasury Management Policy below will replace page 171 of Volume 2 of the Amended 2006-2016 Community Plan.

## REVISED SECTION OF THE TREASURY MANAGEMENT POLICY

### 3.2 Borrowing Limits

In managing debt, Council will adhere to the following limits:

Ratio	
Net debt as a percentage of equity	<10%
Net debt as a percentage of income	<95%
Net interest as a percentage of income	<10%
Net interest as a percentage of annual rates income	<15%
Total debt per capita	<\$1,700

Income is defined as earnings from rates, government grants and subsidies, user charges, interest and other revenue. Net debt is defined as total external debt less liquid financial assets/investments. Council will adhere to the borrowing limit that is reached first and provides the lowest level of debt capacity. Council reports compliance to these limits on a quarterly basis. It is noted that borrowing limits are calculated for external debt only.



# Amendments to the 2006-2016 Community Plan

# Mander Road Landfill



## AMENDMENT to not Proceed with the Mander Road Landfill

### 1.0 THE ADOPTED AMENDMENT

At its meeting on 26 June 2008 the Council adopted an amendment to the current 2006-2016 Community Plan to bring it inline with Council's decision in August 2007 to not proceed with the Mander Road Landfill. The amendment removes all references to the Mander Road Landfill from the 2006-2016 Community Plan.

Council's decision in August 2007 to not proceed with the Mander Road Landfill was based on a business case review that found that a local landfill was no longer as favourable as remote disposal. The business case review concluded that a local landfill did not provide a financially viable and economically, environmentally and culturally sustainable long-term solution.

At current day tonnages (13,000 tonnes by the end of 2007) disposal at Mander Road Landfill would be \$210-\$215 per tonne vs \$160 per tonne for remote disposal. If waste volumes reduce to 6000 tonnes per year, the remote disposal costs will remain \$160 per tonne but the Mander Road disposal costs would be about \$385- \$390 per tonne.

The amendment was adopted as stated in the Statement of Proposal used to consult the community. 18 submissions were received on the proposal, 12 of which were clearly in support of the proposal to not proceed. To see the Statement of Proposal please refer to the DRAFT 2008-09 Annual Plan and Amendments to the 2006-2016 Community Plan.

### 2.0 FINANCIAL IMPLICATIONS

The decision to not proceed with the Mander Road Landfill has resulted in an estimated reduction of cost of service for the Solid Waste Activity of \$4.363M over the ten year plan. It has also resulted in a decrease of revenue of \$11.9M and a decrease in operating costs of \$7.6M.

### 3.0 RESULTING TEXT CHANGES TO THE 2006-2016 COMMUNITY PLAN

**Page 2** – second to last paragraph, replace the first sentence with:

“The Council is mindful of the significant capital demands that are required by the new Gisborne City wastewater treatment project and the probable.....”

**Page 7** – Section 3.3 “Solid Waste” – replace section with:

“The Council will be disposing of its solid waste by road (by All Brite Ltd) to landfills outside the district and no longer intends to develop and operate a local landfill at Mander Road.”

**Page 61** – Remove the reference to “Mander Road Landfill – complete 2008 (Year 2).”

**Pages 63 and 73** - Delete Capital Item “Mander Road Landfill” and “Mander Road Landfill interest capitalised.”



## Mander Road Landfill

**Page 89** - Assumptions: Delete "Mander Road Landfill due for opening in 2008."

**Page 90** – Resource Consents: Delete: "Mander Road Landfill consent will lapse in February 2008 (has not been given effect to date)."

**Page 90 & 91** – Major Capital Projects, Solid Waste:

Replace with: "The business case review in August 2007 has shown that continuing with remote disposal, to landfills outside the district, is more cost effective in the long term, than developing Mander Road Landfill.

The Solid Waste Activity Management Plan identifies the basis of the forecast and details the proposed operation and capital expenditure.

The current level of service for household refuse and recycleables collection will remain unchanged at a weekly collection rate."

**Page 96** - Asset Management Unit - Three Waters and solid Waste: Delete the third paragraph.

**Page 100** – Funding Depreciation

Item 1, 2nd sentence in 2nd paragraph.

"Council operates a landfill near Ruatoria"

### **SOLID WASTE ASSET MANAGEMENT PLAN, VOLUME 3**

The proposed amendment results in numerous changes to the Solid Waste Activity Management Plan, as printed on pages 314 to 330 of the Amended 2006 - 2016 Community Plan, Volume 3. Therefore it should be deleted and replaced with the attached revised plan.

# Mander Road Landfill



## The Solid Waste Activity

### Executive Summary

#### Overview

#### Population Served

44,700 [Subnational Population Estimates, Statistics NZ as at 30 June 2005].

#### Landfills

One existing (Ruatoria),

#### Transfer Stations

Ten (1 Gisborne City/Poverty Bay Flats, 3 Waikohu, 6 Coast).

#### Kerbside Collections (Waste)

Two (Gisborne City / Poverty Bay Flats excluding Te Karaka, Ruatoria).

#### Kerbside Collections (Recyclables)

Two (Gisborne City / Poverty Bay Flats excluding Te Karaka, Ruatoria).

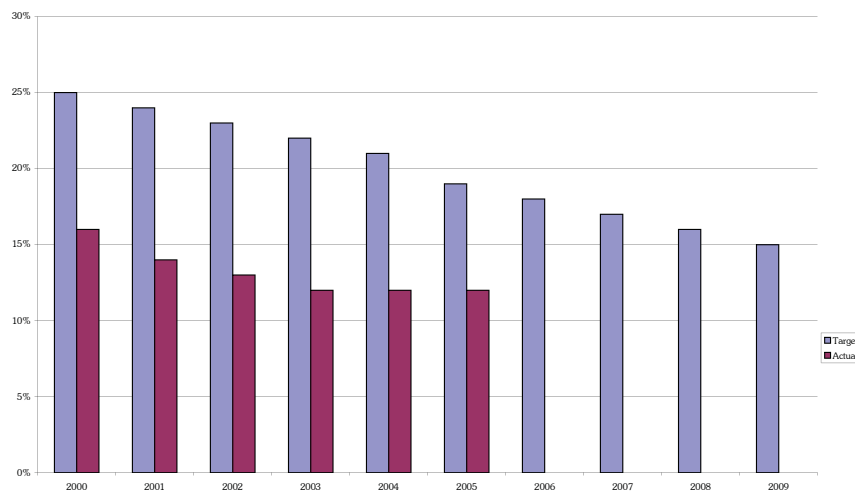
**Total Waste tonnage (2005) – 136,900 (est).**

