

QLDC Council
30 June 2021**Report for Agenda Item | Rīpoata moto e Rāraki take :1****Department: Planning & Development****Title | Taitara** Amendment to the fees and charges schedule used for resource consents, building consents, resource management engineering and other matters**PURPOSE OF THE REPORT | TE TAKE MŌ TE PŪRONGO**

- 1 The purpose of this report is to adopt the amended fees and charges schedule used for planning, building consents, resource management engineering and other matters. The proposed amended fees and charges have been subject to a public consultation process, including the hearing of the submissions received by a Council appointed Hearings Panel, who have endorsed the proposed amendments.

RECOMMENDATION | NGĀ TŪTOHUNGA

- 2 That Council:
 1. **Note** the contents of this report;
 2. **Note** that the Hearings Panel, having considered the five submissions and having conducted a hearing and deliberated, recommend that the amended proposed fees and charges be adopted; and
 3. **Adopt** the amended fees and charges schedule used for planning, building consents, resource management engineering and other matters [appended as Attachment B and Attachment C to this report] to come into effect on 1 July 2021.

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16/06/2021

Reviewed and Authorised by:

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16/06/2021

CONTEXT | HOROPAKI

- 3 At its meeting on 18 March 2021 Council agreed to publicly notify proposed amendments to the fees and charges schedules used for planning, building consents, resource management engineering and other matters. At that meeting Council also appointed three Elected Members (Councillors MacLeod, Clark and Lewers, “the Hearings Panel”), to hear any submissions received, and to provide a recommendation to Council on whether or not the proposed amendments to the fees and charges schedules should be adopted.
- 4 This report provides that recommendation to Council.
- 5 Consultation on the proposed amendments to the fees and charges has been undertaken under the special consultative procedure as set out by the Local Government Act 2002. Five submissions were received.
- 6 The Hearings Panel considered the proposed amendments to the fees and charges and the submissions, at a Hearing held on 14 May 2021. It started deliberations on 14 May 2021 and concluded these on 3 June 2021. Minutes of the hearing and the deliberations are appended as Attachment A to this report. These minutes also contain the recommendations of the Hearings Panel, which are also provided in the analysis section below.

ANALYSIS AND ADVICE | TATĀRITANGA ME NGĀ TOHUTOHU

- 7 The Hearing minutes attached in Attachment A record that:
 - Five submissions were received, along with a summary of key matters raised.
 - Two submitters spoke to their submissions at the Hearing on 14 May 2021.
 - The Hearings Panel entered into deliberations on 14 May 2021, but adjourned to give Council officers the time to undertake further analysis in relation to the proposed Resource Consent and Engineering fees and charges to address points made by submitters.
 - Deliberations were reconvened on 3 June 2021, and Council officers provided in advance of this the response to the matters raised by the Hearings Panel.
 - The Hearing was closed on 3 June 2021 and the minutes reflect the following recommendations to Council:
 - That the proposed 10% to 15% increase in hourly rates as set out in the fees and charges schedules used for planning, building consents, resource management engineering and other matters [as attached in Attachment B and C to this report] is approved at its meeting on 30 June 2021 for adoption from 1 July 2021; and
 - That the proposed fees and charges schedules used for planning, building consents, resource management engineering and other matters [as attached as Attachment B and C to this report, and modified in accordance with the

discussion at the reconvened hearing] is approved at its meeting on 30 June 2021 for adoption from 1 July 2021.

- 8 Option 1 - Retain the fees and charges schedule that is currently in use that came into force on 1 July 2018.

Advantages:

- 9 Initial fees paid for consents would not increase.

Disadvantages:

- If fees are not increased, then an increase in rates equivalent to the \$1.1M (1.2% rate increase) would be required.
- Does not achieve the 80/20 private / public split required by the Council's Revenue and Financing Policy that requires that 80% of the costs of the council consenting function is recovered from applicants directly benefiting from the service, meaning ratepayers are paying a larger proportion of the cost of the Planning and Development team than desired through the Revenue and Financing Policy.
- Does not update the schedules to better align the initial fee with the actual costs of providing the service.
- Does not update the fee schedule to make it simpler for applicant's to use and understand, and to better align with PDP and RMA consent categories.
- Officers will continue to receive a large number of fee queries where the initial fee is insufficient to cover the actual costs of processing the application and the customer is receiving subsequent invoices.
- Administrative costs associated with invoicing for additional charges for most applications will increase as the initial fees paid will in the majority be too low.

- 10 Option 2 - Adopt the amended fees and charges schedule contained in Attachment B and Attachment C of this report, which are recommended by the Hearings Panel following the public process.

