



# AGENDA

**Ordinary meeting of the  
Nelson City Council**

**Governance**

**Tuesday 12 March 2013  
Commencing at 9.00am  
Council Chamber  
Civic House  
110 Trafalgar Street, Nelson**

Membership:

His Worship the Mayor Aldo Miccio, Councillors Ian Barker, Ali Boswijk (Deputy Mayor), Gail Collingwood, Ruth Copeland (Co-Portfolio Holder), Eric Davy, Kate Fulton, Paul Matheson, Jeff Rackley, Pete Rainey, Rachel Reese, Derek Shaw (Co-Portfolio Holder) and Mike Ward

## **Apologies**

## **Opening Prayer**

### **1. Interests**

- 1.1 Updates to the Interests Register
- 1.2 Identify any conflicts of interest in the agenda

### **2. Confirmation of Order of Business**

### **3. Confirmation of Minutes – 11 December 2012 10-24**

Document number 1427237

Recommendation

***THAT the minutes of the meeting of the Nelson City Council - Governance, held on 11 December 2012, be confirmed as a true and correct record.***

### **4. Mayor's Report**

### **5. Status Report - Governance 25-26**

Document number 1034743 v7

Recommendation

***THAT the Status Report - Governance (1034743 v7) be received.***

### **6. Portfolio Holder's Report**

During this part of the meeting the Mayor will be joined by the Governance Portfolio Holder, Councillor Copeland.

## **7. Joining the Local Government Funding Agency (LGFA) 27-29**

Document number 1458484

Recommendation

***THAT Council approves the signing of the following documents required to join the Local Government Funding Agency (LGFA) as a borrower and guarantor:***

- ***Amendments to Debenture Trust Deed;***
- ***Accession Deed to the Multi-Issuer Deed;***
- ***Accession Deed to the Notes Subscription Agreement;***
- ***Accession Deed to the Equity Commitment Deed;***
- ***Accession Deed to the Guarantee and Indemnity;***
- ***Security Stock Certificates in relation to the Multi-Issuer Deed, Equity Commitment Deed and Guarantee and Indemnity;***
- ***Section 118 Certificate in relation to the Accession Deeds and Security Stock Certificates;***
- ***Stock Issuance Certificate;***
- ***Officer's Certificate.***

## **8. Fees and Charges: Resource Consents Business Unit 30 - 65**

Document number 1451834

Recommendation

***THAT the new or changed fees and charges for resource consents under s.36 of the Resource Management Act 1991 be adopted as detailed in Attachment 1 to Report No 1451834 and notified by the Special Consultative Procedure in accordance with Section 83 of the Local Government Act 2002;***

***AND THAT the fees and charges under s.36 of the Resource Management Act apply as from 1 July 2013 subject to the Council approval;***

***AND THAT the fees and charges for Resource Management Planning Documents be adopted as detailed in Attachment 1 to Report No 1451834;***

**AND THAT the fees and charges for Property Information remain unchanged and be adopted as detailed in Attachment 2 to Report No 1451834.**

**9. Fees and Charges: Dog Control and Environmental Health**

**66 - 73**

Document number 1455083

Recommendation

**THAT the Dog Control Fees and Charges for 2013/2014 be adopted as detailed in Attachment 1 to Report 1455083;**

**AND THAT the Environmental Health and other activities fees and charges for 2013/2014 be adopted as detailed in Attachment 2 to Report 1455083;**

**AND THAT the charges for Dog Control and Environmental Health activities apply as from 1 July 2013 until such time as they are varied or amended by Council;**

**AND THAT the Dog Control charges be publicly advertised in accordance with Section 37(6) of the Dog Control Act 1996.**

**10. Winter Free Parking Tuesdays**

**74-75**

Document number 1467789

Recommendation

**THAT Council approve the continuation of the Winter Free Parking Tuesdays initiative for the 2013/14 financial year commencing on Tuesday 2 July 2013 and ending on Tuesday 3 September 2013 for a total of nine weeks.**

## REPORTS FROM COMMITTEES

**11. Remuneration Review – 22 February 2013 76 - 78**

Document number 1461190

Recommendation

***THAT the minutes of the meeting of the Remuneration Review Committee, held on 22 February 2013, be received.***

**12. Audit, Risk and Finance Committee – 26 February 2013 79-82**

Document number 1463795

Recommendation

***THAT the minutes of the meeting of the Audit, Risk and Finance Committee, held on 26 February 2013, be received.***

## CROSS COUNCIL ITEMS

**13. Council Submission on Development Contributions Review 83 - 94**

Document number 1465323

Recommendation

***THAT the submission (1465025) on the Development Contributions Review is confirmed, subject to any changes agreed by Council.***

## PUBLIC EXCLUDED BUSINESS

**14. Exclusion of the Public**

Recommendation

***THAT the public be excluded from the following parts of the proceedings of this meeting.***

***The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official***

**Information and Meetings Act 1987 for the passing of this resolution are as follows:**

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	<p><b>Public Excluded Minutes – Governance - 11 December 2012</b>            These minutes confirmed the public excluded minutes of the Governance meeting of 30 October 2012 and the public excluded minutes of the Chief Executive Recruitment meeting of 25 October 2012 also contain information regarding:</p>	<p>Section 48(1)(a)            The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p>
	<p>Proposed Leases of Maitahi (Maitai) whenua (land) between Nelson City Council and Wakatu Incorporation for the Maitai Shared Path</p>		<ul style="list-style-type: none"> <li>• Section 7(2)(b) To protect information that may disclose a trade secret or the commercial position of a person</li> <li>• Section 7(2)(c) To protect information that is subject to an obligation of confidence</li> <li>• Section 7(2)(h) To carry out commercial activities</li> </ul>
	<p>The proposed transfer of assets, and negotiation of a lease and contract with the Theatre Royal and Nelson School of Music.</p>		<ul style="list-style-type: none"> <li>• Section 7(2)(i) To carry out negotiations</li> </ul>
	<p>The operation of I-Sites in the Nelson Tasman Region and the marketing strategy and Tourism Nelson Tasman Limited.</p>		<ul style="list-style-type: none"> <li>• Section 7(2)(h) To carry out commercial activities</li> </ul>
	<p>A potential review of Tourism Nelson Tasman Limited.</p>		<ul style="list-style-type: none"> <li>• Section 7(2)(h) To carry out commercial activities</li> <li>• Section 7(2)(i) To carry out negotiations</li> </ul>

	A request to amend the Suter Deed of Trust or the Procedure for Appointment of Directors/Trustees of Council Controlled Organisations and Council Controlled Trading Organisations.		<ul style="list-style-type: none"> <li>Section 7(2)(i) To carry out negotiations</li> </ul>
	The statements of expectation for The Bishop Suter Trust and Tasman Bays Heritage Trust 2013/14.		<ul style="list-style-type: none"> <li>Section 7(2)(i) To carry out negotiations</li> </ul>
	The statements of expectation for Nelmac and the Nelson Regional Economic Development Agency.		<ul style="list-style-type: none"> <li>Section 7(2)(h) To carry out commercial activities</li> <li>Section 7(2)(i) To carry out negotiations</li> </ul>
	Consideration of individuals for the role of Director for Nelmac.		<ul style="list-style-type: none"> <li>Section 7(2)(a) To protect the privacy of natural persons</li> </ul>
	The reappointment of Trustees to the City of Nelson Civic Trust.		<ul style="list-style-type: none"> <li>Section 7(2)(a) To protect the privacy of natural persons</li> </ul>
<b>2</b>	<p><b>Public Excluded Status Report – Governance</b></p> <p>This report contains information regarding:</p>	<p>Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p>
	Nelson City Council Tasman District Council Engineering Services Agreement		<ul style="list-style-type: none"> <li>Section 7(2)(i) To carry out negotiations</li> </ul>
	Governance Options for, and commercially sensitive information regarding, the Nelson Regional Sewerage Business Unit		<ul style="list-style-type: none"> <li>Section 7(2)(h) To carry out commercial activities</li> <li>Section 7(2)(i) To carry out negotiations</li> </ul>
	Recommendations to Council on Directors' rotation and fees for Council Controlled Organisations and Council Controlled Trading Organisations.		<ul style="list-style-type: none"> <li>Section 7(2)(a) To protect the privacy of natural persons</li> <li>Section 7(2)(h) To carry out commercial activities</li> </ul>

Information regarding the opportunity to be a Host City for Cricket World Cup 2012		<ul style="list-style-type: none"> <li>• Section 7(2)(c) To protect information that is subject to an obligation of confidence</li> <li>• Section 7(2)(i) To carry out negotiations</li> </ul>
Proposed Leases of Maitahi (Maitai) whenua (land) between Nelson City Council and Wakatu Incorporation for the Maitai Shared Path		<ul style="list-style-type: none"> <li>• Section 7(2)(b) To protect information that may disclose a trade secret or the commercial position of a person</li> <li>• Section 7(2)(c) To protect information that is subject to an obligation of confidence</li> <li>• Section 7(2)(h) To carry out commercial activities</li> </ul>
The proposed transfer of assets, and negotiation of a lease and contract with the Theatre Royal and Nelson School of Music.		<ul style="list-style-type: none"> <li>• Section 7(2)(i) To carry out negotiations</li> </ul>
The operation of I-Sites in the Nelson Tasman Region and the marketing strategy and Tourism Nelson Tasman Limited.		<ul style="list-style-type: none"> <li>• Section 7(2)(h) To carry out commercial activities</li> </ul>
A potential review of Tourism Nelson Tasman Limited.		<ul style="list-style-type: none"> <li>• Section 7(2)(h) To carry out commercial activities</li> <li>• Section 7(2)(i) To carry out negotiations</li> </ul>
A request to amend the Suter Deed of Trust or the Procedure for Appointment of Directors/Trustees of Council Controlled Organisations and Council Controlled Trading Organisations.		<ul style="list-style-type: none"> <li>• Section 7(2)(i) To carry out negotiations</li> </ul>
The statements of expectation for The Bishop Suter Trust and Tasman Bays Heritage Trust 2013/14.		<ul style="list-style-type: none"> <li>• Section 7(2)(i) To carry out negotiations</li> </ul>
The statements of		<ul style="list-style-type: none"> <li>• Section 7(2)(h)</li> </ul>



	expectation for Nelmac and the Nelson Regional Economic Development Agency.		To carry out commercial activities <ul style="list-style-type: none"> <li>Section 7(2)(i) To carry out negotiations</li> </ul>
	Consideration of individuals for the role of Director for Nelmac.		<ul style="list-style-type: none"> <li>Section 7(2)(a) To protect the privacy of natural persons</li> </ul>
	The reappointment of Trustees to the City of Nelson Civic Trust.		<ul style="list-style-type: none"> <li>Section 7(2)(a) To protect the privacy of natural persons</li> </ul>
<b>3</b>	<b>Potential Exit from Ridgeway's Joint Venture</b>	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> <li>Section 7(2)(h) To carry out commercial activities</li> <li>Section 7(2)(i) To carry out negotiations</li> </ul>
<b>4</b>	<b>Remuneration Review Committee Public Excluded Minutes – 22 February 2013</b> These minutes confirmed the minutes of 17 August 2012 and also contain information regarding:	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary:
	The assessment of Chief Executive performance and measures for the remainder of 2012/13.		<ul style="list-style-type: none"> <li>Section 7(2)(a) To protect the privacy of natural persons</li> <li>Section 7(2)(i) To carry out negotiations</li> </ul>

## 15. Re-admittance of the public

Recommendation

***THAT the public be re-admitted to the meeting.***

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**Minutes of a meeting of the Nelson City Council - Governance**  
**Held in the Council Chamber, Civic House, Trafalgar Street, Nelson**  
**On Tuesday 11 December 2012, commencing at 9.00am**

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Present: His Worship the Mayor, A Miccio, Councillors I Barker, A Boswijk, R Copeland, G Collingwood, E Davy, K Fulton, P Matheson, J Rackley, P Rainey, R Reese, D Shaw, and M Ward

In Attendance: Acting Chief Executive (R Johnson), Executive Manager Support Services (H Kettlewell), Chief Financial Officer (N Harrison), Executive Manager Network Services (A Louverdis), Acting Executive Manager Community Services (R Ball), Manager Community Relations (A Ricker), Manager Parking (K Robinson), Acting Executive Manager Regulatory (M Bishop), Executive Manager Strategy and Planning (M Schruer), and Administration Adviser (L Canton)

Apology: Councillor A Boswijk (for lateness)

## **Opening Prayer**

Councillor Davy gave the opening prayer.