**Annual Refuse tonnage to landfill (2005) - 18,300 (est).**

**Annual Recycling tonnage (2005) – 5,120**

**Targeted Waste Minimisation to 15% of total by 2009 (based on 2000 data)**

**% of Total Waste Going to Landfill**

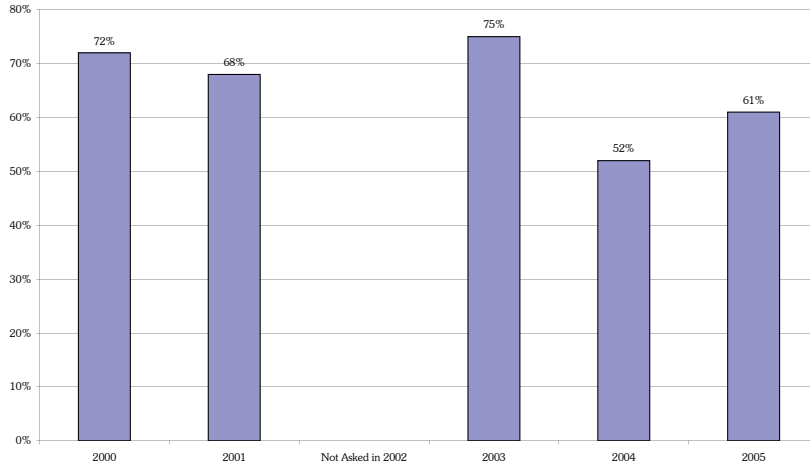




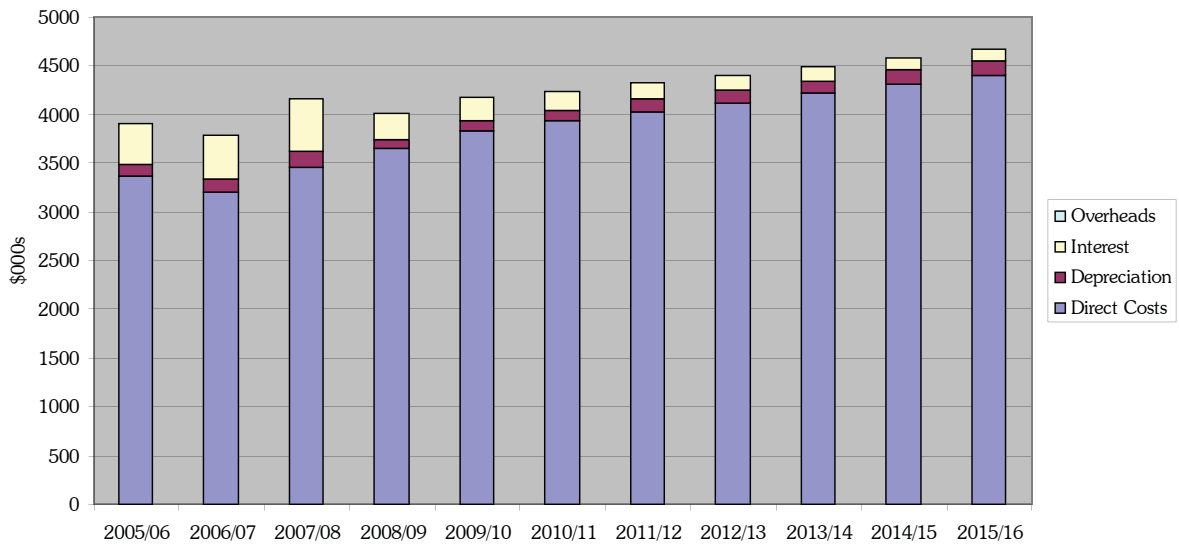
# Mander Road Landfill

## Customer Satisfaction

### Satisfaction with Rubbish Bag Collection



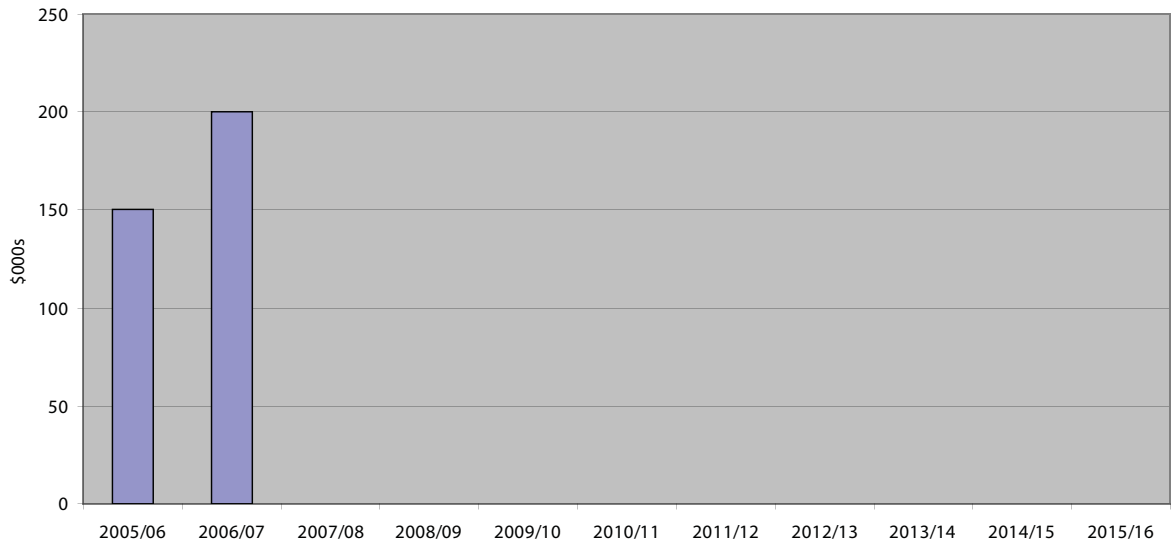
## Operating Financial Requirements



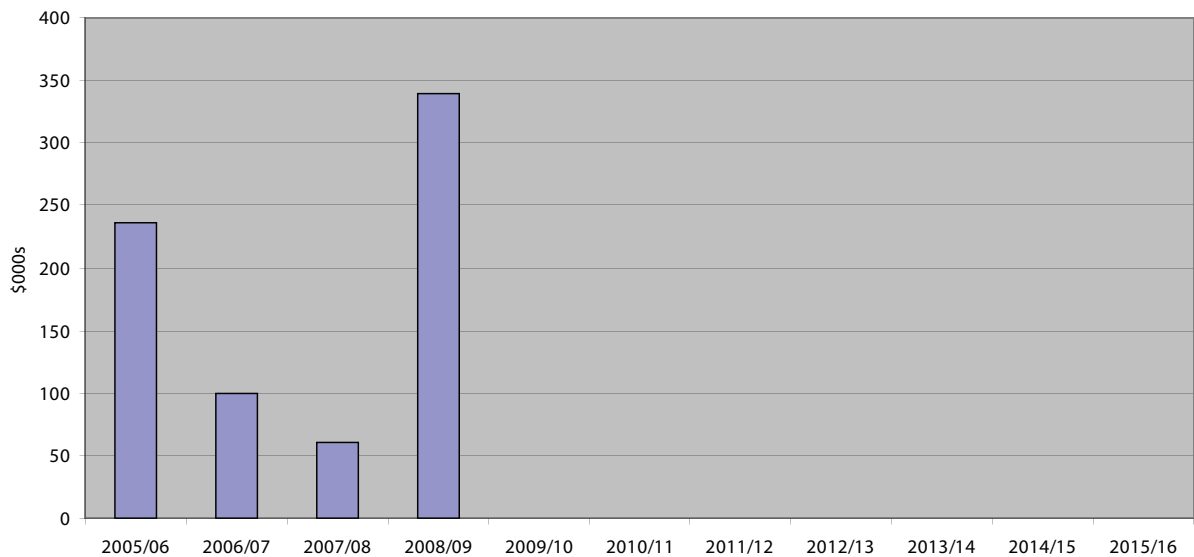
# Mander Road Landfill



## Renewals Financial Requirements



## New Capital Financial Requirements



### Key Issues

- Outside Gisborne city / Poverty Bay Flats, population is widely scattered, making collection uneconomic (except Ruatoria).
- Recycling is by kerbside collection in Gisborne City / Poverty Bay Flats and Ruatoria otherwise at transfer stations.
- Rural services are provided by transfer stations. To ensure maximum recycling, these are secured and staffed during public operating hours.