Advantages:

- Reflects consideration and changes as a result of the submissions made and deliberations held.
- Achieves the 80/20 private / public split required by the Council's Revenue and Financing Policy meaning that 80% of the costs of the council consenting function will be recovered from applicants directly benefiting from the service, with ratepayers funding the other 20% recognising the public good element of the activity.
- Updates the schedules to better reflect the actual costs of delivering the services.

- Updates the fee schedule to make it simpler for applicant's to use and understand, and to better align with PDP and RMA consent categories.
- Will reduce fee queries as in most cases the initial fee will better match the final charge.
- Reduces cost to ratepayers by ensuring customers pay the reasonable cost of the services provided to them.

Disadvantages:

- Increases the initial lodgement costs to the industry in that the initial fee will increase, and increases the total cost due to increase in hourly rates for Council officers.
- Increases costs to applicants through higher hourly rates.
- Amends fees that applicants / the public are now familiar with.

11 This report recommends **Option 2** for addressing the matter because it reflects consideration of the matters raised in the submissions received during the public consultation process, while still providing two fees and charges schedules that are fair and reasonable and in accordance with the requirements of the relevant legislation.

CONSULTATION PROCESS | HĀTEPE MATAPAKI:

> SIGNIFICANCE AND ENGAGEMENT | TE WHAKAMAHI I KĀ WHAKAARO HIRAKA

- 12 This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy because it affects every user of the regulatory services performed by the Planning & Development team.
- 13 The persons who are affected by or interested in this matter are any person applying for a building consent, resource consent or resource management engineering service. This includes regular applicants such as house builders, property developments as well as the "mum and dad" applicants who are simply adding or altering a house or seeking a resource consent for visitor accommodation or another activity.
- 14 The Council has undertaken a special consultative process and sought submissions on the proposed changes. The Hearings Panel has considered the submissions received, and changes to the proposed fees and charges schedule have been made as a result.

> MĀORI CONSULTATION | IWI RŪNANGA

15 The Council has not specifically consulted with iwi on this matter.

RISK AND MITIGATIONS | NGĀ RARU TŪPONO ME NGĀ WHAKAMAURUTANGA

16 This matter relates to the Environmental risk category. It is associated with Risk 0056 – Ineffective provision of the future planning and development needs of the district within

the QLDC Risk Register. This risk has been assessed as having a moderate inherent risk rating.

- 17 The approval of the recommended option will support the Council retaining the risk at its current level. This will be achieved by funding the Planning & Development regulatory functions in accordance with the Council's Revenue and Financing Policy.

FINANCIAL IMPLICATIONS | NGĀ RITENGA Ā-PŪTEA

- 18 Financial implications for the Council are that the proposed adjustment to the fee schedules will achieve the 80%/20% private/public funding ratio for delivering the building, resource consent and resource management engineering services whereby 80% of the costs of the council consenting function will be recovered from applicants directly benefiting from the service, as required by the Council's Revenue and Financing Policy.
- 19 It is important to note that if the recommendation is not accepted, then the unfunded costs of consent processing will have to be covered by rates. This results in ratepayers effectively funding private development to a greater extent than that envisaged by the Council's Revenue and Financing Policy. While the users of the services in question will consequently have to pay more, this is preferable to funding them through rates. If fees and charges are not increased, then an increase in rates equivalent to the \$1.1M (1.2% rate increase) would be required.
- 20 The proposal will result in increased user costs for any person seeking building consent, resource consent or resource management services from Council. This will in turn add to overall development costs, and affect the total cost of construction and building in the district.

COUNCIL EFFECTS AND VIEWS | NGĀ WHAKAAWEAWE ME NGĀ TIROHANGA A TE KAUNIHERA

- 21 The following Council policies, strategies and bylaws were considered:
- Vision Beyond 2050 - the proposal is consistent with several of the vision statements including Deafening Dawn Chorus, Disaster Defying Resilience and Pride in Sharing our Places.
 - Annual Plan 2019/20 – for comparison purposes with proposed fees and hourly rates.
 - Revenue and Financing Policy – which specifies the 80/20 private/public split for funding regulatory services.
 - Draft LTP – Vibrant Communities, Enduring Landscapes, Bold Leadership.
- 22 The recommended option is consistent with the principles set out in the named policy/policies.

LOCAL GOVERNMENT ACT 2002 PURPOSE PROVISIONS | TE WHAKATURETURE 2002 O TE KĀWANATAKA Ā-KĀIKA

- 23 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by ensuring 80/20 public/private funding ration is met;
- Can be implemented through current funding under the Ten Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

ATTACHMENTS | NGĀ TĀPIRIHANGA

A	Minutes of the Hearing held 14 May 2021, including deliberations held 14 May and 3 June 2021
B	'Planning and Engineering Fees and Other Charges' fee schedule
C	'Building Consent Initial Fees and Other Charges' fee schedule