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Report to Policy and Finance Committee
from Rob Forlong, Manager, Consents Management and Steve Blakemore, Manager, Planning
and Resources

Adoption of the Resource Management Charging Policy

1. Purpose

To explain the reasons for the Resource Management Charges Subcommittee's changes to the Proposed Resource Management Charging Policy and to provide a further recommendation to the Committee.

2. Background

This year, the Resource Management Charging Policy has been reviewed. In March the Policy and Finance Committee adopted a Proposed Resource Management Charging Policy, invoked the Special Consultative Procedure, and appointed a Subcommittee of Crs Long, Buchanan and Turver to hear submissions and make recommendations on the Proposed Policy.

The Proposed Policy was duly notified and submissions sought. A total of 23 written submissions were received. The Hearings were conducted on 31 May 2001 in Wellington and 1 June 2001 in Masterton.

Report 01.380 sets out the Resource Management Charges Subcommittee's recommendations regarding the Proposed Resource Management Charging Policy. The Resource Management Charges Subcommittee recommended few changes to the Proposed Policy. However, they did instruct officers to prepare this report to explain the reasons for changes that were recommended.

3. Reasons for Recommended Changes

The recommendations are in italics with the reasons noted in plain type below.

That the Proposed Resource Management Charging Policy be adopted with the following amendments:

- (1) *That the compliance monitoring charge for Category 1 of groundwater takes be altered from \$70 to \$35 per annum.*

Officers noted that there was an inconsistency between surface water monitoring and groundwater monitoring charges. The Subcommittee considered that there was no justifiable reason for the inconsistency. Accordingly, the Subcommittee has recommended that the groundwater monitoring charge be reduced to the same level as the surface water one.

- (2) *That the reporting time for groundwater takes in Category 1 be reduced from two hours to half an hour.*

As for recommendation (1), there was an unjustifiable inconsistency between the way groundwater and surface water were treated.

- (3) *That the correction on Page 71, Table 7.4 (SOE Cost Factor) of the Proposed Resource Management Charging Policy be approved.*

This was a simple error. The Huangarua Catchment had inadvertently been given the same figures as the Mangatarere Catchment. The figures should be:

SOE Cost Due to Consent Holders	\$240
Amount of Gravel Extracted in the Reach	5000 cubic metres
SOE Cost Factor	\$0.05

- (4) *That the Proposed Resource Management Charging Policy contain a clearer statement of linkages between the Council's Funding Policy and the charges arising from that.*

A submission from the Masterton District Council pointed out that there were no clear linkages between the Council's Funding Policy and the Proposed Resource Management Charging Policy. While the two documents are prepared under different legislation, they should be consistent, because the Resource Management Charging Policy is influenced by the Council's Funding Policy. The Subcommittee agreed that it was appropriate to include direct references to the relevant sections in the Council's Funding Policy so that the linkages are explicit.

- (5) *That the SOE air quality monitoring charge attributable to consent holders in the Petone/Seaview industrial area be not proceeded with until such time as the monitoring equipment specific to that area is installed*

The Subcommittee was concerned that consent holders should not be charged for State of the Environment Monitoring unless that monitoring was actually being undertaken. At present there is no SOE Monitoring for air quality in the Petone/Seaview area. However, the Council's Air Quality Scientist advises that there is no reason that the equipment can not be installed in the 2001/2002 financial year. Accordingly, there is no need to alter the Proposed Policy to comply with this recommendation. In the

unlikely event that the equipment is not installed in the 2001/2002 financial year, then we will undertake to remit that part of the charge to consent holders.

- (6) *That discussions be initiated at officer level with the Region's territorial local authorities regarding the way all the Council's Funding Policies deal with resource management charging.*

Masterton District Council is concerned that the public does not understand the differences in charging regimes of the different Councils in the Region. The Subcommittee believes that by having discussions between the Councils at officer level, a greater understanding of each Council's position on resource management charging can be gained. This may lead to Councils, in the future, utilising a more consistent approach, or more clearly identifying how their Council has chosen to approach resource management charging.

4. **Further Recommended Alteration - The Water Group**

While the Subcommittee's recommendations are thorough it may be that there was an oversight with respect to the charges likely to be incurred by the Water Group (Utility Services Division).

The Water Group are by far the largest consent holders in the Hutt, Wainuiomata, and Orongorongo Rivers and in the Hutt Aquifer. In effect, they contribute virtually all of the SOE Charges in those water bodies.

The Water Group is currently in the process of obtaining new consents for the river water sources and have recently obtained a new consent for the Hutt Aquifer. These new consents are granted on different terms to the previous authorisations and would invoke large (and unjustifiable) charge increases if the Policy were to remain as it stands.

The Officer's Report to the Subcommittee noted that the Policy would require minor amendment in order for the Water Group to be charged a fair rate for State of the Environment Monitoring and our understanding was that the Subcommittee concurred with that view.

Accordingly, a further recommendation has been added to that effect.

5. **Communication**

Once the Council confirms the new Policy, we will write to all submitters and explain how the Council addressed their submission.

In addition, all consent holders will be advised in writing of the new Policy.

6. Recommendation

- (1) *That the Committee receive the report.*
- (2) *That a further amendment be made to the Proposed Resource Management Charging Policy altering the SOE cost factors for water takes on the Hutt, Wainuiomata, and Orongorongo Rivers and for the Hutt Aquifer to ensure that the SOE Charges are appropriate.*

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