## Mander Road Landfill

- Need to minimise waste for disposal and GDC costs while enabling contractor(s) to recover recycling costs.
- Whether charges are to be instituted for waste disposal at transfer stations.
- Development of a new site for Tikitiki transfer station.
- Continuation and extension of the Waiapu landfill.

### Activity Description and Service Levels

#### 1.0 INTRODUCTION

#### 1.1 Background and Rationale for the Council's Involvement

Council's Solid Waste services are provided to protect the health of the community and to provide the means of disposing of solid waste in an environmentally sound and economic manner, which best meets the needs of the community. The services include collection of waste and recyclables both from the kerbside and litter bins, and by transfer stations, and residual disposal to landfill, currently both outside the region, and, from the north on the coast, at the Waiapu landfill at Ruatoria. Street cleaning services are also undertaken in the Gisborne city Central Business District and other township commercial areas, and septage disposal at Waiapu landfill. In undertaking the activity, Council operates in accordance with the policies and implementation methods of its Solid Waste Management Plan<sup>1</sup>, produced under the requirements of the Local Government Act.

Council has obligations under different legislation to promote and encourage efficient waste management, and to promote the sustainable management of the environment, including people and communities.

The main Acts, which deal with these matters are the Local Government Act 1974, the Local Government Act 2002 (LGA), the Resource Management Act 1991 (RMA), and the Health Act 1956. Under the RMA Council is required to make decisions, which promote the sustainable management of natural and physical resources. The RMA also requires Councils to prepare plans (District and Regional), which identify the resource management issues for the region (Regional Policy Statement), and allow the management of land, air and water resources. Importantly regional and district plans can contain controls or rules on activities or discharges to the environment, in order to avoid, remedy or mitigate adverse effects. In terms of solid waste management, the rules in these plans may be one means of achieving some of the goals or aims of the Strategy. These documents link to the Strategy but do not form part of it.

The Health Act 1956 places a duty on every local authority to promote and conserve public health, including providing for solid waste collection and disposal and remedying public health nuisance.

<sup>1</sup> Waste Management Plan for the Gisborne District, Gisborne District Council 31 October 2005



# Mander Road Landfill



Other legislation including the Litter Act 1979 and the Hazardous Substances and New Organisms Act 1996 also provide controls, which impact on the overall management of solid waste resources.

## 1.2 Community Outcomes to which the Activity Primarily Contributes

**Table 1**

Community Outcomes	How the Solid Waste Activity Contributes
Safe and Healthy Haven Freedom from health risks and harm	By minimising waste production and residual waste going to landfill
	By collecting domestic waste and recyclables and encouraging recycling by kerbside collection and disposal and recycling facilities at transfer stations that is: - <ul style="list-style-type: none"> <li>• Regular and timely, and</li> <li>• Satisfactory to the customers</li> </ul>
	By cleaning town commercial areas that is: - <ul style="list-style-type: none"> <li>• Regular and timely, and</li> <li>• Adequate.</li> </ul>
	By managing waste disposal that is: - <ul style="list-style-type: none"> <li>• Environmentally acceptable, and</li> <li>• Timely.</li> </ul>

## 1.3 The Activity Goal and Principal Objectives

The Solid Waste activity goal is:

To meet the overall vision of the District for the management of solid waste resources from generation to residue disposal in a way that:

- a) Encourages reduction of waste at its source.
- b) Is environmentally sound.
- c) Focuses on the diversion of reusable, recyclable, and recoverable waste resources from the waste stream.
- d) Ensures the provision of adequate facilities for the District.
- e) Incorporates the diversity of cultural views.
- f) Recognises the community's aspirations and needs.
- g) Is fair, efficient and cost effective.
- h) Protects and enhances people's health and wellbeing.

and the Council's principal objectives are:

- a) Implementation of an integrated system of waste management for the District's solid waste resources based on the international waste management hierarchy of:
  - Reduction
  - Reuse
  - Recycling
  - Recovery
  - Residue Disposal



## Mander Road Landfill

- b) Efficient, fair and cost effective solid waste collection, transportation and disposal systems for the District's waste resources in a way that minimizes risks to the environment, human health and cultural values and safeguards these for future generations.
- c) Recognition and use of waste as a resource.
- d) Identification of the real costs of waste resource management and implement a fair system of cost recovery from waste generators.
- e) Effective and equitable educative, administrative and decision-making systems that encourage community participation and responsibility for solid waste resources management issues.
- f) Implementation and further development of the Strategy using a consultative and participatory process with tangata whenua and the community, including environmental and other organisations, companies and businesses having a particular interest in waste management where appropriate.
- g) Increased promotion, publicity, education, facilitation, research and liaison between Council and the community.
- h) Provision of a minimum level of service for the district from amenity, environmental and health perspectives.
- i) Provision of up to date information on the waste resource stream.
- j) Recognition that implementation of the Strategy will be long term through a series of identified priorities and action plans.

Minimum services to be provided are:

City - Access to transfer or disposal facility with diversion facility.

Centres of population - Access to transfer facility with diversion facility.

Isolated communities - Drop-off/collection system with diversion facility.

Isolated properties - Access to centre of population transfer facility.

### **2.0 FUTURE PLANNED LEVELS OF SERVICE, PERFORMANCE MEASURES AND LINKAGE WITH COMMUNITY OUTCOMES**

The Council will continue to monitor and report its actual performance against the following measures:

# Mander Road Landfill



**Table 2  
Performance Measures**

Activity	Performance Measure	Target
<b>EXTERNAL PERFORMANCE MEASURES (to be reported against in the Annual Report)</b>		
Waste production and residual disposal.	Percentage of total waste going to landfill.	Continue decreasing trend and 15% or less of the total waste stream going to landfill by 31 December 2009 (based on 2000 data).
Collection of domestic waste and recyclables.	Percentage of Requests for Service resolved within standard timeframes.	95% increasing to 98% by 2009.
	Percentage of residents very/fairly satisfied with Rubbish Bag Collection in annual Communitrak Survey.	60%
Encouraging recycling by kerbside collection and disposal and recycling facilities at transfer stations.	Amounts of recycling materials in tonnes collected from kerbside domestic collection in Gisborne City. (Source: Annual Environmental Health Report for Waste Management.)	Annual increase as a percentage of total waste collected.

Activity	Performance Measure	Target
<b>INTERNAL PERFORMANCE MEASURES (to be used as internal management tools)</b>		
Collection of domestic waste and recyclables.	Kerbside rubbish collection and recycling compliance with opening hours.	100% Undertaken / Open to advertised timetable.
Cleaning town commercial areas.	Undertaken to contract timetable and meets contract specifications.	100%
Managing waste disposal in an environmentally acceptable and timely manner.	Landfills meet resource consent conditions.	100%
	Landfill capacity immediately available at end of year as a percentage of annual quantity disposed. <sup>1</sup>	50%

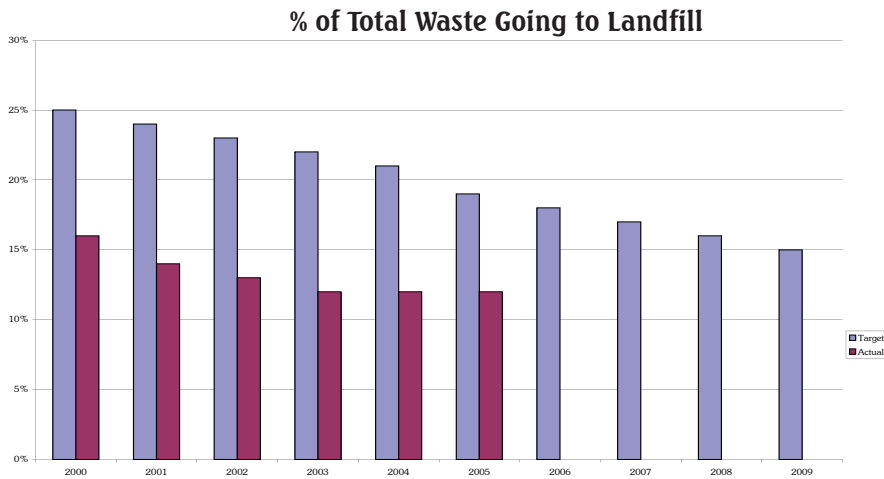
The following targets and measures will be reported in the Annual Report each year in the following form. Other performance results will also be available to any interested person on request.