### **1. Conflicts of Interest**

There were no updates to the Interests Register and no conflicts of interest with items on the agenda were identified.

### **2. Public Forum**

#### **2.1 Nelson School of Music Board**

Tony Stallard and Mick Dowrick, of the Nelson School of Music Board, addressed Council regarding the proposal for Council support for, and acquisition of, the Nelson School of Music facilities. Mr Stallard expressed support for the proposal as he said it would help secure the future of the arts and music in the community for Nelson.

Attendance: Councillor Boswijk joined the meeting at 9.08am.

## 2.2 Nelson Historic Theatre Trust

Attendance: Councillor Reese joined the meeting at 9.12am.

Mr Kerry Marshall, Chairman of the Nelson Historic Theatre Trust, addressed Council regarding the proposal for Council support for, and acquisition, of the Theatre Royal facilities. He expressed support for the proposal and noted that the Theatre Royal's iconic status helped Nelson to set itself apart from other cities.

## 2.3 Mr Phil Medcalf and Mr Dennis Heiford

Mr Medcalf and Mr Heiford, of the Nelson Model Aero Club, addressed Council regarding a request for an improved access road to the Aero Club flying site at Wakapuaka. Mr Medcalf tabled a copy of their presentation, which included maps and an outline of their request (1427297).

In response to questions, Mr Medcalf said that the Aero Club's offer to contribute \$5,000 to the cost of improving access was based on their own estimate of a gravel road solution. He said that other users were mostly walkers, walkers with dogs, cyclists, and spectators.

## 3. Confirmation of Minutes

### 3.1 Governance – 30 October 2012

Document number 1399415, agenda pages 1-9 refer.

Resolved

***THAT the minutes of a meeting of the Nelson City Council - Governance, held on 30 October 2012, be confirmed as a true and correct record.***

Shaw/Collingwood

Carried

### 3.2 Recruitment of a Chief Executive – 25 October 2012

Document number 1399797, agenda pages 10-12 refer.

Resolved

***THAT the minutes of a meeting of the Nelson City Council – Recruitment of a Chief Executive, held on 25 October 2012, be confirmed as a true and correct record.***

Copeland/Boswijk

Carried

#### 4. Mayor's Report

Document number 1410774, agenda pages 13-23 refer.

It was agreed that the recommendation in the Mayor's Report would be considered in parts.

The first two clauses of the recommendation were put and were carried.

Resolved

***THAT the Mayor's report (1410774) be received.***

***AND THAT Council retrospectively approves travel costs of \$438.00 plus disbursements for the Deputy Mayor Ali Boswijk to attend a meeting between representatives of the Suter and the Minister of Arts, Culture and Heritage on 7 November 2012;***

His Worship the Mayor/Collingwood

Carried

The third clause of the recommendation was put and was carried.

Resolved

***THAT Council retrospectively approves registration and travel costs of \$800.50 plus disbursements for Councillor Fulton's attendance at Sustainable Sydney 2030 Masterclass in Wellington on 19 November 2012;***

His Worship the Mayor/Ward

Carried

It was noted that the fourth clause of the recommendation in the report (1410774) was withdrawn as the costs had been met from the Mayor's discretionary fund.

The fifth clause of the recommendation was moved by Councillor Davy and seconded by Councillor Boswijk. With the agreement of the mover and seconder, the clause was amended to include an approximate cost.

Resolved

***THAT Council approves travel costs, registration and disbursements of approximately \$800.00 for Councillor Barker's attendance at the Society of Local Government Managers Benchmarking Consultation Forum in Christchurch on 12 December 2012;***

Davy/Boswijk

Carried

The meeting then considered the sixth clause of the recommendation.

His Worship the Mayor advised that he had signed the Memorandum of Understanding with Yangjiang to assist the Nelson Regional Economic Development Agency in fulfilling a key objective to explore economic opportunities with China. He added that no resource or financial contribution would be committed by Nelson City until the Memorandum of Understanding was ratified by Council.

Some Councillors expressed concern that the Memorandum of Understanding had been signed on behalf of Nelson City without prior consultation and without the agreement of the full Council.

His Worship the Mayor, seconded by Councillor Rainey, moved the sixth clause of the recommendation in the Mayor's Report (1410774).

Upon discussion, it was suggested that it may be better that the Memorandum of Understanding be received rather than ratified by Council.

The mover and seconder agreed to the amendment.

There was a brief discussion about whether the Memorandum of Understanding could be received by Council before it fully understood what the next steps would be.

Councillor Reese, seconded by Councillor Barker, moved an amendment to incorporate this point

*THAT the Memorandum of Understanding with Yangjiang be received to allow Council officers to consider how to move forward with the document that has been signed.*

The amended motion was put and lost.

Following a discussion, Councillor Shaw, seconded by Councillor Rainey, moved a further amendment to the original recommendation in the Mayor's Report, changing the word 'received' to 'confirmed'.

The amended motion was put and carried and became the substantive motion.

Resolved

***THAT the Memorandum of Understanding with Yangjiang be confirmed.***

Shaw/Rainey

Carried

Attendance: The meeting adjourned for morning tea from 11.00am to 11.08am.

The meeting considered the seventh clause of the recommendation in the Mayor's Report (1410774).

Resolved

***THAT Council note the invitation to visit Nelson was extended to the Mayor and a group of officials from Yangjiang.***

His Worship the Mayor Mayor/Fulton

Carried

The meeting considered the eighth clause of the recommendation. In response to a question, the Executive Manager Support Services confirmed that expenses for a formal dinner with the delegation from Longyou were met by the Mayor's discretionary fund.

Resolved

***THAT Council note the invitation from the Nelson Regional Economic Development Agency for a delegation from Longyou to visit Nelson.***

Davy/Rackley

Carried

The meeting considered the final clause of the recommendation regarding the Memorandum of Understanding with Longyou.

It was agreed that this item of business be left to lie on the table until the Economic Development Agency had developed recommendations to the Council with respect to the proposed Memorandum of Understanding with Longyou.

## **5. Status Report - Governance**

Document number 1034743 v6, agenda page 24 refer.

Resolved

***THAT the Status Report - Governance (1034743 v6) be received.***

Mayor/Fulton

Carried

## **6. Portfolio Holder's Report**

Governance Co-Portfolio Holder, Councillor Shaw gave a brief update on his report about what Council could do on solar leadership. He said that he would provide an outline of options to Council in the New Year.

## 7. Notice of Motion

Document number 1419109, agenda pages 25 refer.

Councillor Matheson spoke to the Notice of Motion (1419109). He noted that a committee structure would provide greater transparency for Council's activities, enable elected members a greater knowledge of the issues that Council dealt with, and enable Committee Chairs a greater understanding of their roles than was possible as portfolio holders. He added that the public would also have a greater say in the decision making process.

In response to questions, Councillor Matheson said it was intended that the committees listed in the notice of motion would be committees of full Council and would report to a Council meeting.

Councillor Matheson, seconded by Councillor Davy, moved:

*THAT the Nelson City Council confirm the establishment of four (4) Council standing committees of Governance, Infrastructure, Community Services and Environmental and Planning to take effect from February 2013.*

Councillors debated the motion. Those in support of the motion said that a committee system allowed Councillors to examine issues in a more strategic way, and enabled the Committee Chairperson to have a focused, detailed understanding of agenda items; that the Mayor would have the ability to sit as a member rather than the Chair of a committee; and that it allowed for greater accountability if committee decisions must also be confirmed by a Council meeting.

Those speaking against the motion said that the current structure allowed greater opportunity for full Council to consider all items, to more fully understand the synergies between issues, to hear a diversity of perspectives, and to ease new members into positions of responsibility.

It was suggested that a review of the governance structure would be useful, but that it should also include workshops and sub-committees and therefore a wider discussion of possible options was required, and a more appropriate time for such a review was following the next election.

Attendance: Councillor Barker left the meeting at 11.47am.

There was a brief discussion about the commencement date of the proposed new structure, during which the Acting Chief Executive advised that a report on how the structure could work would come to the first Council meeting of the New Year, in February 2013. It was suggested that the commencement date be amended to March 2013, and the mover and seconder agreed.

The motion was put and lost.

A division was called.

<b>Councillor</b>	
Councillor Barker	Apology
Councillor Boswijk	No
Councillor Collingwood	No
Councillor Copeland	No
Councillor Davy	Yes
Councillor Fulton	No
Councillor Matheson	Yes
Councillor Rackley	Yes
Councillor Rainey	No
Councillor Reese	Yes
Councillor Shaw	No
Councillor Ward	No
His Worship the Mayor	No

Attendance: Councillor Rackley left the meeting at 12.04pm.

#### **8. Schedule of Council Meetings 2013**

Document number 1412246, agenda pages 26-38 refer.

Resolved

***THAT the draft schedule of meetings for 2013 (1416463) be adopted.***

Boswijk/His Worship the Mayor

Carried

#### **9. Suter Collection Policy**

Document number 1410261, agenda pages 39-49 refer.

Attendance: Councillor Shaw declared a conflict of interest and left the room.

Resolved

***THAT the Collection Policy of the Suter Art Gallery (RAD 1413423) be approved;***



***AND THAT the Board of the Bishop Suter Trust be requested to present the Collection Policy for review and approval by Council on a three yearly basis, with the next review taking place in the 2014/15 financial year.***

Davy/Matheson

Carried

**10. Schedule of Documents Sealed**

Document number 1403442, agenda pages 50-52 refer.

Resolved

***THAT the Schedule of Documents Sealed (1403442) be received.***

His Worship the Mayor/Boswijk

Carried

**11. Update on the Implementation and Management of the Nelson Events Strategy 2012**

Document number 1405123, agenda pages 53-58 refer.

Attendance: Councillors Shaw and Copeland declared an interest and sat back from the table. Councillor Boswijk declared a conflict and left the meeting at 12.08pm.

Resolved

***THAT this report (1405123) be received.***

Collingwood/His Worship the Mayor

Carried

**REPORTS FROM COMMITTEES**

**12. Joint Shareholders Committee – 23 November 2012**

Document number 1415934, agenda pages 59-63 refer.

Resolved

***THAT the minutes of the meeting of the Nelson City Council Tasman District Council Joint Shareholders Meeting, held on 23 November 2012, be received.***

His Worship the Mayor/Shaw

Carried

- 12.1 Tasman Bays Heritage Trust Draft Statement of Intent 2012/13 Resubmit  
Resolved

***THAT the Tasman Bays Heritage Trust Statement of Intent and Strategic Plan 2012/13 be approved for signing.***

Reese/Shaw

Carried

**13. Audit, Risk and Finance Committee – 2 October and 13 November 2012**

Document number 1381616 v2, agenda pages 64-74 refer.

In response to a question, the Acting Chief Executive advised that a full report on the Council's consent for noise in public places would come to Council in 2013.

Resolved

***THAT the minutes of the meeting of the Nelson City Council Audit, Risk and Finance Committee, held on 2 October and 13 November 2012, be received.***

Matheson/His Worship the Mayor

Carried

- 13.1 Report Back on Audit, Risk and Finance Committee Enquiries

Resolved

***THAT the Council note the information provided in report 1396561 with respect to the Council outdoor noise consent, the profiling of Councillors in Council publicity, the use of staff articles in external publications and public liability with respect to Council structures in public places.***

Collingwood/Ward

Carried

Resolved

***THAT the development of a formal Council communications policy be considered at an upcoming Council – Governance meeting.***

Collingwood/Reese

Carried

Attendance: Councillor Boswijk returned to the meeting at 12.22pm.

