

4.19. Annual Review of Resource Consent Fees – Resource Management Act 1991

(Report prepared by A Davidson/G Ferguson)

R450-002-R02

Purpose of report

1. To provide Council with the review of fees and charges under the Resource Management Act 1991 (the Act) and consider a proposed increase to the existing fee schedule for charges.

Executive Summary

2. The current fees were last increased in July 2022.
3. The current fees have been reviewed and it is recommended that there is a 13.5% increase to the Resource Consent charges for the 2023/2024 financial year.
4. The Marlborough District Council Resource Management Act 1991 - Charging Policy was changed in 2020 to allow for CPI adjustments to Resource Consent Fees and Charges on an annual basis from 1 July each year, increases greater than CPI are required to be consulted on using the special consultative procedure as provided in section 83 of the Local Government Act 2002 (LGA 2002).

RECOMMENDATION

That Council approve consultation on Option A the proposed increases to the existing fee schedule for charges associated with consent processing activities under Resource Management Act 1991 (RMA) effective from the 1 July 2023.

Background/Context

5. The Resource Consent Team is responsible for discharging the Council's statutory obligations under the Act.
6. The Act sets out a range of powers, duties and functions, and the statutory processes that must be followed when processing and determining applications for resource consent.
7. The purpose of the Act is to promote the sustainable management of natural and physical resources. As a unitary authority the Council is responsible for regional, district and coastal functions. The Resource Consent Team administers this responsibility under the Proposed Marlborough Environment Plan. There are five types of consents that Council must process: Land Use, Subdivision, Coastal, Water and Discharges.
8. The Resource Consent Team is also required to undertake several other functions. These other functions include:
 - The provision of information to potential applicants, interest groups, other Council staff and the public on all resource management matters. Fostering good relationships with applicants, submitters, government agencies, iwi and other interested parties is a critical element in the provision of a high-quality resource consent service.
 - The maintenance and management of a consents database that is responsive to the needs and requirements of central government, applicants, submitters, and the general public.
9. Section 36 of the RMA allows Councils to charge consent holders for costs associated with the Councils functions in relation to the administration, and processing of resource consents.

Public versus Private Good

10. In accordance with section 36AAA in setting the schedule of fees for administration, processing of resource consents, Council has considered the relative benefits to the consent holder and the community at large.
11. It is generally viewed that because the processing activity is solely occasioned by the applicant and they directly benefit from it, the applicant should bear the full processing cost.

Council's Charging Policy-Resource Management Act Fees

12. The MDC Charging Policy for activities undertaken under the Resource Management Act 1991 and the Local Government Act was last adopted in 2020.
13. The current Resource Management Consent Charging Policy includes the ability to make CPI increase to fees and charges by ratification of Council. Increase above annual CPI to fees are required to undergo special consultative processes under section 83 of the LGA 2002.

Council's Revenue and Financing Policy

14. The Council's Revenue and Financing Policy (contained in its Long-Term Plan) states that 60% of the Resource Consents group's costs should be recovered from individuals (private good) and 40% is funded by rates (public good).

Resource Management Fee Schedule

15. A review of the fee schedule has been carried out (attached as **Attachment 4.19.1**). An increase of 13.5% is recommended to achieve the group's private good recovery in alignment with Council's Revenue and Financing Policy with the schedule of fees and charges.
16. The December Annual CPI reported by Statistics New Zealand was 7.2%.
17. The Technical Lead Land Use Planner has been added to the fee schedule at the senior hourly rate and Deemed Permitted Marginal or Temporary Activity Notices have been added to the fee schedule to enable cost recovery for this activity.

Goods and Services Tax

18. The charges described in this document include GST.

Assessment/Analysis

19. The Resource Consent Team budget provision and fee review for the 2023/2024:
 - 19.1 Current Revised Budget 2023/2024 (\$258,842) Deficit based on 60:40 user pay/ratepayer
 - 19.2 CPI Fee increase (7.2%) 2023/2024 (\$106,995) Deficit based on 60:40 user pay/ratepayer
 - 19.3 Fee increase (13.5%) 2023/2024 \$2,385 Surplus based on 60:40 user pay/ratepayer

Recommendations

Option A –13.5% Fee increase

Advantages

20. This increase will allow the Resource Consent fees and charges under the Resource Management Act 1991 to assist in covering the cost of the Resource Consent Teams function align with Council's Revenue and Financing Policy.
21. The proposed increase to fees will maintain the group's ability to meet statutory and customer demands by maintaining the groups level of service.
22. Will avoid additional burden on Councils rate payer's fees.