# Mander Road Landfill

**Table 3**  
**Reporting Actual Performance Results**

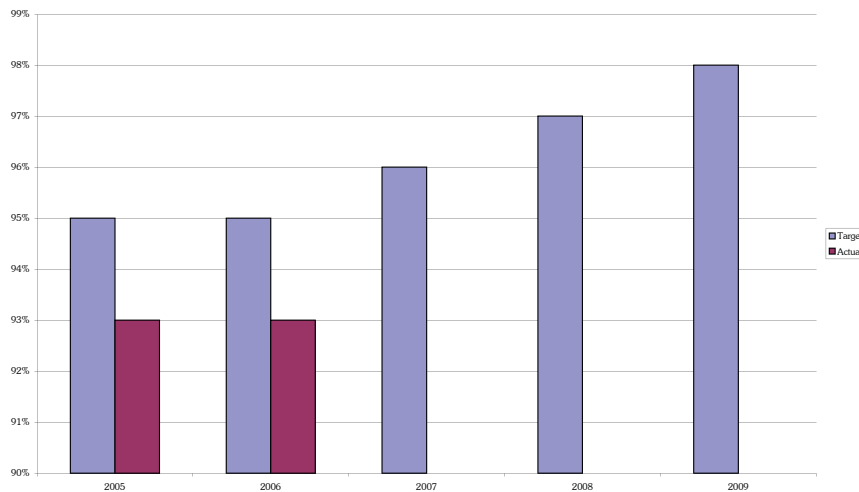
**Objective:** That waste going to landfill is minimised.



**Progress:** 15% achieved from 2000.

**Objective:** Service is satisfactory to customers.

**No. of Requests for Service Resolved Within  
Standard Timeframes**

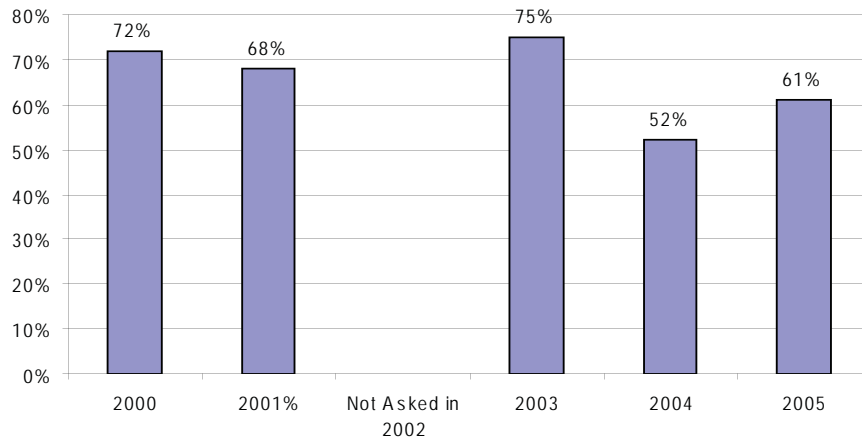


**Progress:** There were problems with overloading of resources in December 2005 due to exceptionally high number of visitors.

**Objective:** Overall customer satisfaction rating.



# Mander Road Landfill



**Progress:** The degree to which progress has been made towards the achievement of the community outcomes to which the Solid Waste activity primarily contributes will also be reported in the Annual Report each year (see Table 4).

**Table 4**  
**Overall Progress towards Achievement of Community Outcomes to which the Solid Waste Activity Primarily Contributes**

Outcomes	How the Solid Waste Activity Contributes		Measure	Performance			Rating				
				Targets 2006/07	Average Last 5 Years	Actual 2004/05	Much Worse	Worse	No Change	Better	Much Better
Safe and Healthy Haven  Freedom from health risks and harm	1. By minimising waste production and residual waste going to landfill		Percentage of total waste going to landfill	Decreasing trend (annual) and 15% or less of the waste stream by 31 December 2009 based on 2000 data.							
	2. By collecting domestic waste and recyclables	Regular and timely	Percentage of Requests for Service resolved within standard timeframes	95%							
		Satisfactory to the customers	Percentage of residents very/fairly satisfied with Rubbish Bag Collection in annual Communitrak Survey	60%							
	3. By encouraging recycling by kerbside collection and disposal and recycling facilities at transfer stations		Amounts of recycling materials in tonnes collected from kerbside domestic collection in Gisborne City. (Source: Annual Environmental Health Report for Waste Management.)	Annual increase as a percentage of total waste collected.							





# Mander Road Landfill

## 3.0 THE EXISTING SITUATION DESCRIBED

### Overview of the Solid Waste Activity

Table 5

Population Served (2005, medium growth scenario)	44,900
Kerbside waste collections (no)	2
Kerbside recyclables collection (no)	2
No of Transfer Stations	10
Operating Landfills (no)	1
Landfills aftercare (no)	1
Other services – litterbin collection, commercial area cleaning	Various
Cost of Service (2005/06)	\$3.6m

## Operations, Capital Development and Funding

### 4.0 MAINTENANCE and OPERATING

#### 4.1 How the Solid Waste Assets are Owned and Operated

The solid waste activity is managed, owned and operated as follows:

- Kerbside collections for waste in Gisborne City / Poverty Bay Flats (excluding Te Karaka) and Ruatoria.
- Kerbside collection for recyclables in Gisborne City / Poverty Bay Flats (excluding Te Karaka), and Ruatoria.
- Street and reserve litter bin provision and emptying and town commercial area cleaning in Gisborne city and rural townships.

These services are contracted and Council owns the recycling and litterbins, but does not own any other assets, plant or equipment.