13.2 Leaky Homes Financial Assistance Package

Resolved

***THAT the Council does not become a participating Territorial Authority to the Leaky Homes Financial Assistance Package under the Weather-tight Homes Resolution Services (Financial Assistance Package) Amendment Act 2011;***

***AND THAT the Council reassess the option of joining the Leaky Homes Financial Assistance Package following the Government led review of the Scheme in 2014;***

***AND THAT the Chairperson of the Audit, Risk and Finance Committee be authorised to release a media statement to the effect that Nelson City Council will not become a participating Council in the Leaky Homes Financial Assistance Package proposal.***

Davy/Shaw

Carried

**14. Public Forum Discussion**

It was agreed that there would be no discussion of the public forums by the Nelson School of Music representative or the Nelson Historic Theatre Trust representative, as this item was the subject of a staff report on the public excluded agenda.

14.1 Mr Phil Medcalf and Mr Dennis Heiford

Executive Manager Network Services, Alec Louverdis joined the meeting. He advised that the Nelson Model Aero Club's request was outside the scope of Council's standard maintenance provision for the access road. Accordingly, he said, if Council wished to consider the Aero Club's request, it should form part of the Annual Plan so that Council could consider it in the context of Council's wider activities, and all other parties affected could be appropriately consulted.

It was suggested that the Aero Club be advised to make a submission to the Annual Plan 2013/2014, and include in its submission an outline of its own proposed contribution to the project.

Attendance: The meeting adjourned for lunch from 12.40pm to 1.18pm.

## 15. Exclusion of the Public

Recommendation

***THAT the public be excluded from the following parts of the proceedings of this meeting.***

***The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:***

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Public Excluded Minutes – Governance – 30 October 2012  These minutes confirmed the public excluded minutes of the Governance meeting of 18 September 2012 and also contain information regarding:	Section 48(1)(a)  The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary:
	Information regarding the opportunity to be a Host City for Cricket world Cup 2015		<ul style="list-style-type: none"> <li>• Section 7(2)(c) To protect information that is subject to an obligation of confidence</li> <li>• Section 7(2)(i) To carry out negotiations</li> </ul>
2	Public Excluded Minutes – Chief Executive Recruitment – 25 October 2012  These minutes contain information regarding the selection of a preferred candidate for the role of Chief Executive and	Section 48(1)(a)  The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> <li>• Section 7(2)(a) To protect the privacy of natural persons</li> <li>• Section 7(2)(c) To protect information that is</li> </ul>

	include a recommendation to make the appropriate announcements to the public when matters are finalised.		subject to an obligation of confidence
<b>3</b>	Public Excluded Status Report – Governance  This report contains information regarding:	Section 48(1)(a)  The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary:
	Nelson City Council Tasman District Council Engineering Services Agreement		<ul style="list-style-type: none"> <li>• Section 7(2)(i) To carry out negotiations</li> </ul>
	Governance Options for, and commercially sensitive information regarding, the Nelson Regional Sewerage Business Unit		<ul style="list-style-type: none"> <li>• Section 7(2)(h) To carry out commercial activities</li> <li>• Section 7(2)(i) To carry out negotiations</li> </ul>
	Negotiations relating to the Tasman Bays Heritage Trust Draft Statement of Intent and Strategic Plan		<ul style="list-style-type: none"> <li>• Section 7(2)(i) To carry out negotiations</li> </ul>
	Director appointments and Director fees for Council controlled organisations and includes a recommendation to release the resolutions to the public when the organisations and individuals involved have been notified.		<ul style="list-style-type: none"> <li>• Section 7(2)(h) To carry out commercial activities</li> <li>• Section 7(2)(a) To protect the privacy of natural persons</li> </ul>
	Information regarding the opportunity to be a Host City for Cricket World Cup 2012		<ul style="list-style-type: none"> <li>• Section 7(2)(c) To protect information that is subject to an obligation of confidence</li> <li>• Section 7(2)(i) To carry out negotiations</li> </ul>
<b>4</b>	Proposed Leases of Maitahi (Maitai) whenua (land) between Nelson City Council and Wakatu	Section 48(1)(a)  The public conduct of this matter would	The withholding of the information is necessary: <ul style="list-style-type: none"> <li>• Section 7(2)(b)</li> </ul>

	<p>Incorporation for the Maitai Shared Path</p> <p>This report contains information on the negotiation of a lease.</p>	<p>be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>To protect information that may disclose a trade secret or the commercial position of a person</p> <ul style="list-style-type: none"> <li>• Section 7(2)(c) To protect information that is subject to an obligation of confidence</li> <li>• Section 7(2)(h) To carry out commercial activities</li> </ul>
<b>5</b>	<p>Nelson School of Music and Theatre Royal: Arrangements to Promote Future Viability</p> <p>This report contains information on the proposed transfer of assets, and negotiation of a lease and contract with the Theatre Royal and Nelson School of Music.</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> <li>• Section 7(2)(i) To carry out negotiations</li> </ul>
<b>6</b>	<p>Potential Review of Nelson Tasman Tourism 2012</p> <p>This report contains information on a proposed review of Nelson Tasman Tourism.</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> <li>• Section 7(2)(h) To carry out commercial activities</li> <li>• Section 7(2)(i) To carry out negotiations</li> </ul>
<b>7</b>	<p>Request to Amend the Bishop Suter Trust Deed 2012</p> <p>This report contains information on a request to amend the Suter Deed of Trust or the Procedure for Appointment of Directors/Trustees of Council Controlled Organisations and Council Controlled Trading Organisations.</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> <li>• Section 7(2)(i) To carry out negotiations</li> </ul>

<p><b>8</b></p>	<p>Statements of Expectation for The Bishop Suter Trust and Tasman Bays Heritage Trust 2013/14</p> <p>This report contains information on the statements of expectation for The Bishop Suter Trust and Tasman Bays Heritage Trust 2013/14</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> <li>Section 7(2)(i) To carry out negotiations</li> </ul>
<p><b>9</b></p>	<p>Statements of Expectation for Nelmac and Nelson Regional Economic Development Agency 2013/14</p> <p>This report contains information on the statements of expectation for Nelmac and the Nelson Regional Economic Development Agency.</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> <li>Section 7(2)(h) To carry out commercial activities</li> <li>Section 7(2)(i) To carry out negotiations</li> </ul>
<p><b>10</b></p>	<p>Appointment of Director Nelmac 2012</p> <p>This report allows Councillors to suggest individuals for consideration for the role of Director for Nelmac.</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> <li>Section 7(2)(a) To protect the privacy of natural persons</li> </ul>
<p><b>11</b></p>	<p>Reappointment of Trustees to the City of Nelson Civic Trust</p> <p>This report contains a recommendation for the reappointment of Trustees to the City of Nelson Civic Trust.</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> <li>Section 7(2)(a) To protect the privacy of natural persons</li> </ul>
<p><b>12</b></p>	<p>Public Excluded Minutes – Nelson City Council Tasman District Council Joint Shareholders Committee – 23 November 2012</p> <p>These minutes confirmed</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason</p>	<p>The withholding of the information is necessary:</p>

	the public excluded minutes of the Joint Shareholders Committee on 14 September 2012 and contain information regarding:	exists under section 7	
	The operation of I-Sites in the Nelson Tasman Region and the marketing strategy and Tourism Nelson Tasman Limited.		<ul style="list-style-type: none"> <li>Section 7(2)(h) To carry out commercial activities</li> </ul>
	A potential review of Tourism Nelson Tasman Limited		<ul style="list-style-type: none"> <li>Section 7(2)(h) To carry out commercial activities</li> </ul>

Davy/His Worship the Mayor

Carried

The meeting went into public excluded session at 1.18pm and resumed in public session at 2.32pm.

## 16. Re-admittance of the Public

Resolved

***THAT the public be re-admitted to the meeting.***

His Worship the Mayor/Fulton

Carried

There being no further business the meeting ended at 2.33pm.

Confirmed as a correct record of proceedings:

\_\_\_\_\_ Chairperson \_\_\_\_\_ Date



## GOVERNANCE STATUS REPORT – 12 MARCH 2013

No	Meeting Date	Document Number	Report Title/Item Title	Officer	Resolution or Action	Status
1	13/10/2011	1172883	Policy on Directors Rotation	Hugh Kettlewell	<p><u>AND THAT</u> a policy on Directors' rotation be written for consideration by the Joint Shareholders Committee;</p> <p><u>AND THAT</u> the Joint Shareholder's Committee, in amending the Director's policy, include an upper limit on the number of terms that a director may serve.</p>	<b>12/3/13</b> Reinstated TDC resolved not to adopt this policy. An updated version will come to Council in the new year for consideration. In the interim the old policy continues. Matter for discussion with TDC
2	20/11/2012	1398180	Updated Expenses Policy for Elected Members	Penny Langley	<u>THAT</u> the Nelson City Council Expenses Policy for Elected Representatives (document number 1385969, Attachment 3), as amended, be forwarded to the Remuneration Authority for approval.	<b>12/3/13</b> Policy has been forwarded, now awaiting a response from Remuneration Authority.
3	11/12/2012	1410261	Suter Collection Policy	Nicky McDonald	<u>AND THAT</u> the Board of the Bishop Suter Trust be requested to present the Collection Policy for review and approval by Council on a three yearly basis, with the next review taking place in the 2014/15 financial year.	<b>12/3/13</b> Suter advised of Council's decision. Complete
4	11/12/2012	1415934	Tasman Bays Heritage Trust Draft Statement of Intent 2012/13 Resubmit	Hugh Kettlewell	<u>THAT</u> the Tasman Bays Heritage Trust Statement of Intent and Strategic Plan 2012/13 be approved for signing.	<b>12/3/13</b> – NCC has signed the Tasman Bays Heritage Trust 2012-13 SOI as agreed by Joint Shareholders Committee. TDC is now requiring changes. Given that the 2013-14 SOI is due to both Councils by 1 March, any further work on the 2012-13 document is futile.

No	Meeting Date	Document Number	Report Title/Item Title	Officer	Resolution or Action	Status
5	11/12/2012	1381616 v2	Audit, Risk and Finance Committee Minutes – 2 October and 13 November 2012	Sarah Yarrow	THAT the development of a formal Council communications policy be considered at an upcoming Council – Governance meeting.	<b>12/3/13</b> Policy content being scoped by staff. Report to Council expected for 23 April 2013 Governance meeting.

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## **Joining the Local Government Funding Agency (LGFA)**

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### **1. Purpose of Report**

- 1.1 To seek approval from the Council to sign the documents required to join the Local Government Funding Agency (LGFA) as agreed in the Long Term Plan 2012-22.

### **2. Recommendation**

***THAT Council approves the signing of the following documents required to join the Local Government Funding Agency (LGFA) as a borrower and guarantor:***

- ***Amendments to Debenture Trust Deed;***
- ***Accession Deed to the Multi-Issuer Deed;***
- ***Accession Deed to the Notes Subscription Agreement;***
- ***Accession Deed to the Equity Commitment Deed;***
- ***Accession Deed to the Guarantee and Indemnity;***
- ***Security Stock Certificates in relation to the Multi-Issuer Deed, Equity Commitment Deed and Guarantee and Indemnity;***
- ***Section 118 Certificate in relation to the Accession Deeds and Security Stock Certificates;***
- ***Stock Issuance Certificate;***
- ***Officer's Certificate.***

### **3. Background**

- 3.1 Council consulted on joining the LGFA through the Long Term Plan 2012-22 and agreed after consultation to join as both a borrower and guarantor but not as a shareholder.
- 3.2 Councils who wish to borrow more than \$20 million through the LGFA must be a guarantor but not necessarily a shareholder.

- 3.3 The Liability Management Policy and Investment Policy were updated during the Long Term Plan 2012-22 to allow participation in the LGFA.
- 3.4 The process has now begun to allow Councils who didn't want to be shareholders to accede to the LGFA. This requires Council signing a number of documents.

**4. Discussion**

- 4.1 Council have engaged Simpson Grierson to act on their behalf to review the accession documents and prepare the requisite security stock certificates and stock issuance certificates.
- 4.2 Council are currently breaching the five year plus funding maturity bucket in the Liability Management policy and have been waiting to join the LGFA to resolve this breach in a cost effective way.
- 4.3 Council would like to be in a position to issue bonds through the LGFA in the early April 2013 LGFA bond tender and intends to issue \$5 million in the 15 March 2019 (five year plus maturity bucket) bond tender. Council then intends to issue another \$5 million in the 15 March 2019 bond tender in the May 2013 LGFA bond tender to spread some price risk.
- 4.4 This will ensure Council is compliant in the five year plus funding maturity before the year end.