Disadvantages

- 23. An increase in regulatory costs to Council customers.

Option B – 7.2% Fee increase

Advantages

- 24. The proposed increase to fees will increase the user pays budget amount from the status quo.
- 25. This proposed increase aligns with the annual CPI increase.

Disadvantages

- 26. This increase will not provide the Resource Consent fees and charges under the Resource Management Act 1991 to align with Council Revenue and Financing Policy for Resource Consent function.
- 27. An increase in regulatory costs to Council customers.
- 28. Additional burden on Council rate payers.

Option C – Status Quo Maintain Current 2023/24 Fee Structure.

Advantages

- 29. No increase in regulatory costs to the Council customers.

Disadvantages

- 30. No increase to fees will place additional burden on Council's rate payers.
- 31. No increase in fees will not align with Council's Revenue and Financing Policy for Resource Consent functions.

Attachment

Attachment 4.19.1 – Resource Consent Fee Schedule Proposals

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Summary of decision-making considerations			
Fit with purpose of local government			
The proposal enables Resource Consent activities to continue to be carried out professionally and cost-effectively			
Fit with Council policies and strategies			
	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	X	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	X	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	<input type="checkbox"/>	<input type="checkbox"/>	X
Social well-being	X	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	X	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	X	<input type="checkbox"/>	<input type="checkbox"/>
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	X
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	X
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	X
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	X
This proposal contributes to the annual plan and financial strategy relating to supplying Resource consent activities equitably, efficiently, justifiably and transparently.			
Nature of the decision to be made			
Approvals of increased charges.			
Financial considerations			
The proposed fees will assist in ensuring the required income is obtained to maintain the function budget.			
Significance			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
Engagement			
The special consultative procedure will be followed to allow stakeholder engagement.			
Risks: Legal / Health & Safety etc			
There are no known significant risks or legal implications as fees are permitted to be charged through the RMA.			
Climate Change Implications			
There are no known climate change implications to this decision.			

Attachment 4.19.1

Resource Consent Fee Schedule Proposals

Charge type	Charge Type	2022/23 Status Quo Fees GST Incl	2023/2024 Option B +CPI Fees GST incl	2023/2024 Option A +13.5% Fees GST incl
Minor resource consents				
Bore construction -				
Domestic	Flat	\$355.00	\$380.00	\$403.00
Irrigation	Flat	\$718.00	\$770.00	\$815.00
Notified resource consents				
All applications (including subdivisions)	Base*	\$6,074.00	\$6,511.00	\$6894.00
Section 127, 128	Base*	\$6,074.00	\$6,511.00	\$6,894.00
Non-notified resource consents				
All applications but excluding subdivisions	Base*	\$1,064.00	\$1,140.00	\$1,208.00
Subdivisions (note: engineering charges are additional**)	Base*	\$1,574.00	\$1,687.00	\$1,786.00
Miscellaneous consents, certificate and permissions				
Registration service for lodgement of change/cancellation of consent notice	Flat	\$934.00	\$1,000.00	\$1,060.00
Sections 124,125, 126,127,139, 139A, 221	Base*	\$1,064.00	\$1,140.00	\$1,208.00