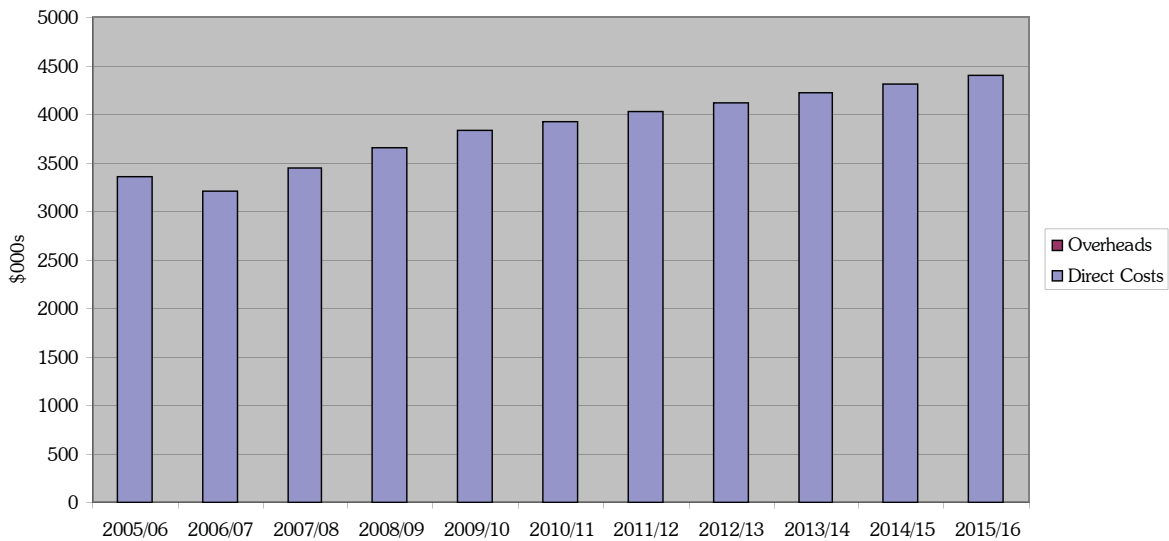
- Transfer stations at Te Karaka, Whatatutu, Matawai, Tolaga Bay, Tokomaru Bay, Te Puia Springs, Ruatoria, Tikitiki, and Te Araroa which provide waste disposal, greenwaste and (except Tikitiki) recycling facilities. These are operated by contracted personnel. The operation is managed by Council, which owns the assets (land and infrastructure of pits, bins, pumps / pipework, fences, sheds etc). Cartage of deposited material is contracted:
- Waiapu residual waste disposal landfill at Ruatoria. This is owned by Council and operated under contract.
- Disposal of residual waste landfill outside the district. This is a contracted service.
- Transfer station in Gisborne City with waste disposal and recycling facilities. This is privately owned and operated. Council provides payment for drop off facilities.

# Mander Road Landfill



- Additional facilities are provided privately for clean and green waste disposal, principally in Gisborne City / Poverty Bay Flats. These are not included as part of Council’s solid waste activity.

**Table 6**  
**Direct Maintenance and Operating Costs**



**Note**

There has been a slight increase in operating cost from 2007/08 with the introduction of a kerbside recycling collection to Ruatoria. This will be offset by income received via a targeted rate on those receiving the service.

## 4.2 Maintenance and Operating Issues

The Solid Waste operating direct expenditure is currently (2005/06) \$3.4m, with \$0.5m indirect costs (depreciation and interest). Operating revenue (fees and recoveries) is \$0.3m.

Outside Gisborne city / Poverty Bay Flats, population is widely scattered, making collection uneconomic (except Ruatoria). Rural services are provided by nine transfer stations. These are of varying standards and Council is carrying out upgrades. This includes improved facilities for diversion and processing of materials such as greenwaste and tyres. A new site is being investigated for Tikitiki transfer station. Operational costs are not expected to increase with the new transfer station.

An issue at the rural transfer stations is that currently there is no charge. This does not provide any incentive for waste minimisation, and there is no limit on waste disposed. This contrasts with Gisborne City / Poverty Bay Flats, where there is kerbside collection of bags with stickers. Stickers for one 5kg bag per household per week, paid for by targeted rates, are provided.





## Mander Road Landfill

Excess waste disposal is by purchase of additional stickers from the contractor or by disposal on payment at the privately owned and operated Gisborne transfer station. The Ruatoria kerbside collection is also operated via the sticker system. However residents of these communities also have access to the rural transfer stations. Charging at rural transfer stations will be reviewed.

To encourage recycling, and also to control illegal rubbish dumping by Gisborne city / Poverty Bay Flats residents, rural transfer stations are being secured and staffed during public operating hours. However, staffed hours are often limited, and a number of transfer stations have uncontrolled foot access. Recycling is provided for Gisborne city / Poverty Bay Flats and Ruatoria by kerbside collection, and at the Gisborne transfer station.

Substantial shifts occur in markets for recyclables, which can lead to problems in economic disposal, particularly with the high cartage costs due to Gisborne's distance from processing centres. As well volumes can change significantly, particularly at Christmas / New Year. This can make it difficult for contractor(s) to cover recycling costs when payment is a flat rate per household. This led to the contractor restricting collection over the 05/06 Christmas / New Year. Arrangements are being reviewed, and while Council's objective is to reduce and minimise waste disposal (to landfill), it has to be mindful of costs.

Disposal of waste is to landfill outside the district for waste from Gisborne city / Poverty Bay Flats collections and from Te Karaka, Whatatutu, Matawai and Tolaga Bay transfer stations. Disposal from the Ruatoria collection and from the remaining East Coast transfer stations is to Council's Waiapu landfill at Ruatoria. This will require continued extension to maintain capacity.

As well as operation of landfill(s), Council has to provide for ongoing care and monitoring after closure. Allowance for this is included in operating costs; this includes the former landfill at Paokahu, Gisborne.

### 4.3 Business Continuity / Emergency Management

Day to day activities are by contracted services, contractors have to respond to customer concerns and complaints. The activity is not directly involved in emergency management, but it is an essential service that must be maintained. In an emergency event the needs are:

- Re-establishing access to and for householders to collect / deliver waste.
- Ensuring facilities to receive and transfer waste are functional.
- For disposal outside the district, re-establishing access.

Re-establishing access is largely dependent on restoration of roads. Stockpiling can be done, but is limited in urban areas by capacity and for health reasons to about one week. It is expected that sufficient access can be established in that period to allow disposal. If this cannot be accomplished, Council would seek alternative, rural stockpile areas (e.g. unused quarry areas) for temporary storage.

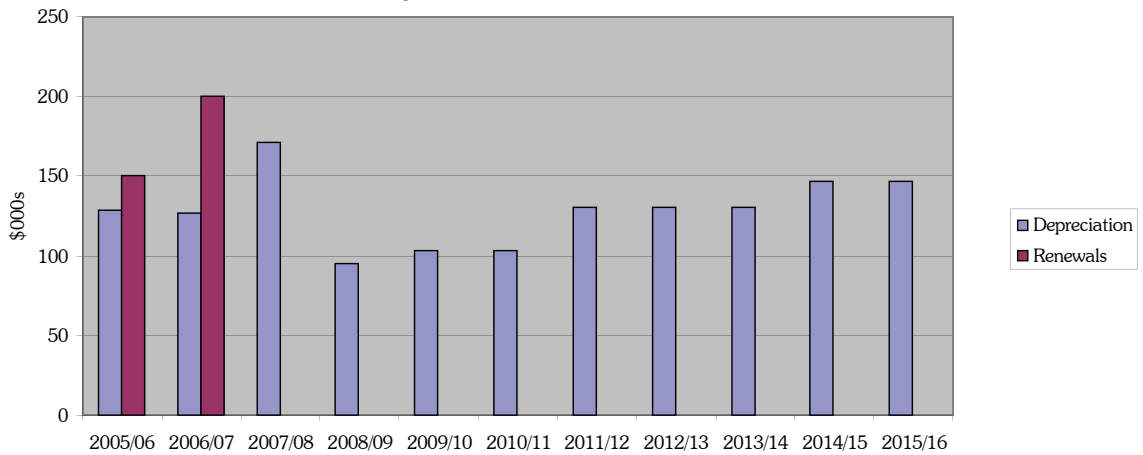
# Mander Road Landfill



## 5.0 RENEWALS, CAPITAL EXPENDITURE and DEPRECIATION

Table 7 Compares the forecasted renewal requirements and the ability of depreciation funds for the next 10 years.