**5. Conclusion**

- 5.1 Council needs to sign accession documents, security stock and stock issuance certificates to join the Local Government Funding Agency (LGFA) as approved in the Long Term Plan 2012-22.

Nikki Harrison  
**Chief Financial Officer**

**Attachments**

None.

Supporting information follows.

<b>Supporting Information</b>	
<b>1. Fit with Purpose of Local Government</b>	Joining the LGFA is financially prudent and cost effective for Council in terms of both interest margin savings and diversification of funding sources.
<b>2. Fit with Community Outcomes and Council Priorities</b>	Obtaining cheaper more diversified funding is a priority for Council.
<b>3. Fit with Strategic Documents</b>	Consistent with Financial Strategy, Liability Management Policy and Investment Policy.
<b>4. Sustainability</b>	n/a.
<b>5. Consistency with other Council policies</b>	n/a.
<b>6. Long Term Plan/Annual Plan reference and financial impact</b>	Approved through LTP 2012-22.
<b>7. Decision-making significance</b>	Decision made through the LTP 2012-22.
<b>8. Consultation</b>	Done through the LTP 2012-22.
<b>9. Inclusion of Māori in the decision making process</b>	Not required.
<b>10. Delegation register reference</b>	n/a.

## Fees and Charges: Resource Consents Business Unit

### 1. Purpose of Report

- 1.1 To adopt the fees and charges for 2013-2014 for resource consent, Resource Management Act planning documents, Land Information Memorandum and property information activities.

### 2. Recommendation

***THAT the new or changed fees and charges for resource consents under s.36 of the Resource Management Act 1991 be adopted as detailed in Attachment 1 to Report No 1451834 and notified by the Special Consultative Procedure in accordance with Section 83 of the Local Government Act 2002;***

***AND THAT the fees and charges under s.36 of the Resource Management Act apply as from 1 July 2013 subject to the Council approval;***

***AND THAT the fees and charges for Resource Management Planning Documents be adopted as detailed in Attachment 1 to Report No 1451834;***

***AND THAT the fees and charges for Property Information remain unchanged and be adopted as detailed in Attachment 2 to Report No 1451834.***

### 3. Background

- 3.1 The Resource Consents Business Unit is responsible for a variety of functions that have an element of cost recovery. While some charges are set by statute, other statutes give local authorities the power to set charges. This report considers fees and charges for:
- Resource consents: processing, monitoring and enforcing, administration;
  - Resource Management Act planning documents; and
  - Providing property information.

- 3.2 Funding is achieved by Council through a mix of general rates, fees and charges, and infringement fees and fines. The level of cost recovery from applicants affects the level of ratepayer funding that is required.
- 3.3 Section 101(3) of the Local Government Act 2002 and Section 36 (4) of the Resource Management Act 1991 require that charges for regulatory functions are to be cost-effective with those gaining the benefit from the regulatory service paying the reasonable cost for that service.

#### **4. Discussion**

##### **Resource Consent Activity Funding**

- 4.1 The specific activity of processing resource consents aims to have 80% of its costs recovered from resource consent applicants. This reflects there is some public benefit associated with the administration of the Nelson Resource Management Plan and from growth and development that resource consents provide. There is also some general interest in resource consent applications that should not be on-charged to the applicant unless those parties are part of the process as submitters or affected parties.
- 4.2 Resource consent holders pay for the entire cost of monitoring and enforcing their consents.
- 4.3 The monitoring of permitted standards has benefit to the public and the cost of this is shared between rates and fines should enforcement action follow any discovery of permitted standard breaches.
- 4.4 There is a general enquiry service provided by resource consents staff to assist members of the public to understand general planning provisions. Customers (external and internal) either make appointments to see a duty planner, send emails, phone or walk in to the Customer Service Centre. This service needs to be fully funded by rates. There is provision to charge people after 30 minutes but in practice this has not occurred due to appointments generally taking less than half an hour.
- 4.5 Where a formal pre-application or pre-hearing meeting is held, time is recorded and charged to the consent.

##### **Resource Consents – Approach to Charges**

- 4.6 Council's current charging structure set out in its Fees and Charges for Resource Consents is based on applicants lodging an initial sum of money determined by the nature or category of consent. This is credited to the applicant's consent account. As the consent is processed those processing costs are debited against the applicant's account.
- 4.7 The cost of the consent processing is based on:
- a) the time spent by Council staff and any specialist advisers assessing and reporting on the application;

- b) the staff hourly charge (consultants are charged out at this rate if staff would normally process the consent), or the consultant charges (if there is a lack of expertise or conflict for staff);
  - c) administrative costs; and
  - d) a \$100 charge incorporating the first hour of monitoring if monitoring is required. Subsequent monitoring is charged at the staff hourly rate.
- 4.8 When the decision on the consent is made, and processing is completed, the costs are calculated and a refund is made if the cost is less than the initial charge, or an account for further payment is sent if the costs exceed the amount of the initial charge.
- 4.9 The Resource Management Act 2009 Amendments included the introduction of a Discount Policy should the consent:
- a) be processed outside the statutory timeframes and
  - b) it was the fault of the Council.
- 4.10 The discount came into effect on 31 July 2010. The default discount is 1% of the consent processing costs per day the consent was late, up to a maximum of 50% of the costs of the consent.
- 4.11 Councils can choose to give a more generous discount than the default. I recommend the default discount remain until such time as section 36 of the Resource Management Act has been reviewed by the Ministry for the Environment to clarify various aspects on charging.

**Resource Consents – Current Status: Expenses and Recoveries**

- 4.12 Resource Consent staff spend:
- a) at least 20% of their time responding to public enquiries;
  - b) approximately 20% of their time on training, professional development (including keeping up to date with legislation, case law and best practice), business unit and organisational meetings and other employee responsibilities.
- 4.13 Staff spend 60% of their time processing resource consents so it is therefore fair and reasonable the income from fees and charges covers approximately 60% of the total expenses. Rates cover the remaining 40% of the total costs.
- 4.14 The table below illustrates the comparison between the total recovery or income from fees and charges and the total expenses for the resource consent activity.



## Resource Consents Activity Recoveries versus Expenses

Year	Recovery from fees and charges	Total expenses	Percentage of expenses met by fees and charges
2012/2013	430,017*	747,977*	57%
2011/2012	546,109	924,137	59%
2010/2011	627,521	1,129,455	56%

\* Figures for six months to 31 December 2012

- 4.15 It could be argued that resource consent applicants should also cover 60% of the cost of resource consent staff training, professional development and other aspects of being a local authority employee apart from the time spent responding to public enquiries. However to add another 12% to the existing hourly rate of \$135 would result in an hourly rate of \$151. This is out of step with most planning consultants and Tasman and Marlborough District Councils' hourly rates that are \$138 and \$140 respectively. For 2013/2014 both Tasman and Marlborough District Councils propose to have an hourly rate of \$142.50.
- 4.16 The bulk of the costs of processing resource consents is attributed to staff time. As staff wages are adjusted associated charge out rates also require adjustment. Recent changes to staff wages equate to an increase of approximately 3%.
- 4.17 It is recommended the hourly rate of \$135 be adjusted to \$140 per hour for 2013/2014. This reflects the 3% increase and rounding up to the nearest dollar.

### Initial Charges (Deposits)

- 4.18 The initial charges (deposits) required when applying for consent no longer reasonably reflect the average cost of processing consents. See the table below for comparisons.

Note: The subdivision average costs can be skewed by large subdivision developments. There is merit in increasing the initial charge for larger developments while keeping the smaller developments as is.

## Average Costs Compared to Initial Charges (Deposits)

NON-NOTIFIED	Average Costs			Current initial charge	Proposed initial charge
	2010/11	2011/12	2012/13		
Land use	1046	1217	1476	500/900	<b>500/1300</b>
subdivision	2179	2880	3548	1300	<b>1300 1-3 lots 2000 4 plus lots</b>
coastal	1600	774		900	<b>1300</b>
discharge	1874	2025	1062	900	<b>1300</b>
regional land	912	1428	1159	900	<b>1300</b>
water	1673	1350		900	<b>1300</b>
other	555	563	512	500/900	<b>500/1300</b>
<b>NOTIFIED</b>					
Land use	7360	8348	8259	5000+non notified init chg	<b>7000</b>
subdivision	12087			5000+non notified init chg	<b>7000</b>
discharge		11668		5000+non notified init chg	<b>7000</b>

- 4.19 Better alignment of the initial charge with the average total cost assists in reducing unexpected invoices for the applicant at the end of the process. This in turn may help to reduce the bad debt recovery work.
- 4.20 It is recommended increasing the initial charges as proposed to better reflect the average processing costs while keeping the number of different deposit amounts to a minimum.

### Fences

- 4.21 Plan change 14 included a rule lowering the permitted fence height to 1.2 meters in certain circumstances. Applications to exceed this height has been included in the \$500 initial charge category as this is more appropriate than the general \$1300 initial charge for the likely time it takes to process these applications.

### Cross Lease Flats Plan Updates

- 4.22 A Flats Plan update and check has been included in the \$500 initial charge category as this is more appropriate than the general \$1300 for the time it takes to process these applications.

### Liquor Licence Applications

- 4.23 Consents and Building Unit staff review consent and property files to confirm that applications for on-licenses and off-licenses for the sale of liquor under the Sale of Liquor Act comply with the Nelson Resource Management Plan (NRMP).

- 4.24 This work is wholly for private benefit and should not be offset by any public good element. The staff time to assess the files and document the findings is approximately half an hour.
- 4.25 It is recommended the fixed charge be increased from \$67.50 to \$70.00. This represents half an hour staff time at the proposed staff charge out rate of \$140.

### **Monitoring Charges**

- 4.26 The contract for consent monitoring allows for up to 3500 hours for both resource consent monitoring and permitted activity monitoring. The cost of the contract is \$223,043.
- 4.27 Approximately 400 hours of permitted monitoring, not chargeable, were carried out.
- 4.28 There were 1463 resource consent monitoring inspections for 2011/2012 involving approximately 3258 hours charged at \$100 per hour inclusive of GST for the first hour, then at the staff hourly rate (currently \$135) for time required after one hour.
- 4.29 The monitoring actual recoveries are not separate from the overall resource consent recoveries in our database. The cost of the contract is being met through the current charging regime.

### **Resource Management Act Planning Documents**

- 4.30 A \$100 charge for obtaining a copy of the Land Development Manual has been included.
- 4.31 The initial charge for a private plan change is recommended to increase to \$10,000 to better reflect the actual costs.
- 4.32 All other documents are recommended to stay the same.

### **Land Information Memorandum**

- 4.33 The Local Government Official Information and Meetings Act 1987 established the Land Information Memorandum (LIM) as a formal means of obtaining property information held by the Council. The level of activity in this area has increased by approximately 15% from 2010/2011 to 2011/2012. Numbers for this financial year indicate about a 13% increase.
- 4.34 This service is provided by a Land Information Memorandum Officer who has consistently provided Land Information Memoranda in 3-4 days, well under the required 10 days.
- 4.35 Assuming the level of activities remains the same for this financial year there will be approximately 500 Land Information Memorandum applications to cover the costs of the Land Information Memorandum service. The direct cost for the Land Information Memorandum Officer of

salary plus overheads is \$90,000. To recover the cost of providing the service, the fees for each Land Information Memorandum only needs to be \$180. However there are other costs associated with the inputting and management of the electronic databases that provide the information for a Land Information Memorandum and the printing and sending of Land Information Memorandum information. If the costs of storing land information of \$292,000 are added then a charge of \$764 per Land Information Memorandum is needed for cost recovery.

<b>Calendar year</b>	<b>LIM numbers</b>
2013	256 (to 31/12/12)
2012	455
2011	395
2010	317

- 4.36 A comparison of current Land Information Memorandum fees with our neighbouring Councils has Nelson charges in the middle:

<b>LIM Fees</b>	<b>TDC</b>	<b>NCC</b>	<b>MDC</b>
Residential	\$248	\$285	\$322
Commercial	\$378	\$440	\$557

- 4.37 There is scope to lower the Land Information Memorandum fees if the costs of storing the information are not included. However the upward trend of number of Land Information Memorandum applications is also an indication that the cost could remain at the current level. The fee could be reviewed if the number of applications received becomes static or decrease. The staff costs of providing a Land Information Memorandum service should wholly be covered by charges.

