

# Statement of Proposal

## Proposed Resource Management Charging Policy 2011

### 1. Purpose

The purpose of this document is to inform the public and seek comments on Greater Wellington's Proposed Resource Management Charging Policy 2011.

### 2. Background

Greater Wellington's Resource Management Charging Policy "the Policy" contains a regime of resource management charges for the Wellington region including:

- Resource consent application charges
- Consent supervision and monitoring charges
- Charges for not complying with a rule in a regional plan or the Resource Management Act 1991
- Charges for providing information in relation to plans and resource consents
- Application charges for changing a plan or the Regional Policy Statement

Greater Wellington undertakes a wide variety of regulatory functions relating to resource management activities including processing resource consents, undertaking compliance monitoring of consent conditions, monitoring the state of our environment, and responding to resource management incidents. The Policy adopts a beneficiary pays principle whereby those who benefit from using natural and physical resources are expected to pay the full costs of that use.

The current structure of the Policy has been in place since 1997. In 2001 and 2007 reviews and subsequent amendments were made to various parts of the Policy. Since 2007, there have been annual reviews of the Policy which resulted in changes in 2008 and 2009. There were no changes made to the Policy in 2010.

The charges in the Policy are made either under section 36 of the Resource Management Act 1991 or section 150 of the Local Government Act 2002. The charges are consistent with Greater Wellington's Revenue and Financing Policy June 2006.

### 3. Proposal

A review has been completed of the Policy. As a result, there are key outcomes which have resulted in some proposed changes to the Policy. A full copy of the Proposed Resource Management Charging Policy 2011 can be viewed on our website [www.gw.govt.nz/Consent-fees](http://www.gw.govt.nz/Consent-fees).

#### 3.1 Principles of charging unaltered

The Policy sets out a number of underlying principles for determining charges. These remain unaltered.

### **3.2 Charge out rate**

A key proposed change is an increase in the hourly charge-out rate for Greater Wellington staff from \$105/hour (excl. GST) to \$110/hour (excl. GST).

### **3.3 Application charges**

There are a couple of minor changes to initial fixed application charges for various consent types for non-notified consents. The Policy sets the initial fixed application charges at the normal or average cost of processing applications for various consent types.

A major change is proposed to the application charges for notified consents. It is proposed to set two initial fixed application charges for limited notified applications at \$4400 (excl. GST) and fully notified applications at \$8800 (excl. GST). In addition to this a further fixed charge will be applied to applications where a hearing is required to determine a notified application of \$2000 per scheduled half day.

Changes are proposed to application charges for the preparation or change of a regional plan or Regional Policy Statement.

### **3.4 Resource Management (Discount on Administrative Charges) Regulations 2010**

Changes to the Resource Management Act in 2009 led to the development of the Resource Management (Discount on Administrative Charges) Regulations 2010 "Discount Regulations". The Discount Regulations set out a discount of 1% for each day an application is processed over statutory timeframes and apply to the processing of most consent applications. Whilst the Discount Regulations allow for Council's to implement a more generous policy, it is proposed operate our resource consent charging regime in accordance with the Discount Regulations.

### **3.5 Building Act charges**

Since 2004, Regional Council's have been responsible for implementing the Building Act in relation to dams. It is proposed to include the existing set of charges for administering our responsibilities under the Building Act, with the updated proposed charge-out rate of \$110/hour.

### **3.6 Consent supervision and monitoring charges**

Every consent receives either a one-off or annual Consent Supervision and Monitoring Charge. This charge is made up of three components:

- Customer service charge (a fixed charge covering costs incurred for keeping up to date consent records, providing information and advice to consent holders, and other administration costs for maintaining consents)
- Compliance monitoring charge (a variable charge for staff time spent monitoring consents)
- State of the environment monitoring charge (a variable charge covering a proportion of costs incurred for environmental monitoring and investigations)

It is proposed to increase the **customer service charge** for every consent from \$35/year to \$40/year.

Minor changes are proposed to **compliance monitoring charges** for various consent types to reflect the level of monitoring required to be undertaken by staff.

There are no changes proposed to **state of the environment monitoring charges** for most consent types. This is because a major review of SOE charges for most consent types was completed in 2009. The only category where a major review was not completed was for consents that discharge contaminants to air. This has now been reviewed and changes are proposed that will distribute the cost of ambient air quality monitoring across a wider number of consent holders.

#### 4. Reasons for the proposal

A review of the Policy was completed last year, however as any identified changes to the Policy were minor and Greater Wellington expressed a desire to keep any cost increases minimal due to the economic recession, no changes were made to the Policy. Hence the existing charge out rate has been fixed at 105/hour since 2009. The proposed \$110/hour rate is consistent with the rate of inflation during this period and is approximately at the mid-point of other Regional Council charge out rates.

The proposed changes to initial fixed application charges for processing consents and changes to regional plans or the Regional Policy Statement more fairly reflect the average costs for processing these applications.

The proposed increase in the customer service charges for consents from \$35/year to \$40/year reflects current costs associated for maintaining consent records and providing advice to consent holders. The existing charge of \$35/year has been in place since 2001.

Some changes to the Resource Management Act in 2009 have necessitated changes for compliance monitoring charges. For example, the Resource Management (Water Measuring and Reporting) Regulations 2010 now require most water take consents to be metered and report water usage. This requires an increased level of compliance monitoring. Other minor changes to compliance monitoring charges reflect the average cost for undertaking compliance inspections for various consent types.

#### 4.1 Assessment of options and **cost**

The current structure and underlying principles of the Policy have been in place since 1997 and is consistent with other Regional Council's. Any alternative options for funding Greater Wellington's regulatory functions would be contrary to the beneficiary pays principle reflected in section 36 of the Resource Management Act 1991.

**Comment [t1]:** Amy – how crucial is this? At this stage I've put a couple of very general statements.

#### 5. Submission process

Comments and submission on the Proposed Resource Management Charging Policy 2011 are invited to be received by Greater Wellington by 5pm, Tuesday 26<sup>th</sup> April. Submissions can be posted to P O Box 11-646, Wellington, faxed to 04 3856960, or dropped in to Greater Wellington's offices at 142 Wakefield St, Wellington; or 34 Chapel St, Masterton.

Submitters are requested to indicate in their submission if they wish to be heard in person to support their submission. Submissions need include your name and contact details. Your submission may become publicly available if a request for it is made under the Local Government Official Information and Meetings Act 1987. If you are making a submission as an individual, Greater Wellington will consider removing your personal details if you so request in your submission.