**Table 7**  
**Depreciation v Renewal Cost**



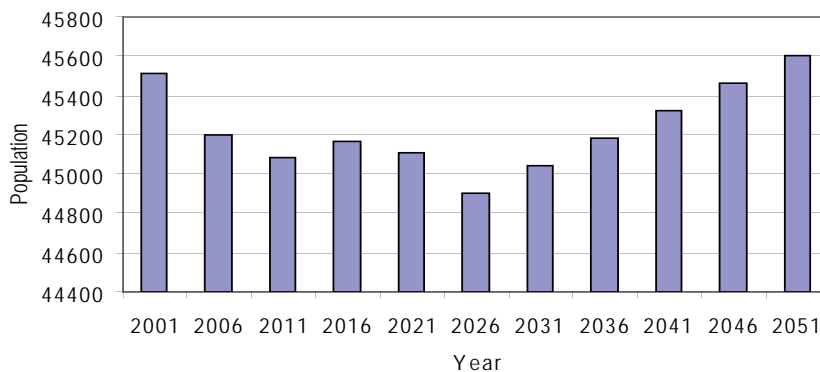
Renewal expenditure is for reconstruction of Te Karaka Transfer Station (\$200,000, 06/07). The nature and level of Renewals as shown above is being reviewed. Expenditure is shown to 2007/08 only, and it is expected that renewal expenditure over the period 2008/09 to 2015/16 will be required.

## 6.0 FUTURE DEMAND

The following tables illustrate the extent to which the Council predicts the current level of demand for Solid Waste is likely to change over time.

**Table 8**

**Projected Population for the whole of the Gisborne District 2001-2051**

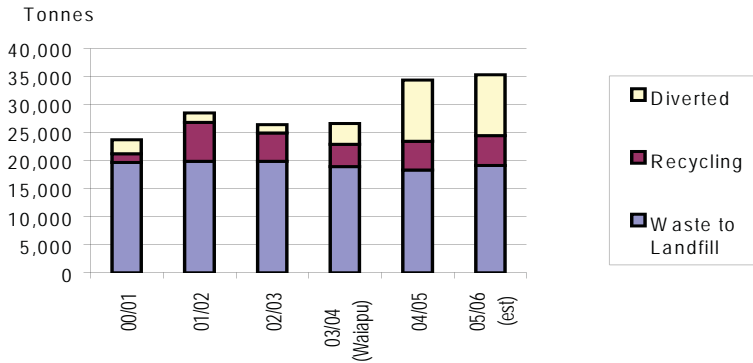




# Mander Road Landfill

## Waste Streams

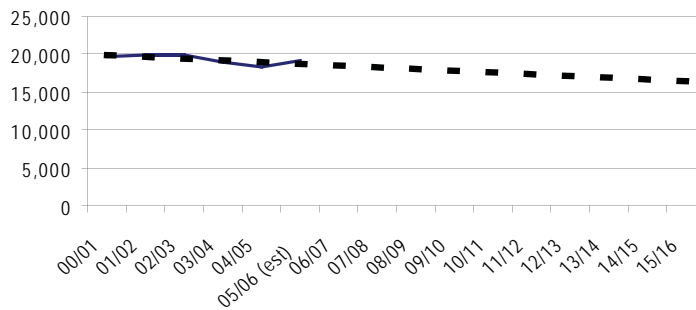
**Table 9**  
Quantities 00/01 - 05/06



## Trends

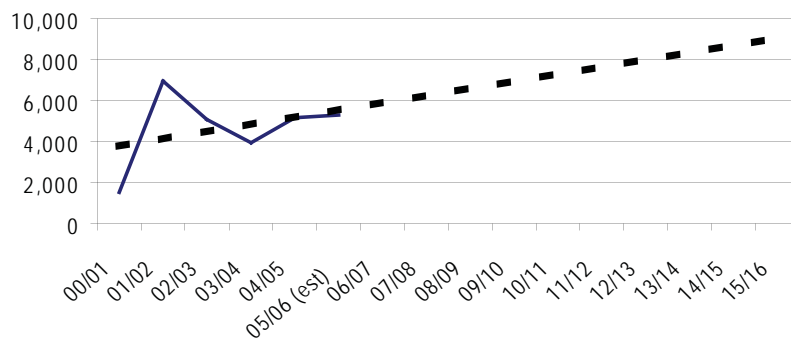
**Table 10**

Waste to Landfill  
(----- trend)



**Table 11**

Recycling  
(----- trend)



# Mander Road Landfill



## 7.0 NEW CAPITAL EXPENDITURE

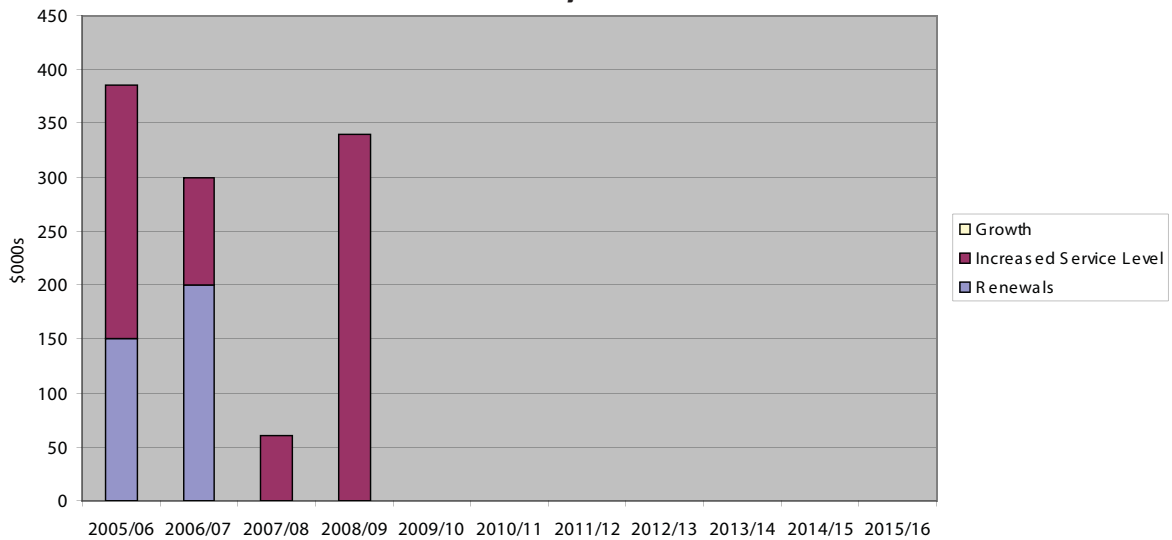
### 7.1 Proposed Future Capital Works Programme

Table 12

Work	Cost New Capital
	\$'000
East Coast Recycling Facilities (2007)	100
Te Karaka Transfer Station (2007)	200
Waiapu Landfill (2008)	60
Waiapu Landfill and Transfer Stations Security Fencing (2009)	180
Whatatutu Refuse Pit (2009)	140
Seal Road Tikitiki Transfer Station (2009)	20

Table 13

Total Capital Costs



There is no solid waste capital expenditure currently planned for Years 5 to 9.

