

Statement of Proposal

Proposed Amendments to the Resource Management Charging Policy

1. Purpose

The purpose of this document is to inform the public and seek feedback on the proposed amendments to the Resource Management Charging Policy for Greater Wellington Regional Council (GWRC).

2. Background

GWRC's Resource Management Charging Policy (the Policy) contains a regime of resource management charges for the Wellington region including:

- Resource consent application charges
- Consent 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

GWRC 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 and its overall approach has been in place since 1997. The Policy is reviewed annually. At last year's review, no changes were made, hence the last change to the Policy was in 2013.

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 GWRC's Revenue and Financing Policy.

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 amendments and current Policy can be viewed on our website www.gw.govt.nz/fees.

3.1 Principles of charging unaltered

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

3.2 Consent processing charges

Changes are proposed to the hourly charge-out rate for GWRC staff as follows:

	Current rates	Proposed rates
Administration services including consent registration, database entry, and notified consent processing support	\$100 per hour (excl. GST)	\$105 per hour (excl. GST)
Consent processing and compliance monitoring services including assessment of consent applications, decision recommendations, monitoring of consent conditions	\$115 per hour (excl. GST)	\$120 per hour (excl. GST)
Technical or science expert services for technical and/or science expert advice on consent applications or compliance monitoring	\$130 per hour (excl. GST)	\$135 per hour (excl. GST)

Changes to initial fixed application fees for consents are proposed. There are minor adjustments to the majority of non-notified application fees. More significant increases are being made to:

1. Non-notified application fees for discharge to land or water consents.
2. Notified application fees.

All consent application fees reflect the approximate median cost of processing particular consent types.

The current rates and fees have been in place since July 2013.

3.3 Consent monitoring charges

Currently all consents receive a Consent 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 fixed or variable charge for staff time spent monitoring consents)
- State of the environment monitoring charge (a fixed or variable charge covering a proportion of costs incurred for environmental monitoring and investigations)

3.3.1 Customer service charge

The **customer service charge** for every consent will not change and will remain at \$40/year.

3.3.2 Compliance monitoring charge

Changes are proposed to **compliance monitoring charges** for various consent types to reflect the level of monitoring required to be undertaken by staff and the level of importance of monitoring various activity types.

A strategic review of our compliance monitoring programme has recently been undertaken. Up until now, GWRC has attempted to monitor all resource consents. The focus of our compliance monitoring programme will shift to undertaking more monitoring of more important consents, and less or no monitoring of less important consents. The level of importance for various activities has been determined through a moderated risk based assessment of a number of factors such as the scale of activity and associated environment effects, and previous environmental performance, as well as regional planning and GWRC science monitoring priorities.

The impact for compliance monitoring charges will be different for various activities. Some activities are likely to receive more monitoring (and therefore increased charges), whilst others will receive less monitoring. Below are a couple of examples:

Reduced monitoring and costs	Increased monitoring costs
Majority of <i>river works, coastal works, and boatsheds</i> will not be inspected. A lesser one-off charge of \$60 will be incorporated into the consent processing charges.	High risk <i>industrial, non-municipal, and winery discharges</i> will now be inspected each year. At present they may only be inspected once every three years.
Majority of <i>water takes</i> will not be inspected. Charges for consent holders who provide suitable electronic water use data to GWRC will be reduced.	More staff time will be allocated to monitoring our most important consents such as <i>municipal wastewater discharges and water supplies, RoNS and earthworks projects, and urban stormwater</i> . These consents will receive variable charges based on actual and reasonable costs.

There will be an increase in the number of consents that will now receive a variable monitoring charge based on the actual and reasonable costs of monitoring each consent for the previous year. Fixed monitoring charges specified in the Policy will continue to apply for a number of activities.

A summary of the activities that incur fixed and variable charges is provided below:

Fixed charges	Variable charges
Takes	Municipal wastewater
Agricultural effluent	Municipal water supplies
Quarries	RoNS projects and earthworks
Industrial, non-municipal, and winery discharges	Urban stormwater
Coastal works, structures, and activities	Air discharges
River works, bridges, and culverts	Landfills & cleanfills
Boatsheds	Contaminated sites
Bores	Forestry
Swing moorings	Reclamation
	1080 & agrichemical

Fixed charges are set charges that apply annually to a particular category of resource consent. Variable charges are not set charges. They are based on the actual and reasonable costs for undertaking work associated with a resource consent.

