

Statement of Proposal

Proposed Resource Management Charging Policy 2013

1. Purpose

The purpose of this document is to inform the public and seek comments on Greater Wellington's Proposed Resource Management Charging Policy 2013.

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 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. The Policy is reviewed annually. At last years review, no changes were made, hence the last change to the Policy was in 2011.

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 2012.

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 2013 can be viewed on our website 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

Changes are proposed to the structure of our hourly charge-out rate for Greater Wellington staff. At present, all staff time is charged at a standard rate of \$110/hour (excl. GST). This rate has been in place since July 2011. It is proposed to change the charge out rate structure to reflect the cost of services provided by GWRC staff as follows:

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

3.3 Consent monitoring charges

Every consent receives either a one-off or annual 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 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)

The **customer service charge** for every consent will not change and will remain at \$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. For example, with the introduction of new Resource Management (Water Measuring and Reporting) Regulations 2010 that are now operative for existing water takes, additional monitoring of water take consents is now required.

There are significant changes proposed to **state of the environment monitoring (SOE) charges** for all consent types. The last change to SOE charges was in 2009.

The most significant increases will occur for discharge to land and discharge to water consent types. In particular consent holders with discharges that have potential significant effects on the environment (i.e. municipal wastewater discharges) will experience the greatest increase. Smaller increases are expected for water take consent types.

If the proposed changes to SOE charges are implemented immediately, this will result in substantial increases, particularly for larger consents and discharge to water and land consents. Therefore it is recommended that the proposed SOE charges are phased in over a five year period.

4. Reasons for the proposal

4.1 Charge out rate

The existing charge out rate has been fixed at \$110/hour since 2011. 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.

4.2 State of the environment (SOE) charges

GWRC has a state of the environment (SOE) monitoring programme that monitors our water, land, and air resources. Consent holders benefit from GWRC's SOE monitoring programme in various ways including preparation of monitoring reports and future consent applications, and implementing conditions on their resource consents.

GWRC only recovers a small proportion of the cost of our SOE monitoring programme. Currently, GWRC recovers just over \$260,000 from consent holders. At present our budget for our SOE monitoring programme is just over \$4 million. Therefore consent holders contribute approximately 6.5% to our SOE monitoring programme.

Analysis of the funding of other Regional Council's SOE monitoring programmes shows that GWRC proportionally collects significantly less from consent holders than other regions as shown in the comparison table on the following page. In other regions where SOE charges are directly charged, consent holders pay between 20%-35% of the SOE monitoring programmes in that region.

All SOE monitoring programmes undertaken by GWRC have been costed and assessed in terms of their relevance to consent holders. Overall it is proposed to recover 23% (\$1,051,103) of the total cost of our SOE monitoring programme. At present GWRC recovers just of \$260,000.

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 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.

5. Submission process

Comments and submission on the Proposed Resource Management Charging Policy 2013 are invited to be received by Greater Wellington by 5pm, Friday 26th 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.