### 7.2 Asset Retirement / Disposals etc

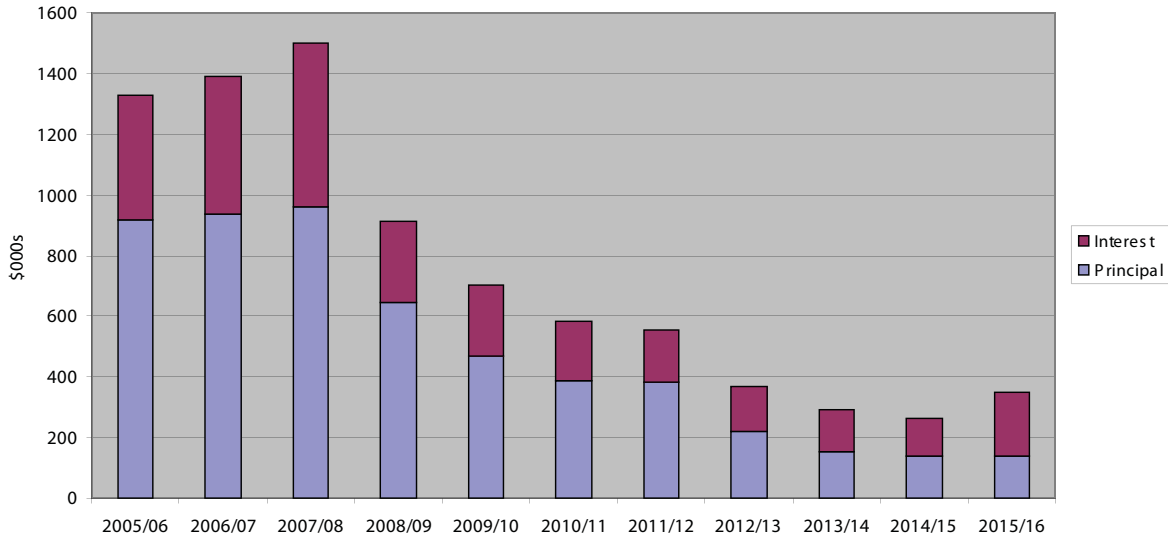
No asset retirements or disposals of any value are expected within the period.



# Mander Road Landfill

## 7.3 How Capital Works to be Funded

**Table 14**  
**Loan Servicing Requirement**



## 7.4 Other Capital Works Policies

Not Applicable.

## 7.5 Other Capital Works Issues

Not Applicable.

## 8.0 FUNDING THE ANNUAL NET COST – ‘WHO’ PAYS?

### 8.1 Financial Summary

**Table 15**  
**Summary of Forecasted Financial Performance**  
**(\$'000) – 2006/16**

2005/06	Statement of Financial Performance (\$'000)	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
<b>OPERATIONS</b>											
	Operating Revenue										
151	Activity Revenue	155	376	215	169	173	177	181	184	187	190
0	Grants & Subsidies	0	0	0	0	0	0	0	0	0	0
0	Other Revenue	0	0	0	0	0	0	0	0	0	0
134	Internally Charged Activity Revenue	135	139	143	146	150	153	156	158	161	163
<b>285</b>		<b>290</b>	<b>515</b>	<b>358</b>	<b>315</b>	<b>323</b>	<b>330</b>	<b>337</b>	<b>342</b>	<b>348</b>	<b>353</b>



# Mander Road Landfill



2005/06	Statement of Financial Performance (\$000)	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
<b>Operating Expenditure</b>											
3362	Direct Costs	3204	3452	3652	3837	3932	4028	4124	4218	4312	4407
129	Depreciation	127	171	95	103	103	130	130	130	147	147
409	Interest	454	542	270	231	200	173	152	139	128	118
0	Overheads & Indirect Costs	0	0	0	0	0	0	0	0	0	0
<b>3900</b>		<b>3785</b>	<b>4165</b>	<b>4017</b>	<b>4171</b>	<b>4235</b>	<b>4331</b>	<b>4406</b>	<b>4487</b>	<b>4587</b>	<b>4672</b>
<b>3615</b>	<b>Cost of Service</b>	<b>3495</b>	<b>3650</b>	<b>3659</b>	<b>3856</b>	<b>3912</b>	<b>4001</b>	<b>4069</b>	<b>4145</b>	<b>4239</b>	<b>4319</b>
<b>Funded by:</b>											
3700	Rates Income	3418	3470	3356	3509	3565	6029	5808	5631	3976	5133
0	Internal Allocations	0	0	0	0	0	0	0	0	0	0
0	Net Transfer from/(to) Reserves	0	0	0	0	0	0	0	0	0	0
0	Depreciation Unfunded	50	166	345	346	348	350	351	353	353	457
<b>3700</b>		<b>3468</b>	<b>3636</b>	<b>3701</b>	<b>3855</b>	<b>3913</b>	<b>6379</b>	<b>6159</b>	<b>5984</b>	<b>4329</b>	<b>5590</b>
<b>85</b>	<b>Funding Surplus/(Deficit)</b>	<b>-27</b>	<b>-14</b>	<b>42</b>	<b>-1</b>	<b>1</b>	<b>2378</b>	<b>2090</b>	<b>1839</b>	<b>90</b>	<b>1271</b>
<b>CAPITAL</b>											
<b>Capital Expenditure Capital</b>											
150	- Renewals	200	0	0	0	0	0	0	0	0	0
236	- Increased Level of Service	100	60	340	0	0	0	0	0	0	0
0	- Growth	0	0	0	0	0	0	0	0	0	0
919	Loan Repayments	938	958	644	470	385	380	218	151	137	137
<b>1305</b>		<b>1238</b>	<b>1018</b>	<b>984</b>	<b>470</b>	<b>385</b>	<b>380</b>	<b>218</b>	<b>151</b>	<b>137</b>	<b>137</b>
<b>Funded by:</b>											
0	Rates Income	0	0	0	0	0	0	0	0	0	0
0	Grants & Subsidies	0	0	0	0	0	0	0	0	0	0
0	Other Capital Income	0	0	0	0	0	0	0	0	0	0
386	Loans	100	240	0	0	0	0	0	0	0	0
919	Transfer from Depreciation Reserve	1138	778	984	470	385	380	218	151	137	137
0	Transfer from Other Reserves	0	0	0	0	0	0	0	0	0	0
<b>1305</b>		<b>1238</b>	<b>1018</b>	<b>984</b>	<b>470</b>	<b>385</b>	<b>380</b>	<b>218</b>	<b>151</b>	<b>137</b>	<b>137</b>



# Mander Road Landfill

## 8.2 Council Funding Streams

<p>Funding Stream 56 - Solid Waste: Refuse Litter Bins</p>	<p><b>Description of Activity</b></p> <ul style="list-style-type: none"> <li>Collect discretionary waste from public areas.</li> </ul> <p><b>Reason why Activity is Engaged in</b></p> <ul style="list-style-type: none"> <li>Discretionary.</li> <li>Public Expectation.</li> </ul> <p><b>Benefits Accruing</b></p> <ul style="list-style-type: none"> <li>The whole community benefits from a tidy environment.</li> <li>Cannot identify individual beneficiaries.</li> </ul> <p><b>Funding Sources and Mechanisms</b></p> <p>100% Uniform Annual General Charge as there is equal benefit over the whole district.</p>
<p>Funding Stream 57 - Solid Waste: Cleaning of Defined Public Spaces</p>	<p><b>Description of Activity</b></p> <ul style="list-style-type: none"> <li>Cleaning of defined public areas.</li> <li>Sweeping of footpath areas.</li> <li>Cleaning of rest areas in CBD and commercial areas.</li> </ul> <p><b>Reason why Activity is Engaged in</b></p> <ul style="list-style-type: none"> <li>Discretionary.</li> <li>Public Expectation.</li> <li>Provide a cleaner environment.</li> </ul> <p><b>Benefits Accruing</b></p> <ul style="list-style-type: none"> <li>The whole community benefits from a cleaner environment.</li> <li>Cannot identify individual beneficiaries, who are mostly exacerbators.</li> </ul> <p><b>Funding Sources and Mechanisms</b></p> <p>100% Uniform Annual General Charge as there is equal benefit over the whole district.</p>
<p>Funding Stream 58 - Solid Waste: Domestic Refuse Collection</p>	<p><b>Description of Activity</b></p> <ul style="list-style-type: none"> <li>Collect individual household waste, and elective commercial waste.</li> </ul> <p><b>Reason why Activity is Engaged in</b></p> <ul style="list-style-type: none"> <li>Discretionary.</li> <li>Provide cleaner and healthier environment.</li> </ul> <p><b>Benefits Accruing</b></p> <ul style="list-style-type: none"> <li>The whole community benefits from a clean environment.</li> <li>Direct benefit identified to the property.</li> </ul> <p><b>Funding Sources and Mechanisms</b></p> <p>100% Uniform Targeted Rate over the area served.</p>



