

8. FEES AND CHARGES SUBJECT TO CONSULTATION – 2006/07 – ADOPTION OF CHARGES

General Manager responsible:	General Manager Corporate Services, DDI 941 8540
Officer responsible:	Funds and Financial Policy Manager
Authors:	Geoff Barnes Funds & Financial Policy Manager & Jason Rivett, Finance Manager, Regulation & Democracy Services

PURPOSE OF REPORT

1. The purpose of this report is to advise the Council of the results of the special consultative procedure regarding fees & charges and to recommend adoption of a schedule of charges. Included in the recommendations are amendments to the Fees and Charges 2006/07 schedule to reflect feedback from submissions, clarify fee explanations and to correct fee changes that were not captured in the draft fees and charges schedule.

EXECUTIVE SUMMARY

2. At the Council meeting on 30 March 2006, the Council resolved:
 - (a) That the schedule of fees listed in Appendix A, set by the Council under Section 12 of the Local Government Act 2002, be deferred, to enable a further review of any equity issues to take place.
 - (b) That the fees, included in Appendix B, the Statement of Proposal, and Summary of Information be approved in draft and that these be released for consultation, including:

Statement of Proposal, including Appendix B, the fees schedule
Summary of the Statement of Proposal
 - (c) That the Council consider the submissions from the public in relation to Appendix B fees at the same time as the LTCCP submissions and that the fees scheduled together with any changes arising from the submissions, be adopted at a Council meeting in June 2006 (or later).
 - (d) That delegated authority be granted to the relevant General Manager to:
 - Set the prices for all retail sales items;
 - Determine the charge where the charge is for actual cost recovery;
 - Set prices for hire of venues and equipment where these are not scheduled;
 - Set prices for recreation programmes and events tailored to the customer needs; and
 - Adjust limits, if any, as noted for each charge in the schedule (Appendix A);
 - Remit any charge, where in the opinion of a General Manager, they consider it is fair to do so, subject to:
 - Where the intention to apply delegated authority is noted on the schedule (Appendix A)
 - (other than for retail prices) the delegation being restricted to that charge type.
 - Where reference is made to actual costs recovered, this is to include any normal internally generated costs.
 - Remission of charges not being granted to a class of applicant (eg charities generally) as this should be taken into account in setting the scale of fees.

The resolutions (b), (c) & (d) are relevant to this report.

3. The Council considered submissions from the public in relation to fees and charges at the same time as the 2006-16 LTCCP submissions, and resolved that the schedule of fees and charges together with any changes arising from the submissions, be adopted at a Council meeting in June 2006.

4. This report proposes some amendments to the draft fees and charges schedule for the Regulatory Services area following public submissions and the withdrawal of the Waste Minimisation levy following the recent Court decision.
5. The revised schedule including the recommended changes is attached as Appendix B.

FINANCIAL AND LEGAL CONSIDERATIONS

6. The schedule of charges gives effect to the revenue budgeted in the 2006-16 LTCCP. There are three financial considerations to note:
 - 6.1 The resource consent section has been reworded to provide greater clarity, there are no financial impacts as a result of this.
 - 6.2 The change to the minimum fee for processing notified resource consent applications from \$8,000 to \$5,000 has no financial implications as it is the minimum fee payable. The Council can still recover additional processing fees over and above this amount.
 - 6.3 The other amendments proposed include fee increases and the addition of fees not previously included in the draft fees and charges schedule. The revenue budgeted in the 2006-16 LTCCP is based on the increased fee levels. If these amendments are not adopted, approximately \$200,000 of revenue will need to be reduced from the LTCCP.
 - 6.4 The removal of the Waste Minimisation Levy reduced budgeted revenue by \$2.683m.

STAFF RECOMMENDATION

It is recommended that the fees and charges detailed in the schedule Appendix B including all the amendments mentioned above be adopted.

BACKGROUND ON FEES AND CHARGES SUBJECT TO CONSULTATION – 2006/07 – ADOPTION OF CHARGES

7. The proposed changes to the schedule of fees, following public submissions and officer review, under the business areas of the Council, comprise:
 - Resource consent fees
 - Building control fees
 - Waste minimisation levies
 - Car parking fees
 - Rubbish bags
 - Water charges
 - Taylors Mistake ground rents
8. All other fees and charges in Appendix B are recommended to be confirmed.

RESOURCE CONSENT FEES

Submissions Received and Officer Recommendations to Clarify the Amounts Charged

9. A joint submission was received from a number of private companies that submit resource consent applications into the Council for processing. They submitted:
 - 9.1 That the draft fees and charges for publicly notified resource consent applications are set at a level that may disadvantage some applicants and discourage participation in the planning process.
 - 9.2 There were also concerns around the clarity of the presentation of the Resource Management Act fees and charges.

