

STAFF REPORT

TO: Mayor and Councillors

FROM: Environment & Planning Manager & Engineering Manager

DATE: 31 May 2010

SUBJECT: **RCN10-06-10 – Schedule of Charges**

Purpose

This paper proposes some further changes to the fees and charges schedule and also informs Council about changes to the Development Contribution quanta.

Fees and Charges

Attached as Annex 1 is a marked up version of proposed changes to the Schedule of Charges for the Environment & Planning Department only (all other fees and charges remain unchanged except for the Solid Waste charge referred to later in this report). The changes arise from further staff review. There were public submissions concerning fees but they either claimed the 3% price increase applied should be pegged to the lower CPI rate of 2% (March quarter 2010), that DCs should be reduced or abandoned. The schedule also includes the amendments arising from the new Trading in Public Places Bylaw (no submissions received through the Special Consultative procedure).

Other changes include:

- Adding some extra resource consents to the minor non-notified category which for some reason were omitted from the 2010 schedule
- Clarifying the intent behind interim charges and reinserting some charges in the current schedule but omitted from the proposed schedule
- Correcting an omission in relation to annual charges for water permits. We had removed a catchment factor which was used to add a surcharge to the previous fee. We inflated the base \$90.00 fee to \$120.00 but did not carry the calculation through to other water permit fees. Removing the catchment factor would have resulted in no further calculation and therefore reduced income. We also failed to carry through the 33% discount to apply to the Buller and Aorere water management zones which was also necessary as a result of removing the catchment factor. The net result will be the same for most permit holders, the calculation will be much easier to administer.
- We have reduced the PIM fee but also allowed for a checking fee where no PIM is sought when processing building consents.

Solid Waste

It is proposed to reduce the proposed Mixed Refuse charge from \$104.63 per tonne (as published in the Draft Annual Plan) to \$99.00 per tonne, to avoid waste flight to Nelson City Council (\$92.00 per tonne proposed in Nelson City's Draft Annual Plan). The Schedule should note that the revised mixed refuse charge may be reviewed and changed by Council during the year, subject to Council giving a month's public notice.

The reduction in disposal fees will reduce income significantly and staff have conducted a line-by-line review of operational and capital expenditure.

Staff have identified savings and reduced budget items for:

- kerbside recycling
- waste education
- small waste minimisation initiatives and
- street and business recycling (capital).

It is noted that income projections are based on stable waste volumes, in line with current volumes and a small growth allowance (3%). There remains some residual risk that waste volumes will not meet projections and reduce income further.

GST

Following the Government's announcement to increase GST to 15% as from 1 October, the final schedule to be included in the Annual Plan will separately identify the applicable fees (subject to rounding) for the period prior to 1 October and from 1 October onwards. This will be done by including an additional column.

Annual price Escalation for Development Contributions and Financial Contributions

The Development Contributions (DC) Policy allows for an annual adjustment to the DC quanta on 1 July each calendar year. Using the annual change in the Construction Industry Group figures in the Producers Price Index from the Department of Statistics (which is the replacement index and is now provided for in NZS 3910), the annual March to March change (the latest available) is a -.0.2 percent decrease.

Accordingly the changes to the DC quanta are as follows:

District Wide DCs	Current 09/10 (\$)	From 1 July 2010 (\$)
Water	6,922	6,908
Wastewater	5,518	5,507
Road Network	5,034	5,024
Stormwater	2,919	2,913
Total	20,393	20,352

The corresponding change to the financial contributions in Figure 16.5A of the Tasman Resource Management Plan are as follows:

Component	From 1 July 2009 (\$)	From 1 July 2009 (\$)
Roading	1,346	1,343
Wastewater	659	658
Water	629	628

RECOMMENDATION

It is recommended that the Council

1. **Agrees** to amend the Environment & Planning and Solid Waste charges in the Schedule of Charges for inclusion in the 2010-2011 Annual Plan as outlined in Report REP 10-06-28, including Appendix 1 to that report, and that the fees and charges come into force on 1 July 2010 and remain in force until changed by resolution.
2. **Notes** that the final Schedule to be included in the 2010-2011 Annual Plan will be amended to also provide for GST at 15% expected to be applicable from 1 October 2010.
3. **Notes** the price escalation changes that will be applied to the Development Contribution and financial contribution quanta as from 1 July 2010 as outlined in Report REP 10-06-28.

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