### **Property Information**

- 4.38 The Customer Service Centre provides access to property information through viewing site files, building consent files and resource consent files. A fee is applied to access this information although property owners are exempt if they access information relating to their property.
- 4.39 For 2011/2012 \$30,698 income was received for property information activities of accessing files and copying charges. There are costs of maintaining and storing of files that are not incorporated into the average staff time of 15 minutes to retrieve and return a file as well as time in assisting customers to understand how the files are organised.

- 4.40 The current charge of \$20 to access file documents represents an hourly staff rate of \$80.00 which is a fair and reasonable charge.
- 4.41 It is recommended that the fees and charges for Land Information Memoranda and Property Information do not change.

## **5. Conclusion**

- 5.1 The current staff hourly rate recovers close to 60% of the total costs and is considered fair and reasonable given that resource consent staff spend approximately 60% of their time processing consents.
- 5.2 It is recommended the hourly rate increases by the percentage increase in staff wages costs from \$135 to \$140 per hour. This new rate is comparable to Tasman and Marlborough District Council rates.
- 5.3 Other changes to the fees and charges ensure the initial charge or deposit better reflects the likely total cost for the application, inclusion of fence applications and the Flats Plan update and check in the \$500 initial charge category, adjusting the fixed charge for Liquor Licence checks to reflect the new hourly rate and including a cost to obtain a copy of the Land Development Manual.
- 5.4 No changes to the Land Information Memorandum or Property Information charges are proposed.

Mandy Bishop  
**Manager Resource Consents**

### **Attachments**

- Attachment 1: Fees and Charges Resource Consents and Resource Management Planning Documents 2013-2014 [1452697](#)
- Attachment 2: Charges for Provision of Property Information 2013-2014 [1452724](#)
- Attachment 3: Statement of Proposal [1468360](#)
- Attachment 4: Summary of Statement of Proposal [1468540](#)

Supporting information follows.

## Supporting Information

### 1. Fit with Purpose of Local Government

The performance of Regulatory functions is one of the stated purposes of Local Government. This service needs to be cost effective. Comparisons are made with neighbouring Councils and the split of user-pays and ratepayer funding to determine the most appropriate fees and charges.

### 2. Fit with Community Outcomes and Council Priorities

Good leadership – Fees and charges are set at a fair and reasonable rate so that those who profit from them pay the majority of their costs.

Other community outcomes such as healthy land and people friendly places are supported through the resource consent process that ensures development not meeting minimum requirements still promotes the sustainable management of natural and physical resources.

### 3. Fit with Strategic Documents

Long Term Plan – Fees and charges are set to assist in achieving the stated funding policy.

### 4. Sustainability

Economic Outcomes – Fees and charges should be set to ensure they are not a barrier to growth and development while recognising the applicant or licence holder will receive the majority of the benefit in holding such document.

The resource consent process ensures development not meeting minimum requirements still promotes the sustainable management of natural and physical resources.

### 5. Consistency with other Council policies

The recommended fees and charges are consistent with the required statutes and assist with achieving organisational KPIs in economic performance.

### 6. Long Term Plan/Annual Plan reference and financial impact

Income from resource consent applications are credited to the resource consent activity within the resource consent business unit. Income from Land Information Memoranda and property information are credited to a Council-wide activity (public counters land and general).

### 7. Decision-making significance

This is not a significant decision in terms of the Council's Significance Policy.

### 8. Consultation

Consultation has not been undertaken with any external parties. Fees and charges for Resource Consents Activity are subject to the Special

Consultative Procedures required by the Local Government Act 2002.

**9. Inclusion of Māori in the decision making process**

There has been no consultation with iwi regarding this recommendation.

**10. Delegation register reference**

No specific delegation so the Council decides on the setting of fees and charges.



# **Draft Fees and Charges 2013-2014**

**Resource Consent Fees  
and  
Resource Management Act Planning  
Documents Fees  
under the Resource Management Act 1991**



Resource Consent Processing and Monitoring, Designations, Plan Changes and all other activity under the Resource Management Act 1991 (RMA) will attract an initial charge (deposit) payable at the time of lodging an application as per Section 1 below.

Where the cost of processing the consent is not fully covered by the initial charge, additional charges will be applied (under Section 36 of the RMA).

Section 2 below lists the various costs that may be charged to a consent.

NOTE: Amended charges are shown as **bold**.

*All charges listed in this Schedule are GST inclusive*

## 1. Initial Charges (Deposit)

	<b>Activity</b>	<b>Initial Charge</b>
1.1	All activities (other than listed below)	<b>\$1,300</b>
1.2	Subdivision <b>1-3 lots</b>	\$1,300
	<b>Subdivision 4 plus lots</b>	<b>\$2,000</b>
1.3	Bore permits; Certificate of Compliance; Change of consent conditions or consent notice; Culverts, weirs and other minor structures on the bed of watercourses; Existing Use Certificate; Extension of lapsing period; <b>Fences;</b> <b>Flats Plan update and check;</b> Gravel extraction; Outline Plan approvals; Relocate building; Removal of trees listed in the Nelson Resource Management Plan; Replacement Permits; Right of Way approval; Signs; Transfer/part transfer of Permits	\$500
1.4	NOTIFIED APPLICATIONS: Additional charges for applications requiring notification/ limited notification. (This charge must be paid prior to notifying the application and is in addition to the initial charge paid when the application is lodged).	<b>\$7,000</b>
1.5	Removal of trees listed in the Nelson Resource Management Plan that are confirmed in writing by a qualified arborist as diseased or a threat to public safety.	No charge
1.6	Heritage Buildings: Non-notified application to conserve and restore heritage building, place or object listed in the Nelson Resource Management Plan.	No Charge
1.7	Private Plan changes (Note: Council's policy is to recover 95% of the costs involved for the whole process from the applicant).	<b>\$10,000</b>
1.8	Heritage Orders	\$3,500

- 1.9 Where an application involves multiple consents the initial charge is payable at the higher rate plus \$250.00 for each accompanying application.
- 1.10 Where all or part of any initial charge (deposit) is not paid at application time, the Council reserves the right to not process that application.

## 2. Costs Charged to a Consent

	<b>Details</b>	<b>Actual Charge</b>
2.1	Council Staff – all staff time inclusive of overhead component associated with processing and assessing applications.	<b>\$140 per hour</b>
2.2	Hearings Panel Charges:	
	- per Councillor as Commissioner (rate set by Remuneration Authority)	\$80 per hour
	- Councillor as Chairperson (rate set by Remuneration Authority)	\$100 per hour
	- Independent Commissioner (requested by applicant)	Cost
	- Independent Commissioner (requested by submitter)	Cost less Councillor rate (applicant pays the Councillor rate)
	- Independent Commissioner(s) required for expertise or due to conflict of interest issues	Cost
2.3	Legal advisors and consultants engaged by Council, or reports commissioned, after discussion with the applicant, to provide expertise not available in-house under s.92(2) RMA.	Cost plus administration charges
2.4	Experts and consultants engaged by Council to undertake assessment of an application where the complexity of the application necessitates external expertise, or where resource consent processing is required to be outsourced due to conflict of interest issues (this is not a s92(2) RMA commissioning).	Cost plus administration charges
2.5	All disbursements, such as telephone calls, courier delivery services, all public notification costs, postage for notified applications and document copying charges.	Cost plus administration charges
2.6	Consultants engaged by the Council where skills are normally able to be provided by in-house staff or when Council staff workloads are unusually high.	<b>\$140 per hour</b>
2.7	Urban Design Panel reviews a proposal before a resource consent application is lodged	No charge
2.8	The applicant agrees (as per 2.1.3 above) to the Urban Design Panel reviewing the proposal after a resource consent application is lodged	Cost plus administration charges

## 2.9 Photocopying Charges

A4	\$0.20 per page;
A3	\$0.50 per page;
Large copies	\$3.00 per page or actual cost from Copy Service plus staff time.

## 2.10 Monitoring Charges

- 2.10.1 If monitoring is required, a one-off charge of \$100.00 will be invoiced as part of the consent cost. Any extra work that is required to monitor compliance with the consent conditions will be charged at the appropriate hourly rate for Council staff and separately invoiced.
- 2.10.2 Monitoring charges associated with review of information required to be provided by a condition of resource consent will be charged for at the appropriate hourly rate for Council staff or actual cost for specialist consultant.
- 2.10.3 Where the applicant is required or authorised to monitor the activity, the Council's costs in receiving and assessing the monitoring information will be charged directly to the consent holder at the appropriate hourly rate for Council staff or actual cost of the specialist involved.

## 2.11 Administration Charges

	Item/Details	Charge
2.11.1	Insurance levy – for each resource consent.	\$30
2.11.2	Street naming and numbering (costs of reporting to Hearings Panel and advising all statutory agencies).	Council staff hourly rate in 2.1.1 above
2.11.3	Street numbering – application for alteration.	\$125
2.11.4	Documents for execution – removal of building line restrictions; easement documents, caveats, covenants and other documents to be registered with LINZ presented after subdivision processed or where not associated with a subdivision application.	\$175 for each document
2.11.5	Certificate under Overseas Investment Act.	\$385
2.11.6	Confirmation of compliance with the Nelson Resource Management Plan for NZ Qualifications Authority.	\$385
2.11.7	Confirmation of compliance with the Nelson Resource Management Plan for liquor licence applications.	<b>\$70</b>
2.11.8	Section 357 Administration charge.	\$255
2.11.9	Private right-of-way – review against existing names and advising all statutory agencies where appropriate.	\$225
2.11.10	Authentication report for small-scale solid-fuel burning appliance or open fire.	\$70

2.11.11	Removal of designation.	\$305
2.11.12	Swing Mooring annual charge (monitoring costs are additional, refer 2.3 above).	\$75
2.11.13	Transfer of Consents to new owner (S.135(1)(a), S.136(1), S.136(2)(a), or S.137(2)(a) Resource Management Act)	\$75
2.11.14	Claiming a swing mooring the Council removed from the Coastal Marine Area that did not have a coastal permit	\$300
2.11.15	Claiming a vessel that was towed and hauled out of the Coastal Marine Area as it was tied to a non consented mooring that was uplifted	Cost for tow and haul out

## 2.12 Discount for Late Consents

2.12.1 Where statutory processing timeframes have not been met and this is the fault of the Council, a discount of 1% of the total processing costs per each day the consent is late, up to a maximum of 50%, will be credited.

## 3. Invoicing

- 3.1 Where processing costs exceed the level of the initial charge (deposit), monthly invoices for any additional charges may be sent to the applicant.
- 3.2 Annual charges shall be due on 1 December or 30 days from the date of invoicing, whichever is the later, unless otherwise agreed in writing by the Council.
- 3.3 The Council has no obligation to perform any action on any application until the charges for the action have been paid in full; such payment will be required by the 20th of the month following invoice.
- 3.4 Where any interim invoice is disputed, work on processing the application will be stopped until the matter is resolved at the discretion of the Manager Resource Consents.
- 3.5 The option of monthly invoices only, in lieu of initial charges, may be available on strict credit conditions as follows:
- a) The consent process, or Council involvement in the project, is likely to extend over a period in excess of 6 months; and
  - b) The total amount for invoices is likely to exceed \$5,000; and
  - c) The applicant is in good financial standing with a satisfactory credit record and agrees to abide by the Council's usual credit terms **or**
  - d) The applicant is a regular customer of the Council's Resource Consents Business Unit, is in good financial standing with no record of unpaid invoices, who agrees to pay each and every invoiced charge by the 20th of the month following the date of issue of the invoice.

Any disputes relating to an invoiced charge must be resolved after the invoice has been paid. Failure to meet these criteria will result in the option of monthly invoices, in lieu of initial charges plus monthly invoices being withdrawn.

The decision on whether to waive the required charge and institute a system of monthly invoicing shall be made by the Manager Resource Consents or Executive Manager Regulatory, having regard to the above criteria.

#### 4. Pre-Application Charges

Detail	Charge
Pre-application discussion with staff on feasibility of a proposal that may not proceed to a resource consent.	First half hour - no charge. Additional time charged on an hourly basis at the Council staff charge out rate as per 2.1.