Changes in Amounts

10. The proposed higher minimum fee for processing notified resource consent applications was based on an analysis of the actual costs of processing notified applications for a 12 month period. This period was prior to amalgamation with Banks Peninsula District. It showed that more than 72% of notified resource consents cost more than \$8,000 to process. The proposed \$8,000 minimum fee was based on these figures. An analysis of the cost of processing Banks Peninsula resource consent applications for the last 12 months however, shows that only 40% cost more than \$8,000. The combined figures for the City and Banks Peninsula show that only 57% of notified resource consent applications cost more than \$8,000 to process.
11. The figures from Banks Peninsula suggest that the proposed minimum fee of \$8,000 is too high and ought to be reduced. In this regard it is noted that more than 80% of notified resource consents processed in both the City and Banks Peninsula cost more than \$5,000 to process and in the staff's view \$5,000 would be a more appropriate level for the minimum fee.
12. It is therefore recommended that the minimum application fee for publicly notified resource consents be reduced from \$8,000 to \$5,000. This has no financial implication as it is the minimum fee payable, additional processing fees over and above this amount can still be recovered from applicants.

Fees Missing from Previous Schedules

13. In addition, there are two new fees which were excluded from the draft schedule of fees and charges, it is recommended that these be included in the new schedule of fees and charges :

S139A (RMA 1991)	Existing Use Certificate	Minimum Application Fee \$400
S176A(2)(c) (RMA 1991)	Waiver of Outline Plan	Minimum Application Fee \$180

Re-ordering and Clarification of Fee Description

14. In relation to the concerns raised around the clarity of the presentation of the fees and charges information for resource consents, it is recommended that the schedule of fees and charges (attached as Appendix C) replace the draft version of fees and charges for resource consents as shown on Appendix B – Regulatory Services, Resource Consents, parts 1 through 6. This section has been reworded to provide greater clarity, and the only changes to fees are those identified above. The variances from draft fees schedule is highlighted in Appendix C.

BUILDING CONTROL FEES

Changes in Amount – Project Information Memoranda

15. Further analysis has been undertaken since the draft schedule of fees and charges was released and it has been identified that the Project Information Memoranda (PIM) fee needs to be increased to recover sufficient revenue to cover 2006/07 expenditure levels. It is recommended that each PIM fee be increased by \$25 per PIM and that the following be reflected in the final fees and charges schedule.

	Draft Fee	New Fee
Minor Works <\$10,000	\$75.00	\$100.00
Additions \$10,000 to \$50,000	\$110.00	\$135.00
Additions >\$50,000	\$170.00	\$195.00
Dwellings	\$170.00	\$195.00
Apartments	\$210.00	\$235.00
Commercial/industrial	\$240.00	\$265.00

Building Control Fees – Changes in Amount – Other Fees

16. At the time the draft schedule of fees and charges was prepared it was identified that the marquee fee needed to be increased to recover sufficient revenue to cover 2006/07 expenditure levels, this change was however not included in the draft schedule. It is recommended that the fee for processing marquee applications be increased by \$20 and that the following be reflected in the final schedule of fees and charges.

	Draft Fee	New Fee
Option 1	\$100.00	\$120.00
Option 2 (Pre-approved hire company)	\$55.00	\$75.00

OTHER CHARGES

17. The following charges are amended:

Waste Minimisation Levies

18. The levy was estimated to yield \$2.683m. The recent High Court case (Carter Holt Harvey v North Shore City Council 2006) ruled that the bylaw and the levy was ultra vires. The CCC levy has therefore been withdrawn.

19. The following charges were the subject of submissions, but changes are not recommended:

- **Car parking fees**
 - There were several submissions requesting the increases be withdrawn to encourage use of the inner city. On balance the recommendation is to confirm the revised charges as scheduled but to review the charges next year.

- **Rubbish bags**
 - One submission requested the 'free' issue of 26 bags be stopped and that all bags be paid for in an attempt to reduce the volume of refuse.
 - The recommendation is that this issue is part of a wider strategy for refuse collection and disposal. The fee of \$1.20 per bag should be confirmed as it reflects the appropriate charge irrespective of the volume.

- **Water charges**
 - One submitter requested the Council move to universal billing. This move requires a full study of the options and impacts.
 - The fee schedule includes a charge for supply to properties not paying rates (e.g. over boundary to Selwyn District, or to road reserves) and secondly for rural restricted supplies. These charges are long standing and should have the unit charge revised as scheduled.

- **Taylor's Mistake ground rents**
 - One submitter requested the Council charge market rents for land occupied. The occupation will be the subject of a separate report to the Council and therefore it is inappropriate to take any action at this stage.

THE REVISED SCHEDULE OF FEES AND CHARGES

20. Attached as Appendix A is the Statement of Proposal as issued and as Appendix B a revised schedule of fees and charges reflecting the amendments recommended. The Council is asked to adopt the amended schedule, Appendix B.