



Report 11.46
Date 4 February 2011
File CMM/01/16/01

Committee Council
Author Stephen Thawley, Project Leader, Environmental Regulation

Review of the Resource Management Charging Policy

1. Purpose

To seek approval to release the Proposed Resource Management Charging Policy (2011) and the Summary of Information for public consultation in accordance with the special consultative procedure under the Local Government Act 2002.

2. Significance of the decision

The matters for decision in this report **do not** trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002. It is noted that when setting charges under the Resource Management Act 1991, the special consultative procedure set in section 83 of the Local Government Act 2002.

3. Background

Greater Wellington's Resource Management Charging Policy "the Policy" contains our regime of resource management charges for the region. 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. This was completed as a separate special consultative procedure in accordance with the Local Government Act 2002. The 2007 review identified that we intended to undertake an annual review of the Policy that connected with the annual plan process. Accordingly, in 2008 and 2009 the changes made to the Policy were made as part of the annual plan process. In 2010, it was considered that there were no changes required to the Policy.

4. Outcomes of review of the Policy

A review has been completed of the Policy. The key outcomes from the review of the Policy has resulted in some changes to the Policy.

4.1 Principles of charging unaltered

The Policy sets out a number of underlying principles for determining charges. These remain unaltered as they have stood the test of time since the adoption of Greater Wellington's original policy in 1997. We receive very few informal or formal objections to charges made under the Policy by comparison with other Regional Councils.

4.2 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). There has been no change to the charge out rate since 2009. The proposed \$110/hour rate is approximately at the mid-point of other Regional Council charge out rates as evident in the comparison table below:

Council	Consents Officer hourly rate (\$)	Senior Consents Officer hourly rate (\$)	Team Leader / Manager hourly rate (\$)
NRC	75	95	105-150
Auckland	112	138	143-153
EW	103	118	145
EBoP	83	100	107-145
GDC	110	110	110
TDC	113	113	113
MDC	125	140	155
ORC	87	123	195
ES	~100	~125	
Median	\$103/hour	\$118/hour	N/A

Data sourced from a review of charges specified on Council websites.

4.3 Application charges

There are a couple of minor changes to initial fixed application charges for various consent types for non-notified consents. Our policy is to set the initial fixed application charges at the normal or average cost of processing applications for various consent types. The proposed changes reflect this policy.

A major change is proposed to the application charges for notified consents. At present there is one charge of \$5250 (excl. GST) for all notified applications. 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. These changes are proposed to more fairly reflect the average costs for processing standard notified consents.

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

actual and reasonable costs based on recent experiences in handling such an application.

4.4 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 (up to a maximum of 50%) 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. The Policy has been updated to reflect what the Discount Regulations provide for.

4.5 Building Act charges

Since 2004, Regional Council’s have been responsible for implementing the Building Act in relation to dams. The charges with administering our responsibilities under the Building Act have previously been approved by the Council. Whilst a special consultative procedure under the Local Government Act 2002 is not required to set charges under the Building Act, it is appropriate to include the charges in the Resource Management Charging Policy.

4.6 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 (SOE) 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. The existing charge of \$35/year has been in place since 2001.

Minor changes are proposed to **compliance monitoring charges** for various consent types to reflect the level of monitoring required to be undertaken by staff. For example, with the introduction of new Resource Management (Water Measuring and Reporting) Regulations 2010, additional monitoring of water take consents is now required.

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 which is consistent with the approach taken to other consent types.

5. Communication

The special consultative procedure on the review of the Resource Management Charging Policy 2011 will be run in conjunction with consultation on the Proposed Annual Plan 2011/12.

- The Proposed Resource Management Charging Policy 2011 (Statement of Proposal), **Attachment 1** will be available on our website www.gw.govt.nz/Consent-fees.
- A Summary of Information (**Attachment 2**) will be included in the summary of the Proposed Annual Plan 2011/12, which is distributed to all households in the region.
- The submission period will run concurrently with the Proposed Annual Plan 2011/12 between 23 March and 26 April 2011.

It is intended that all consent holder will be separately advised of the review of the Resource Management Charging Policy at the commencement of the submissions period.

6. Recommendations

That the Council:

1. **Receives** the report.
2. **Approves** the Proposed Resource Management Charging Policy 2011 (Statement of Proposal) and the Summary of Information.

Report prepared by:



Stephen Thawley
Project Leader, Environmental
Regulation

Report approved by:



Al Cross
Manager, Environmental
Regulation

Report approved by:



Nigel Corry
General Manager,
Environment Management

Attachment 1: Statement of Proposal

Attachment 2: Summary of Information – Proposed Resource Management Charging Policy 2011