

Statement of Proposal

Changes to the Fees and Charges Policy

JUNE 2020



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We are proposing two changes to the Fees and Charges Policy to enable Environment Canterbury to recover actual and reasonable costs for the processing of consent applications. Feedback from the community is sought on the proposed changes to the policy.

Background

Environment Canterbury's Fees and Charges Policy describes the fees and charges we have set under legislation such as the Resource Management Act 1991, Local Government Act 2002 and Building Act 2004. These Acts allow us to recover all reasonable costs incurred in respect of the activity to which the charge relates.

Resource consents are permits that allow the holder to use or take water, land or coastal resources, or allow discharge of water or wastes into air, water or onto land. The costs for resource consent applications are borne by those who initiate or benefit from the activity, ie user-pays.

We receive 1500-2000 resource consent applications each year and must meet statutory timeframes for processing these. Over time our consents have become more complex and the level of service we provide has increased in response to this. We have improved our processes and kept cost increases for consent applicants to a minimum for a number of years. Our hourly charge-out rates have not increased since 2009/10 financial year, and so have not kept pace with increasing costs such as inflation.

We have now reached the point where the charges for processing resource consent applications are not covering the full costs. In this financial year there is a projected total deficit of \$600,000 - \$800,000. This is based on the trend of chargeable hours for consent applications to date. We are therefore proposing an increase to charge-out rates to fully recover the cost of a consent application process from the applicant and avoid any ongoing support of this service from general rates.

The Council has also been investing in several projects to continually improve the quality of our data and ongoing systems efficiencies, which in turn will enable us to provide a high level of service to consent applicants. This work is funded through general rates.

Proposed changes to existing fees and charges

To address the under-recovery of costs from consent applications we have two options:

1. Keep charge-out rates for consent applications the same and make up the shortfall from general rates reserve.
2. Increase charge-out rates for consent applications as soon as practical.

Option 1 is not consistent with Environment Canterbury's Revenue and Financing Policy, which sets out the guiding principle of attribution of costs to the beneficiary. Option 1 would also mean that the shortfall would continue to be met from general rates and this may impact our ability to deliver other work programmes.

We prefer option 2, to increase charge-out rates as soon as practical, as this is consistent with our Revenue and Financing Policy (that is, the user-pays model) and reduces cost to general ratepayers.

The changes we propose to the Fees and Charges Policy will allow for full recovery of actual and reasonable costs for resource consent applications. The changes proposed are an increase in hourly charge-out rates for Consents Planners and Senior Consents Planners, of \$31.75 and \$29.00 respectively (see Table 1).

Table 1 Proposed changes to charge-out rates

Hourly charge-out rate	Current charge (inc. GST)	Proposed charge (Inc GST)
Consents Planner	\$135.00	\$166.75
Senior Consents Planner	\$155.00	\$184.00

These charge-out rates cover the systems, overheads, equipment and staff costs for the time taken to assess and process the consent application.

Table 2 shows three sample consent applications with current costs and proposed costs.

Table 2 Examples of proposed increase to applicants

Type of consent application	Current deposit fees for activity based on average costs/hours	Cost if charge-out rates increased as proposed	Proposed increase to consent applicant (average)
Swing Mooring	\$575 .00 (4.25 hrs)	\$710.23	\$135.23
Transfer of Water Permit from one site to another	\$1,900.00 (14 hrs)	\$2,346.85	\$446.85
Take Groundwater	\$2,950.00 (21.85 hrs)	\$3,643.80	\$693.80

Note: examples have been calculated showing the increase for a Consents Planner only and will vary for Senior Consents Planner hourly rates or a combination of officers.

We recommend that all consent applicants seek pre-application advice to keep application costs to a minimum. The first hour of pre-application advice is free. Find out more

<https://www.ecan.govt.nz/do-it-online/resource-consents/understanding-consents/application-advice>

As required by the Resource Management Act 1991 section 36(3)(b), charges for resource consent planning may be fixed only after undertaking a special consultative procedure as set out in the Local Government Act 2002 section 83.

Having your say

We're inviting submissions on these changes from Wednesday 1 July to Monday 3 August 2020. You can make a submission at [haveyoursay.ecan.govt.nz/feesandcharges2020](https://www.ecan.govt.nz/feesandcharges2020)

When you submit feedback please let us know if you would like to speak to your submission at one of our public hearings. Hearings are scheduled for 13 August, so please put this date in your diary. We will be in touch with more information to those who indicate they wish to attend a hearing once submissions close.

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