Charge type	Charge Type	2022/23 Status Quo Fees GST Incl	2023/2024 Option B +CPI Fees GST incl	2023/2024 Option A +13.5% Fees GST incl
Land Registry compliance (certificates, consents)	Base*	\$350.00	\$375.00	\$397.00
Removal of building line restriction	Base*	\$350.00	\$375.00	\$397.00
Section 348 LGA Right of Way applications	Base*	\$1,064.00	\$1,140.00	\$1,208.00
Deemed permitted boundary activity (refunded if application is rejected, minus the rejection charge)	Flat	\$734.00	\$786.00	\$833.00
Rejected deemed permitted boundary activity application	Flat	\$80.00	\$86.00	\$91.00
Deemed permitted marginal or temporary activity notice	Flat		\$200.00	\$200.00
Surcharge - receiving hard copy applications	Flat	\$80.00	\$86.00	\$91.00
Transfers				
Water (excluding s136 (2)(b)(ii) transfers), Coastal (Marine Farm)	Flat	\$362.00	\$388.00	\$411.00
Coastal, (other), discharge, land use	Flat	\$117.00	\$125.00	\$133.00
Water under s136(2)(b)(ii)	Base*	\$1,064.00	\$1,140.00	\$1,208.00
Sections 223, 224 - approval or deposit of survey plans				

Charge type	Charge Type	2022/23 Status Quo Fees GST Incl	2023/2024 Option B +CPI Fees GST incl	2023/2024 Option A +13.5% Fees GST incl
Four lots or less (each stage)	Actual	Actual	Actual	Actual
Five or more lots (each stage)	Actual	Actual	Actual	Actual
Outline plan approvals, policy statements, plan changes and requirements				
Section 176A Approval for Outline Plan	Base*	\$1,064.00	\$1,140.00	\$1,208.00
Outline plan waiver	Flat	\$117.00	\$125.00	\$133.00
Notice of requirements or alterations to designations				
Non Notified	Base*	\$1,064.00	\$1,140.00	\$1,208.00
Notified	Base*	\$6,074.00	\$6,511.00	\$6,894.00
Statements and miscellaneous certificates				
Provide required documentation	Base*	\$362.00	\$388.00	\$411.00
Site inspection				
Disbursements, e.g. boat hire	Actual	Actual	Actual	Actual
Engineering charges - subdivision and land use**				
Engineering -				

Charge type	Charge Type	2022/23 Status Quo Fees GST Incl	2023/2024 Option B +CPI Fees GST incl	2023/2024 Option A +13.5% Fees GST incl
Boundary Adjustments	Flat	New	\$268.00	\$284.00
Evaluations for - one to three lots	Flat	\$622.00	\$667.00	\$706.00
Evaluations for - four to 10 lots	Flat	\$1,822.00	\$1953.00	\$2,068.00
Evaluations for - 11 to 20 lots	Flat	\$2,712.00	\$2,907.00	\$3,078.00
Evaluations for - 20+ lots	Flat	\$4,255.00	\$4,561.00	\$4,829.00
Engineering evaluation for each additional dwelling (land use consent)	Flat	\$409.00	\$438.00	\$464.00
Other rates and charges				
Hearings Committee or Commissioner [Local Government (Local Authorities Salaries and Allowances) Determination 2021]	Variable	Variable	Variable	Variable
Hearing cancellation fee	Flat	\$2,382.00	\$2,553.00	\$2,704.00
Senior Environmental Planner/ Environmental Planner	Per hour	\$163.00	\$175.00	\$185.00
Hearings Facilitator	Per hour	\$163.00	\$175.00	\$185.00
Administration Officer	Per hour	\$108.00	\$115.00	\$123.00
Lead Senior Environmental Planner / Technical Lead Land Use/ Resource Consents	Per hour	\$194.00	\$208.00	\$220.00

Charge type	Charge Type	2022/23 Status Quo Fees GST Incl	2023/2024 Option B +CPI Fees GST incl	2023/2024 Option A +13.5% Fees GST incl
Manager				
Consultants (internal or external charges)	Variable	Variable	Variable	Variable
Miscellaneous				
Certificate (Overseas Investment Act 1973)				
Up to 1/2 hour (base*)		\$98.00	\$105.00	\$111.00
Up to 1 hour (base*)		\$196.00	\$208.00	\$222.00
*Base fee is an application fee or notification lodgement fee only. Refer to the 'Marlborough District Council Charging Policy - Resource Management Act'				
** Engineering charges are additional to the base charge. Refer to the 'Marlborough District Council Charging Policy - Resource Management Act'				