#### 5. Resource Management Planning Documents

Copies of Plans	Cost GST Incl
Nelson Resource Management Plan - Text (hard copy)	\$150
Nelson Resource Management Plan - Maps (hard copy)	\$150
CD ROM – combined Nelson Resource Management Plan and Nelson Air Quality Plan – updated annually in Spring	\$15 annually
Nelson Resource Management Plan - hard copy updates issued as required	\$25 annually for text \$25 annually for maps
Nelson Air Quality Plan	\$50
<b>Land Development Manual</b>	<b>\$100</b>



**Schedule of Charges for  
Provision of Property Information  
2013-2014**

**1.1 Land Information Memorandum (LIM)**

**Charge**

Residential sites	\$285.00
Commercial and Industrial sites	\$440.00

**1.2 Access to Site File Documents**

**Charge**

<p>Property Information:</p> <ul style="list-style-type: none"> <li>• Residential site files</li> <li>• Commercial/Industrial site files</li> <li>• Building Consent Files</li> <li>• Resource Consent &amp; Subdivision files</li> <li>• Geotech reports</li> </ul> <p>Charges will allow for up to 15 minutes staff time to discuss the file contents. Beyond this time charges for staff will apply as per applicable staff hourly rates.</p>	<p>\$20.00</p> <p><i>(no charge for owners of site)</i></p>
Memory stick: for transfer of scanned property information	\$15.00
Deposited Plans (DPs) Survey Office Plans (SOs)	\$20.00
<p>Organisations requiring regular access to site file records stored on-site can negotiate a 'regular user' rate for access to records and photocopying facilities as follows:</p> <ul style="list-style-type: none"> <li>* Concession Card (5 file access)</li> <li>* Regular Users Corporate (2 or more from same company)</li> <li>* Sole Practitioner</li> </ul>	<p>\$80.00</p> <p>\$1,730.00</p> <p>\$865.00</p>

**1.3 Photocopying Charges**

A4 \$0.20 per page

A3 \$0.50 per page

Large copies \$3.00 per page or actual cost from copy service plus staff time

A4/A3 GIS plots \$11.00 (black and white copy)

**Charges apply as from 1 July 2013**

**All charges are GST inclusive**



**Nelson City Council**  
te kaunihera o whakatū

**STATEMENT OF PROPOSAL**

**DRAFT FEES AND CHARGES RESOURCE  
CONSENT BUSINESS UNIT 2013/2014**

**March 2013**

## 1. Introduction

The Resource Consents Business Unit is responsible for a variety of functions that have an element of cost recovery. While some charges are set by statute, other statutes give local authorities the power to set charges. This proposal considers fees and charges for:

- a) Resource consents: processing, monitoring and enforcing, administration; and
- b) Resource Management Act planning documents.

Each financial year the Council reviews the fees and charges to:

- a) Ensure that those who benefit from the services of the Business Unit pay a fair and reasonable share of the costs of these services; and
- b) Ensure fees and charges reflect any changes in the cost of providing these services; and
- c) Check that Nelson City Council fees and charges for resource consents activity are measured against equivalent costs for Tasman and Marlborough District Councils.

Funding is achieved by Council through a mix of general rates, fees and charges, and infringement fees and fines. The level of cost recovery from applicants affects the level of ratepayer funding that is required.

Section 101(3) of the Local Government Act 2002 and Section 36 (4) of the Resource Management Act 1991 provide that charges for regulatory functions are to be cost-effective, with the purpose of recovering the reasonable costs incurred by the Council in respect of the activity to which the charge relates, with those gaining the benefit from the regulatory service paying the reasonable cost for that service.

Section 36(4) of the Resource Management Act 1991 requires the Council to seek public feedback on its proposed fees and charges through the Special Consultative Procedure under section 87 of the Local Government Act 2002.

## 2. The Approach to Charges

2.1 Council's current charging structure set out in its Fees and Charges Schedule for Resource Consents (see Appendix One) is based on applicants lodging an initial sum of money determined by the nature or category of consent. This is credited to the applicant's consent account. As the consent is processed those processing costs are debited against the applicant's account.

2.2 The cost of the consent processing is based on:

- a) The time spent by Council staff and any specialist advisers assessing and reporting on the application; and
- b) The staff hourly charge (consultants are charged out at this rate if staff would normally process the consent), or the consultant charges (if there is a lack of expertise or conflict for staff); and
- c) Administrative costs; and
- d) A \$100 charge incorporating the first hour of monitoring if monitoring is required. Subsequent monitoring is charged at the staff hourly rate.



- 2.3 When the decision on the consent is made, and processing is completed, the costs are calculated and a refund is made if the cost is less than the initial charge, or an account for further payment is sent if the costs exceed the amount of the initial charge.
- 2.4 The 2009 Amendments to the Resource Management Act 1991 included the introduction of a Discount Policy should the consent:
- Be processed outside the statutory timeframes; and
  - It was the fault of the Council.
- 2.5 The discount came into effect on 31 July 2010. The default discount is 1% of the consent processing costs per day the consent was late, up to a maximum of 50% of the costs of the consent. Councils can choose to give a more generous discount than the default.

### 3. The Proposed Changes

- 3.1 The Council proposes to increase the current staff hourly rate of \$135 to \$140 per hour for 2013/2014. This reflects a 3% increase and rounding up to the nearest dollar.
- 3.2 The Council seeks to increase the initial charges as proposed in the table below to better reflect the average processing costs while keeping the number of different deposit amounts to a minimum.

<b>NON-NOTIFIED</b>	<b>Current initial charge</b>	<b>Proposed initial charge</b>
Land use	\$500/\$900	<b>\$500/1,300</b>
Subdivision	\$1,300	<b>\$1,300 1-3 lots \$2,000 4 plus lots</b>
Coastal	\$900	<b>\$1,300</b>
Discharge	\$900	<b>\$1,300</b>
Regional land	\$900	<b>\$1,300</b>
Water	\$900	<b>\$1,300</b>
Other	\$500/\$900	<b>\$500/\$1,300</b>
<b>NOTIFIED</b>	<b>Current initial charge</b>	<b>Proposed initial charge</b>
Land use	\$5,000+non-notified initial charge	<b>\$7,000</b>
Subdivision	\$5,000+non-notified initial charge	<b>\$7,000</b>
Discharge	\$5,000+non-notified initial charge	<b>\$7,000</b>

- 3.3 Plan Change 14 included a rule lowering the permitted fence height to 1.2 meters in certain circumstances. Applications to exceed this height is proposed to be included in the \$500 initial charge category as this is more appropriate than the general \$1,300 initial charge for the likely time it takes to process these applications.

- 3.4 A Flats Plan update and check is proposed to be included in the \$500 initial charge category as this is more appropriate than the general \$1,300 for the time it takes to process these applications.
- 3.5 Consents and Building Unit staff review consent and property files to confirm that applications for on-licenses and off-licenses for the sale of liquor under the Sale of Liquor Act/ Sale and Supply of Alcohol Act 2012 comply with the Nelson Resource Management Plan (NRMP). It is proposed that the fixed charge be increased from \$67.50 to \$70.00. This represents half an hour staff time at the proposed staff charge out rate of \$140.
- 3.6 A \$100 charge for obtaining a copy of the Land Development Manual is proposed.
- 3.7 The initial charge for a private plan change is proposed to increase to \$10,000 to better reflect the actual costs.

#### **4. Reasons for the Proposed Changes**

- 4.1 Staff spend 60% of their time processing resource consents so it is therefore considered fair and reasonable that the income from fees and charges covers approximately 60% of the total expenses. (For the current financial year approximately 57% of costs are met by income from fees and charges). Rates cover the remaining 40% of the total costs.

Another option could be that resource consent applicants should also cover 60% of the cost of resource consent staff training, professional development and other aspects of being a local authority employee apart from the time spent responding to public enquiries. However to add another 12% to the existing hourly rate of \$135 would result in an hourly rate of \$151. This is out of step with most planning consultants and Tasman and Marlborough District Councils' hourly rates that are \$138 and \$140 respectively.

The bulk of the cost of processing resource consents is attributed to staff time. As staff wages are adjusted associated charge out rates also require adjustment. Recent changes to staff wages equate to an increase of approximately 3%.

- 4.2 The initial charges (deposits) required when applying for consent no longer reasonably reflect the average cost of processing consents. The subdivision average costs can be skewed by large subdivision developments. There is merit in increasing the initial charge for larger developments while keeping the smaller developments as is.

Better alignment of the initial charge with the average total cost assists in reducing unexpected invoices for the applicant at the end of the process. This in turn may help to reduce the bad debt recovery work.

- 4.3 Fence height applications and a Flats Plan update have not been specifically included in the \$500 initial charge category previously. This is the appropriate category given the usually limited time required to process these applications.
- 4.4 Given the proposed increase in the staff hourly rate the charge for checking applications for liquor licence applications is adjusted to reflect the average time of half an hour to carry out this check.
- 4.5 The charge for obtaining a copy of the Land Development Manual has not been specified before now. It is considered fair compared to the charges for other planning documents.

- 4.6 The initial charge for a private plan change is proposed to be adjusted to better reflect the actual minimum costs for this process.

## **5. Special Consultative Procedure**

In adopting the Statement of Proposal for public consultation, including a draft declaration indicating the proposed option, the Council is required to consider whether the Statement of Proposal meets the requirements of section 87 of the Local Government Act 2002. A statement of proposal must include:

- A statement of the reasons for the proposal; and
- An analysis of the reasonably practicable options, including the proposal; and
- Any other information that the local authority identifies as relevant.

The Council considers the Statement of Proposal meets these requirements.

## **6. Submissions**

Any interested person or body is welcome to make submissions or comments on the proposed changes to the Draft Fees and Charges Resource Consents Business Unit 2013/2014. Council in making its decision will be taking account of all submissions made.

Submissions are to be made in writing and forwarded to:

Fees and Charges Resource Consents Business Unit 2013/2014  
Nelson City Council  
PO Box 645  
Nelson 7040

Or emailed to [submissions@ncc.govt.nz](mailto:submissions@ncc.govt.nz)

Submissions must be received no later than 5pm on Friday 26 April 2013.

Any person who wishes to speak to the Council in support of their submission will be given the opportunity to address a Hearing Panel consisting of three Nelson City Council Councillors at a hearing which will occur in May 2013, the specific date to be advised to all submitters.

Copies of the Statement of Proposal, including the complete draft Schedule for Resource Consent Fees and Resource Management Act Planning Documents Fees are available free of charge from Civic House or on request.

All enquiries should be directed to Mandy Bishop on 545 8740 or email [mandy.bishop@ncc.govt.nz](mailto:mandy.bishop@ncc.govt.nz)

**APPENDIX ONE**



**Draft Fees and Charges  
2013-2014**

**Resource Consent Fees**

**and**

**Resource Management Act Planning  
Documents Fees**

**under the Resource Management Act  
1991**

Resource Consent Processing and Monitoring, Designations, Plan Changes and all other activity under the Resource Management Act 1991 (RMA) will attract an initial charge (deposit) payable at the time of lodging an application as per Section 1 below.

Where the cost of processing the consent is not fully covered by the initial charge, additional charges will be applied (under Section 36 of the RMA).

Section 2 below lists the various costs that may be charged to a consent.

NOTE: Amended charges are shown as **bold**.

*All charges listed in this Schedule are GST inclusive*

## 1. Initial Charges (Deposit)

	<b>Activity</b>	<b>Initial Charge</b>
1.1	All activities (other than listed below)	<b>\$1,300</b>
1.2	Subdivision <b>1-3 lots</b>	\$1,300
	<b>Subdivision 4 plus lots</b>	<b>\$2,000</b>
1.3	Bore permits; Certificate of Compliance; Change of consent conditions or consent notice; Culverts, weirs and other minor structures on the bed of watercourses; Existing Use Certificate; Extension of lapsing period; <b>Fences;</b> <b>Flats Plan update and check;</b> Gravel extraction; Outline Plan approvals; Relocate building; Removal of trees listed in the Nelson Resource Management Plan; Replacement Permits; Right of Way approval; Signs; Transfer/part transfer of Permits	\$500
1.4	NOTIFIED APPLICATIONS: Additional charges for applications requiring notification/ limited notification. (This charge must be paid prior to notifying the application and is in addition to the initial charge paid when the application is lodged).	<b>\$7,000</b>
1.5	Removal of trees listed in the Nelson Resource Management Plan that are confirmed in writing by a qualified arborist as diseased or a threat to public safety.	No charge
1.6	Heritage Buildings: Non-notified application to conserve and restore heritage building, place or object listed in the Nelson Resource Management Plan.	No Charge

1.7	Private Plan changes (Note: Council's policy is to recover 95% of the costs involved for the whole process from the applicant).	<b>\$10,000</b>
1.8	Heritage Orders	\$3,500

1.9 Where an application involves multiple consents the initial charge is payable at the higher rate plus \$250.00 for each accompanying application.