3.3.3 State of the Environment (SOE) monitoring charge

No changes are proposed to **state of the environment monitoring (SOE) charges** for each charge category. Significant changes were made in 2013. A commitment was made at that time to phase in significantly higher charges over a five year period through to 2018.

Whilst the charges for each category will not change, some groundwater zones and catchments may be in different charge categories. This is because the level of stress on groundwater zones and catchments changes over time as consents are granted and surrendered.

Special SOE charges are now proposed for Roads of National Significance projects as the nature and scale of this activity is far greater than normal similar consent types. This is consistent with a couple of other activities where the special SOE charges apply e.g. Wellington Water take from Hutt aquifer and GWRC Flood Protection scheme maintenance consents.

3.4 Resource management activities relating to community services and wetland restoration

GWRC recognises that there are some minor activities undertaken by not-for-profit organisations relating to community services that incur consent monitoring charges which can significantly impact the ability for the consent holder to provide this community service or good. If a consent holder can adequately demonstrate that their activity is for a community service or good, they can apply for a rebate of up to 50% of their consent monitoring charge.

Consent processing charges will not apply for any applications relating to wetland restoration.

4. Reasons for the proposal

4.1 Consent processing charges

The existing charge out rates have been fixed since 2013. The proposed changes to the charge out rate are consistent with the range of resource management services provided. The charge out rate for consent processing services is approximately at the mid-point of other regional council charge out rates for similar services.

Changes to fixed application fees for non-notified and notified consents have been adjusted to more truly reflect the median cost of processing various consent types. Keeping fixed application fees at the current level for some consent types creates unrealistic expectations to potential applicants on their overall consent processing costs.

GWRC encourages wetland restoration in the Regional Policy Statement (RPS). In the draft Natural Resources Plan, consents will be required for undertaking wetland restoration. GWRC believes that as we encourage wetland restoration in the RPS, it is appropriate to waive consent fees for these activities.

4.2 Consent monitoring charges

Many councils are shifting their compliance monitoring programmes away from a traditional approach of monitoring everything, to an strategic risk based approach that focuses compliance on important activities. GWRC has decided to operate a strategic risk based approach.

Overall the amount of time spent on compliance monitoring is unlikely to change. However, what consents are monitored and time spent monitoring various consents will change. The Policy has beneficiary pays principle, and the changes to fixed and variable charges proposed reflect this principle.

In recent years, there have been instances where minor activities undertaken by consent holders who provide a community good or service (i.e. not for profit organisations or their representatives) incur consent monitoring charges that represent a reasonable proportion of a consent holder's operating cost which are often funded by donations and grants. GWRC believes it is appropriate to rebate some of these charges given the funding source of these consent holders.

4.3 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 councils. Any alternative options for funding GWRC's regulatory functions would be contrary to the beneficiary pays principle reflected in section 36 of the Resource Management Act 1991.

5. Consultation and submission process

The consultation period where views and submissions are invited on the proposed amendments to the Policy is from 16 March – 20 April 2015. You can have your say on the proposed amendments to the Policy by providing either written or verbal submissions.

Written comments and submissions on the proposed amendments to the Resource Management Charging Policy are invited to be received by GWRC by 5pm, Monday 20 April 2015. Written submissions need include your name and contact details and can be completed in the following ways:

- **By post** to P O Box 11-646, Wellington or P O Box 41, Masterton
- **By e-mail** to notifications@gw.govt.nz
- **By hand** to our offices at Shed 39, 2 Fryatt Quay, Pipitea, Wellington; or 34 Chapel St, Masterton.

Verbal submissions can be provided by making an appointment with Al Cross, Manager Environmental Regulation (alistair.cross@gw.govt.nz); or Stephen Thawley, Project Leader Environmental Regulation (stephen.thawley@gw.govt.nz).

Submitters are requested to indicate in their submission if they wish to be heard in person to support their submission. Submissions may be made publicly available. If you are making a submission as an individual, GWRC will consider removing your personal details if you so request in your submission.