## Mander Road Landfill



<p>Funding Stream 59 - Solid Waste: Landfills and Transfer Stations</p>	<p><b>Description of Activity</b></p> <ul style="list-style-type: none"> <li>• Provide facilities for disposal of waste.</li> <li>• Mitigate environmental effects by controlling the disposal of waste.</li> <li>• Minimise public health risks.</li> </ul> <p><b>Reason why Activity is Engaged in</b></p> <ul style="list-style-type: none"> <li>• Statutory Requirement.</li> <li>• Public Health, Tidy environment.</li> </ul> <p><b>Benefits Accruing</b></p> <ul style="list-style-type: none"> <li>• Waste occurs on a district wide basis, hence disposal is provided on a district wide basis.</li> <li>• People in transit generate waste outside their own domestic areas.</li> <li>• Individuals who use the service for their convenience can be charged directly.</li> </ul> <p><b>Funding Sources and Mechanisms</b></p> <p>85% Fees and Charges – this is the maximum limit that can be practically charged across access point.</p> <p>15% UAGC Public Component has benefit equally over the whole district.</p>
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### 9.0 LIST OF FUTURE PROPOSED CAPITAL WORKS

Refer to 7.1 - Table 12.

## Environmental Management, Regulatory Matters and Activity Management Issues

### 10.0 ENVIRONMENTAL MANAGEMENT ISSUES – INCLUDING RESOURCE CONSENTS, DISCHARGE PERMITS, 'RIGHTS TO TAKE', PROPERTY DESIGNATIONS, ZONINGS and EASEMENTS

Environmental management issues can be divided into the two major asset components of the activity, landfills, and transfer stations.

#### 10.1 LANDFILLS

There are two landfills – Waiapu, which is being operated and Paokahu, which is closed. Considering these:

##### Waiapu

Land use consent is indefinite. Resource consents (water permits and discharges) are current to 2010. This makes it necessary to apply for long term consent renewal shortly, and this is being actioned. The site is designated for landfill activity.



## Mander Road Landfill

### Paokahu

The landfill has been capped, sealed, grassed and returned to pasture. The main issue is control of leachate. This is intercepted and currently irrigated on to the landfill area. Investigations are underway to discharge into the sewerage system. The site is owned by the Paokahu Trust.

## 10.2 TRANSFER STATIONS

No consents are due for renewal within a short time (expiring from 2036 on). Compliance issues include upgrading / sealing of Te Karaka and Whatatutu stations, which is being actioned or programmed. Consent / compliance issues also apply to the existing Tikitiki station, obtaining a new site is currently in progress. Resource consents will then be obtained. Other possible consents required could include composting operations at Te Araroa station. There are no issues with property designations or zonings.

## 11.0 DEMAND MANAGEMENT

Council in February 2000 adopted a Waste Management Strategy, now incorporated in the Waste Management Plan 2, which proposes reducing the amount of solid waste requiring disposal. It aims for a waste target of 15% or less of the total waste stream going to landfill by 31 December 2009, and to implement the concept of 'Zero Waste' by 2015.

To do this, it proposes building community awareness of the need to minimise the production of waste and having a charging regime that reflects full costs and acts as an incentive to reduce waste. Goals include encouragement of reduction of waste at its source, diversion of reusable, recyclable, and recoverable waste resources, reusing as much material as practicable, and recycling the material that cannot be reused. Where possible and practicable, Council will assist industry and community initiatives in establishing markets for recyclable products and encourage initiatives which process diverted waste resources within the district.

Council's solid waste activity will have diversion facilities at all rural transfer stations and drop off facilities, kerbside recycling collections and a central resource recovery facility for Gisborne City. All facilities and services provided for reuse and recycling are to be pleasant, convenient and simple to use. Effective systems are to be in place to divert cleanfill, demolition and inorganic recyclables.

## 12.0 SIGNIFICANT NEGATIVE EFFECTS

Significant negative effects can include smell, water pollution, visual and litter, and health risk.

These particularly occur when the activity is not properly managed and operated, and / or has inadequate facilities, and can be minimised by ensuring timely and correct operation, and adequate and well-maintained infrastructure.



## Mander Road Landfill



A major component of the activity is transport cartage, with negative effects of fuel consumption, air and noise pollution, CO2 emissions, and road safety. Reducing the cartage necessary will reduce these effects. This is not easy in a widely scattered rural district, but methods are compaction to increase payload, and more local facilities. Currently, use of compaction is a decision made by Council's contractors, and is governed by economics.

A further negative effect is alienation of land by landfilling operations, and possible creation of a hazardous site. As above, this is minimised by best practice, but continued monitoring and removal of ongoing discharges (leachate, methane) is required after closure. (There may also be positive effects, such as use of methane gas as fuel, and improvement of contour and functionality of land once restored.)

All the negative effects can be reduced by reduction of waste quantities. As detailed in Demand Management above, Council is committed to this, and will have to consider mechanisms such as charging at transfer stations to further its achievement.

### 13.0 PRIVATE SYSTEMS

Not Applicable.

### 14.0 SIGNIFICANT FORECASTING ASSUMPTIONS, UNCERTAINTIES and RISK MANAGEMENT

#### 14.1 Assumptions and Uncertainties

The forecasts contained in the Activity Management Plan are based on the best available knowledge at the time, for the stated level of service being delivered.

Particular assumptions are:

- Council will continue to provide solid waste services and infrastructure in the same way as currently, or as specifically noted in this Plan.
- That charging for waste will be reviewed at rural transfer stations and Waiapu landfill.
- That quantities of waste and recyclables will continue current trends and as predicted in this Plan.
- There are no legislative, Government policy or other changes that have major effects on service delivery.
- That there are no significant natural events that have major effects on solid waste infrastructure.
- That no material changes to resource consents, or any other permits and licences, which effects operational or capital requirements occurs.



# Mander Road Landfill

Uncertainties include:

- Operational and construction costs, and influences on them such as national demand, currency exchange rates, etc.
- Quantities of waste and recyclables, and other materials (divertables).
- Changes in types and quantities of materials that contribute to the waste and recyclable streams.
- Ability to market and dispose recyclables and income derived from them.
- Government or other initiatives, e.g. landfill levy, charges on manufacturers' packaging, etc.

## 14.2 Risk Management

Major risks are identified as:

Risk:	Managed By:
Major change in quantities	Monitoring of trends, where necessary review levels of service.
Charging is not introduced at rural transfer stations	Review net costs and levels of service.
Inability to market and dispose of recyclables	Review net costs and levels of service.
Cost increases significantly higher than expected	Review net costs, operational methods and levels of service.

## 15.0 BYLAWS

There are no bylaws relevant to this activity.