1.10 Where all or part of any initial charge (deposit) is not paid at application time, the Council reserves the right to not process that application.

## 2. Costs Charged to a Consent

	<b>Details</b>	<b>Actual Charge</b>
2.1	Council Staff – all staff time inclusive of overhead component associated with processing and assessing applications.	<b>\$140 per hour</b>
2.2	Hearings Panel Charges:	
	- per Councillor as Commissioner (rate set by Remuneration Authority)	\$80 per hour
	- Councillor as Chairperson (rate set by Remuneration Authority)	\$100 per hour
	- Independent Commissioner (requested by applicant)	Cost
	- Independent Commissioner (requested by submitter)	Cost less Councillor rate (applicant pays the Councillor rate)
	- Independent Commissioner(s) required for expertise or due to conflict of interest issues	Cost
2.3	Legal advisors and consultants engaged by Council, or reports commissioned, after discussion with the applicant, to provide expertise not available in-house under s.92(2) RMA.	Cost plus administration charges
2.4	Experts and consultants engaged by Council to undertake assessment of an application where the complexity of the application necessitates external expertise, or where resource consent processing is required to be outsourced due to conflict of interest issues (this is not a s92(2) RMA commissioning).	Cost plus administration charges
2.5	All disbursements, such as telephone calls, courier delivery services, all public notification costs, postage for notified applications and document copying charges.	Cost plus administration charges
2.6	Consultants engaged by the Council where skills are normally able to be provided by in-house staff or when Council staff workloads are unusually high.	<b>\$140 per hour</b>
2.7	Urban Design Panel reviews a proposal before a resource consent application is lodged	No charge
2.8	The applicant agrees (as per 2.1.3 above) to the	Cost plus

	Urban Design Panel reviewing the proposal after a resource consent application is lodged	administration charges
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## 2.9 Photocopying Charges

A4	\$0.20 per page;
A3	\$0.50 per page;
Large copies	\$3.00 per page or actual cost from Copy Service plus staff time.

## 2.10 Monitoring Charges

- 2.10.1 If monitoring is required, a one-off charge of \$100.00 will be invoiced as part of the consent cost. Any extra work that is required to monitor compliance with the consent conditions will be charged at the appropriate hourly rate for Council staff and separately invoiced.
- 2.10.2 Monitoring charges associated with review of information required to be provided by a condition of resource consent will be charged for at the appropriate hourly rate for Council staff or actual cost for specialist consultant.
- 2.10.3 Where the applicant is required or authorised to monitor the activity, the Council's costs in receiving and assessing the monitoring information will be charged directly to the consent holder at the appropriate hourly rate for Council staff or actual cost of the specialist involved.

## 2.11 Administration Charges

	Item/Details	Charge
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2.11.2	Street naming and numbering (costs of reporting to Hearings Panel and advising all statutory agencies).	Council staff hourly rate in 2.1.1 above
2.11.3	Street numbering – application for alteration.	\$125
2.11.4	Documents for execution – removal of building line restrictions; easement documents, caveats, covenants and other documents to be registered with LINZ presented after subdivision processed or where not associated with a subdivision application.	\$175 for each document
2.11.5	Certificate under Overseas Investment Act.	\$385
2.11.6	Confirmation of compliance with the Nelson Resource Management Plan for NZ Qualifications Authority.	\$385
2.11.7	Confirmation of compliance with the Nelson Resource Management Plan for liquor licence	<b>\$70</b>

	applications.	
2.11.8	Section 357 Administration charge.	\$255
2.11.9	Private right-of-way – review against existing names and advising all statutory agencies where appropriate.	\$225
2.11.10	Authentication report for small-scale solid-fuel burning appliance or open fire.	\$70
2.11.11	Removal of designation.	\$305
2.11.12	Swing Mooring annual charge (monitoring costs are additional, refer 2.3 above).	\$75
2.11.13	Transfer of Consents to new owner (S.135(1)(a), S.136(1), S.136(2)(a), or S.137(2)(a) Resource Management Act)	\$75
2.11.14	Claiming a swing mooring the Council removed from the Coastal Marine Area that did not have a coastal permit	\$300
2.11.15	Claiming a vessel that was towed and hauled out of the Coastal Marine Area as it was tied to a non consented mooring that was uplifted	Cost for tow and haul out

## 2.12 Discount for Late Consents

2.12.1 Where statutory processing timeframes have not been met and this is the fault of the Council, a discount of 1% of the total processing costs per each day the consent is late, up to a maximum of 50%, will be credited.

## 3. Invoicing

- 3.1 Where processing costs exceed the level of the initial charge (deposit), monthly invoices for any additional charges may be sent to the applicant.
- 3.2 Annual charges shall be due on 1 December or 30 days from the date of invoicing, whichever is the later, unless otherwise agreed in writing by the Council.
- 3.3 The Council has no obligation to perform any action on any application until the charges for the action have been paid in full; such payment will be required by the 20th of the month following invoice.
- 3.4 Where any interim invoice is disputed, work on processing the application will be stopped until the matter is resolved at the discretion of the Manager Resource Consents.



- 3.5 The option of monthly invoices only, in lieu of initial charges, may be available on strict credit conditions as follows:
- a) The consent process, or Council involvement in the project, is likely to extend over a period in excess of 6 months; and
  - b) The total amount for invoices is likely to exceed \$5,000; and
  - c) The applicant is in good financial standing with a satisfactory credit record and agrees to abide by the Council's usual credit terms **or**
  - d) The applicant is a regular customer of the Council's Resource Consents Business Unit, is in good financial standing with no record of unpaid invoices, who agrees to pay each and every invoiced charge by the 20th of the month following the date of issue of the invoice.

Any disputes relating to an invoiced charge must be resolved after the invoice has been paid. Failure to meet these criteria will result in the option of monthly invoices, in lieu of initial charges plus monthly invoices being withdrawn.

The decision on whether to waive the required charge and institute a system of monthly invoicing shall be made by the Manager Resource Consents or Executive Manager Regulatory, having regard to the above criteria.

#### 4. Pre-Application Charges

Detail	Charge
Pre-application discussion with staff on feasibility of a proposal that may not proceed to a resource consent.	First half hour – no charge. Additional time charged on an hourly basis at the Council staff charge out rate as per 2.1.

#### 5. Resource Management Planning Documents

Copies of Plans	Cost GST Incl
Nelson Resource Management Plan - Text (hard copy)	\$150
Nelson Resource Management Plan - Maps (hard copy)	\$150
CD ROM – combined Nelson Resource Management Plan and Nelson Air Quality Plan – updated annually in Spring	\$15 annually
Nelson Resource Management Plan - hard copy updates issued as required	\$25 annually for text \$25 annually for maps
Nelson Air Quality Plan	\$50
<b>Land Development Manual</b>	<b>\$100</b>

**Summary of Statement of Proposal**

**DRAFT FEES AND CHARGES RESOURCE CONSENTS**  
**BUSINESS UNIT 2013/2014**

This statement is made for the purposes of section 89 of the Local Government Act 2002.

Each financial year the Council reviews the fees and charges proposed for various activities undertaken by the Resource Consents Business Unit. The purpose of the review is to:

1. Ensure that those who benefit from the services of the Business Unit pay a fair and reasonable share of the costs of these services;
2. Ensure fees and charges reflect any changes in the cost of providing these services;
3. Check that Nelson City Council fees and charges for resource consents activity are measured against equivalent costs for Tasman and Marlborough District Councils.

Section 36(4) of the Resource Management Act 1991 requires the Council to seek public feedback on its proposed fees and charges through the Special Consultative Procedure under section 87 of the Local Government Act 2002.

The proposed changes to the current fees and charges are shown in bold in the draft schedule beginning on page 3. A summary of the changes and reasons follows:

<b>Proposed Change</b>	<b>Reason for Change</b>
Increasing the staff hourly rate from \$135.00 to \$140.00	To fairly recover 60% of all costs from those who gain most benefit from the resource consent service (staff spend 60% of their time processing resource consents)
Increasing the initial charge for resource consent applications (excluding those applications that are in the \$500.00 initial charge category)	To better align the initial charge with the average cost of processing a resource consent
Adding fence applications and Flats Plan updates to the \$500.00 initial charge category	To better align the initial charge with the average cost of processing these types of resource consents
Increasing the charge for checking liquor licence applications with Nelson Resource Management Plan provisions	The charge is based on half an hour of staff time. The increase reflects the proposed increase in the staff hourly rate

Proposed Change	Reason for Change
Including a charge for obtaining a copy of Council's Land Development Manual	This charge has not been specified previously and is considered reasonable compared to other planning documents
Increasing the initial charge for private plan change applications	To better align the initial charge with the actual minimum cost

The Council welcomes feedback on the proposed changes. Council, in making its decision, will be taking account of all submissions made.

Copies of the Statement of Proposal which includes a more detailed assessment of the proposal are available free of charge from Civic House or on request.

## Submissions

Any interested person or body is welcome to make submissions or comments on the Council's proposed changes to the Draft Fees and Charges Resource Consents Business Unit 2013/2014.

Submissions are to be made in writing and forwarded to:

Fees and Charges Resource Consents Business Unit 2013/2014  
 Nelson City Council  
 PO Box 645  
 Nelson 7040

OR emailed to [submissions@ncc.govt.nz](mailto:submissions@ncc.govt.nz)

Submissions must be received no later than 5pm on Friday 26 April 2013.

Any person who wishes to speak to the Council in support of their submission will be given the opportunity to address a Hearing Panel consisting of three Nelson City Council Councillors at a hearing which will occur in May 2013, the specific date to be advised to all submitters.

All enquiries should be directed to Mandy Bishop on phone 545 8740 or email [mandy.bishop@ncc.govt.nz](mailto:mandy.bishop@ncc.govt.nz).



# **Draft Fees and Charges**

## **2013-2014**

**Resource Consent Fees**

**and**

**Resource Management Act Planning  
Documents Fees**

**under the Resource Management Act  
1991**

Resource Consent Processing and Monitoring, Designations, Plan Changes and all other activity under the Resource Management Act 1991 (RMA) will attract an initial charge (deposit) payable at the time of lodging an application as per Section 1 below.

Where the cost of processing the consent is not fully covered by the initial charge, additional charges will be applied (under Section 36 of the RMA).

Section 2 below lists the various costs that may be charged to a consent.

NOTE: Amended charges are shown as **bold**.

*All charges listed in this Schedule are GST inclusive*

## 1. Initial Charges (Deposit)

	<b>Activity</b>	<b>Initial Charge</b>
1.1	All activities (other than listed below)	<b>\$1,300</b>
1.2	Subdivision <b>1-3 lots</b>	\$1,300
	<b>Subdivision 4 plus lots</b>	<b>\$2,000</b>
1.3	Bore permits; Certificate of Compliance; Change of consent conditions or consent notice; Culverts, weirs and other minor structures on the bed of watercourses; Existing Use Certificate; Extension of lapsing period; <b>Fences;</b> <b>Flats Plan update and check;</b> Gravel extraction; Outline Plan approvals; Relocate building; Removal of trees listed in the Nelson Resource Management Plan; Replacement Permits; Right of Way approval; Signs; Transfer/part transfer of Permits	\$500
1.4	NOTIFIED APPLICATIONS: Additional charges for applications requiring notification/ limited notification. (This charge must be paid prior to notifying the application and is in addition to the initial charge paid when the application is lodged).	<b>\$7,000</b>
1.5	Removal of trees listed in the Nelson Resource Management Plan that are confirmed in writing by a qualified arborist as diseased or a threat to public safety.	No charge
1.6	Heritage Buildings: Non-notified application to conserve and restore heritage building, place or object listed in the Nelson Resource Management Plan.	No Charge

1.7	Private Plan changes (Note: Council's policy is to recover 95% of the costs involved for the whole process from the applicant).	<b>\$10,000</b>
1.8	Heritage Orders	\$3,500

1.9 Where an application involves multiple consents the initial charge is payable at the higher rate plus \$250.00 for each accompanying application.

