

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.

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
- Other charges relating to the Resource Management Act 1991
- Charges for work relating to dams under the Building Act 2004.

Greater Wellington undertakes a wide variety of regulatory functions relating to resource management activities including processing resource consent applications, undertaking compliance monitoring of consent conditions, monitoring the state of our environment, and responding to environmental 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 last changes to the Policy were made in 2019.

The proposed changes to the Policy are made under section 36 of the Resource Management Act 1991, section 150 of the Local Government Act 2002, and section 243 of the Building Act 2004. The charges are consistent with Greater Wellington'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. Overall the proposed Policy is intended to be in place for three years in line with the Long Term Plan cycle. A full copy of the proposed Policy 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 rate (excl GST)	Proposed rate (excl GST)
Resource management services including consent registration, database entry, and notified consent processing support	\$110/hour	\$115/hour
Consent processing and compliance monitoring services including assessment of consent applications, decision recommendations, monitoring of consent conditions	\$130/hour	\$135/hour
Technical or science expert services for technical and/or science expert advice on consent applications or compliance monitoring	\$145/hour	\$150/hour

As the Policy will be in place for three years, it is proposed to complete an annual review of the charge-out rate: if the Consumer Price Index (CPI) and salary market movement for consent processing and compliance monitoring services increases by more than 3.7% from when the Policy comes into effect (1 July 2021), the charge out rate will be increased by \$5/hour.

Minor adjustments are made to all non-notified initial fixed application fees to reflect the proposed charge out rates and the approximate median cost of processing particular consent types.

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 is proposed to increase from \$40/year to \$70/year. Where there are multiple consents for the same activity in place, a discount of \$20/consent applies after the first consent.

3.3.2 Compliance monitoring charge

No significant changes are proposed to **compliance monitoring charges**. Only minor adjustments are being made to some fixed compliance charges to reflect the average amount of time required to undertake monitoring, and proposed change in charge out rate.

3.3.3 State of the environment (SOE) monitoring charge

The current Policy recovers from consent holders 12.6% of the total Environmental Science budget through **state of the environment monitoring (SOE) charges**. Greater Wellington's Revenue and Financing Policy requires that 10-20% of Environmental Science activities are recovered as user charges (i.e. SOE monitoring charges). It is proposed to increase the recovery rate to 15% from 1 July 2022 as follows:

	Recovery rate	Total amount
Current Policy (2019)	12.6%	\$1.25 million
Proposed Policy (2021) - effective 1 July 2022	15%	\$1.69 million

Consent numbers and Environmental Science programmes connected to various consents types have changed since the last review of the Policy in 2019. This means that there are different rates of increases for different consent types as follows:

Consent type	No. of consents	Current ave. cost	Proposed ave. cost (from 1 July 2022)	Proposed av. % increase
Land use	76	\$100	\$140	40%
Surface water takes	338	\$1104	\$1648	49%
Groundwater takes	254	\$686	\$824	20%
Discharges to water	153	\$1548	\$2066	33%
Discharges to land	475	\$581	\$636	9%
Discharges to air	159	\$277	\$443	60%

The most significant increase is for consent holders who discharge contaminants to air, and take surface water. The lowest increase is for consent holders who discharge contaminants to land or take groundwater.

A review of management zones for water takes (groundwater and surface water) and their associated allocation status (low, medium, or high) has been completed. This has resulted in a couple of management zones changing allocation classification. With reclassification of management zones, some SOE monitoring charges will increase more markedly.

4. Reasons for the proposal

4.1 Consent processing charges

The existing charge out rates have been fixed since 2019. 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. The proposed changes are also consistent with national salary market movement and CPI changes since 2019.

4.2 Customer service charge

The current charge has been in place since 2011, when the cost was based on half an hour of staff time cost. The proposed charge represents on average half an hour of staff time cost in 2021, at the new charge out rate. Systems for managing consent records are also in the

process of being upgraded, which is incurring cost that should be fairly covered by consent holders.

4.3 State of the environment (SOE) monitoring charges

The costs of our Environmental Science activities have changed since the last review of SOE charges in 2019. Greater Wellington wishes to raise the recovery of user charges to the mid-point of its Revenue and Financing Policy. All Environmental Science programmes have assessed to determine the benefit to consented activities balanced against the benefit to the regional ratepayer. There is a wide range – some programmes have no benefit to consented activities (0% recovery) whilst other programmes have 100% benefit to consented activities (e.g. systems managing telemetry of water takes). Greater Wellington believes that the proposed recovery reflects an appropriate balance of users pays and what costs of Environmental Science activities should be borne by the regional ratepayer.

4.4 Assessment of options and cost

The current structure and underlying principles of the Policy have been in place since 1997 and are 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 6 April – 6 May 2021. 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 Greater Wellington by 5pm, 6 May 2021. 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 100 Cuba St, Wellington; or 35-37 Chapel St, Masterton.
- **Online** at <https://www.gw.govt.nz/have-your-say/>

Oral submissions can be provided by making an appointment Penny Fairbrother, Senior Advisor, Environmental Science (penny.fairbrother@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, Greater Wellington will consider removing your personal contact details if you so request in your submission.