1.10 Where all or part of any initial charge (deposit) is not paid at application time, the Council reserves the right to not process that application.

## 2. Costs Charged to a Consent

	<b>Details</b>	<b>Actual Charge</b>
2.1	Council Staff – all staff time inclusive of overhead component associated with processing and assessing applications.	<b>\$140 per hour</b>
2.2	Hearings Panel Charges:	
	- per Councillor as Commissioner (rate set by Remuneration Authority)	\$80 per hour
	- Councillor as Chairperson (rate set by Remuneration Authority)	\$100 per hour
	- Independent Commissioner (requested by applicant)	Cost
	- Independent Commissioner (requested by submitter)	Cost less Councillor rate (applicant pays the Councillor rate)
	- Independent Commissioner(s) required for expertise or due to conflict of interest issues	Cost
2.3	Legal advisors and consultants engaged by Council, or reports commissioned, after discussion with the applicant, to provide expertise not available in-house under s.92(2) RMA.	Cost plus administration charges
2.4	Experts and consultants engaged by Council to undertake assessment of an application where the complexity of the application necessitates external expertise, or where resource consent processing is required to be outsourced due to conflict of interest issues (this is not a s92(2) RMA commissioning).	Cost plus administration charges
2.5	All disbursements, such as telephone calls, courier delivery services, all public notification costs, postage for notified applications and document copying charges.	Cost plus administration charges
2.6	Consultants engaged by the Council where skills are normally able to be provided by in-house staff or when Council staff workloads are unusually high.	<b>\$140 per hour</b>
2.7	Urban Design Panel reviews a proposal before a resource consent application is lodged	No charge

2.8	The applicant agrees (as per 2.1.3 above) to the Urban Design Panel reviewing the proposal after a resource consent application is lodged	Cost plus administration charges
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## 2.9 Photocopying Charges

A4	\$0.20 per page;
A3	\$0.50 per page;
Large copies	\$3.00 per page or actual cost from Copy Service plus staff time.

## 2.10 Monitoring Charges

2.10.1 If monitoring is required, a one-off charge of \$100.00 will be invoiced as part of the consent cost. Any extra work that is required to monitor compliance with the consent conditions will be charged at the appropriate hourly rate for Council staff and separately invoiced.

2.10.2 Monitoring charges associated with review of information required to be provided by a condition of resource consent will be charged for at the appropriate hourly rate for Council staff or actual cost for specialist consultant.

2.10.3 Where the applicant is required or authorised to monitor the activity, the Council's costs in receiving and assessing the monitoring information will be charged directly to the consent holder at the appropriate hourly rate for Council staff or actual cost of the specialist involved.

## 2.11 Administration Charges

	Item/Details	Charge
2.11.1	Insurance levy – for each resource consent.	\$30
2.11.2	Street naming and numbering (costs of reporting to Hearings Panel and advising all statutory agencies).	Council staff hourly rate in 2.1.1 above
2.11.3	Street numbering – application for alteration.	\$125
2.11.4	Documents for execution – removal of building line restrictions; easement documents, caveats, covenants and other documents to be registered with LINZ presented after subdivision processed or where not associated with a subdivision application.	\$175 for each document
2.11.5	Certificate under Overseas Investment Act.	\$385
2.11.6	Confirmation of compliance with the Nelson Resource Management Plan for NZ Qualifications Authority.	\$385

2.11.7	Confirmation of compliance with the Nelson Resource Management Plan for liquor licence applications.	<b>\$70</b>
2.11.8	Section 357 Administration charge.	\$255
2.11.9	Private right-of-way – review against existing names and advising all statutory agencies where appropriate.	\$225
2.11.10	Authentication report for small-scale solid-fuel burning appliance or open fire.	\$70
2.11.11	Removal of designation.	\$305
2.11.12	Swing Mooring annual charge (monitoring costs are additional, refer 2.3 above).	\$75
2.11.13	Transfer of Consents to new owner (S.135(1)(a), S.136(1), S.136(2)(a), or S.137(2)(a) Resource Management Act)	\$75
2.11.14	Claiming a swing mooring the Council removed from the Coastal Marine Area that did not have a coastal permit	\$300
2.11.15	Claiming a vessel that was towed and hauled out of the Coastal Marine Area as it was tied to a non consented mooring that was uplifted	Cost for tow and haul out

## 2.12 Discount for Late Consents

2.12.1 Where statutory processing timeframes have not been met and this is the fault of the Council, a discount of 1% of the total processing costs per each day the consent is late, up to a maximum of 50%, will be credited.

## 3. Invoicing

3.1 Where processing costs exceed the level of the initial charge (deposit), monthly invoices for any additional charges may be sent to the applicant.

3.2 Annual charges shall be due on 1 December or 30 days from the date of invoicing, whichever is the later, unless otherwise agreed in writing by the Council.

3.3 The Council has no obligation to perform any action on any application until the charges for the action have been paid in full; such payment will be required by the 20th of the month following invoice.

3.4 Where any interim invoice is disputed, work on processing the application will be stopped until the matter is resolved at the discretion of the Manager Resource Consents.



- 3.5 The option of monthly invoices only, in lieu of initial charges, may be available on strict credit conditions as follows:
- a) The consent process, or Council involvement in the project, is likely to extend over a period in excess of 6 months; and
  - b) The total amount for invoices is likely to exceed \$5,000; and
  - c) The applicant is in good financial standing with a satisfactory credit record and agrees to abide by the Council's usual credit terms **or**
  - d) The applicant is a regular customer of the Council's Resource Consents Business Unit, is in good financial standing with no record of unpaid invoices, who agrees to pay each and every invoiced charge by the 20th of the month following the date of issue of the invoice.

Any disputes relating to an invoiced charge must be resolved after the invoice has been paid. Failure to meet these criteria will result in the option of monthly invoices, in lieu of initial charges plus monthly invoices being withdrawn.

The decision on whether to waive the required charge and institute a system of monthly invoicing shall be made by the Manager Resource Consents or Executive Manager Regulatory, having regard to the above criteria.

#### 4. Pre-Application Charges

Detail	Charge
Pre-application discussion with staff on feasibility of a proposal that may not proceed to a resource consent.	First half hour – no charge. Additional time charged on an hourly basis at the Council staff charge out rate as per 2.1.

#### 5. Resource Management Planning Documents

Copies of Plans	Cost GST Incl
Nelson Resource Management Plan - Text (hard copy)	\$150
Nelson Resource Management Plan - Maps (hard copy)	\$150
CD ROM – combined Nelson Resource Management Plan and Nelson Air Quality Plan – updated annually in Spring	\$15 annually
Nelson Resource Management Plan - hard copy updates issued as required	\$25 annually for text  \$25 annually for maps
Nelson Air Quality Plan	\$50
<b>Land Development Manual</b>	<b>\$100</b>

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## **Fees and Charges: Dog Control and Environmental Health**

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### **1. Purpose of Report**

- 1.1 To adopt the fees and charges for 2013-2014 for dog control and environmental health activities.

### **2. Recommendation**

***THAT the Dog Control Fees and Charges for 2013/2014 be adopted as detailed in Attachment 1 to Report 1455083;***

***AND THAT the Environmental Health and other activities fees and charges for 2013/2014 be adopted as detailed in Attachment 2 to Report 1455083;***

***AND THAT the charges for Dog Control and Environmental Health activities apply as from 1 July 2013 until such time as they are varied or amended by Council;***

***AND THAT the Dog Control charges be publicly advertised in accordance with Section 37(6) of the Dog Control Act 1996.***

### **3. Background**

- 3.1 The Resource Consents Business Unit is responsible for a variety of functions that have an element of cost recovery. While some charges are set by statute, other statutes give local authorities the power to set charges (Dog Control Act 1996, section 37). This report considers fees and charges for:

- a) Dog registration fees and pound fees; and
- b) Health licence fees.

- 3.2 Funding for the dog control and environmental health activity is achieved by Council through a mix of general rates, fees and charges, and infringement fees and fines. The level of cost recovery from applicants affects the level of ratepayer funding that is required.

3.3 Section 101 (3) of the Local Government Act 2002 requires that charges for regulatory functions are to be cost-effective with those gaining the benefit from the regulatory service paying the reasonable cost for that service.

#### **4. Discussion**

##### **Dog Control**

4.1 The Dog Control activity is funded mostly by registration fees, dog impounding fees and some minor income from infringement fees and court awarded costs.

4.2 The costs of the dog control activity are largely fixed being adjusted only by CPI as required by the adjustment provision in the contract for services with Environmental Inspections Limited (EIL). The number of dog registrations is expected to increase so the income from fees should cover the CPI increase in costs.

4.3 For 2011/2012 the total costs for the activity exceeded the income by approximately \$20,000 largely due to unforeseen legal costs of \$30,000. These costs were associated with the prosecutions of dog attacks.

4.4 As part of adopting the new Dog Control Bylaw process the Council decided:

- a) a discount would apply for dogs that were neutered; and
- b) an incentive would be provided for training of newly registered dogs.

There was also a desire to have a greater differentiation for dogs on the Good Dog Owner scheme.

4.5 Options to cater for some of these changes and their consequences to the dog control activity account are identified in the table in Attachment 3. Under the Dog Control Act 1996 the fees for the registering and control of dogs can only incorporate a limited range of services (see section 37, Dog Control Act 1996). The cost for the training incentive may not be able to be recovered through the setting of registration fees. The funding for this incentive will be explored in conjunction with the detail of the Good Dog Owner Policy to be worked through and approved by Council.

4.6 It is recommended Option B be adopted for dog registration fees.

4.7 It is recommended the impounding fees remain the same.

## Health Certification for Registered Premises

- 4.8 Health Certificates are issued as a requirement under the Health Act 1956 and Food Act 1980.
- 4.9 Changes to the Food Act will bring a higher level of education to facilitate the transfer to the new audit regime for food premises. Many businesses have already voluntarily changed to the new audit regime and charges were adjusted for the 2011/2012 financial year to accommodate these changes.
- 4.10 For the 2011/2012 financial year the total fees provided \$9,635 more income than the costs of the activity.
- 4.11 It is anticipated this activity will continue to be self-funded so no changes are recommended to the current fees and charges.

## Miscellaneous Licences and Fees

- 4.12 No changes to the hairdressers, offensive trades, camping grounds and funeral directors fees are recommended.

## Liquor Licences

- 4.13 Liquor licence fees are set by the Sale of Liquor Act 1989.
- 4.14 For the 2011/2012 financial year 38% of the costs of the activity are recovered from rates because the Central Government set fees do not fully meet the costs of the activity.
- 4.15 Under the new Sale and Supply of Alcohol Act 2012 fees and charges will be set by Regulation which is yet to be promulgated. Section 397 (1) of the Act states:

*"The Governor-General may, by Order in Council made on the recommendation of the Minister, make regulations for any or all of the following purposes:*

- (a) (Not relevant)*
- (b) (Not relevant)*
- (c) prescribing fees payable to territorial authorities in relation to-*
  - (i) the performance of the functions of their licensing committees; or*
  - (ii) the performance of the functions of their inspectors; or*
  - (iii) the undertaking of enforcement activities"*

- 4.16 Section 402 of the Act describes the possible content of the fee regulations and identifies the costs that may be recovered.

4.17 The Department of Internal Affairs is presently consulting Councils on the costs of administering the Sale of Liquor Act.

## **5. Conclusion**

5.1 The current fees and charges for dog control and environmental health activities should be consistent with meeting the Council's obligations under the Local Government Act 2002 with respect to prudent financial management where fees are not set by statute or regulation.

5.2 Dog control activity fees should increase to the extent necessary to cover costs.

5.3 No changes to current fees and charges for Health Certificates, Miscellaneous Licenses and Certificates, and Liquor Licensing activity are recommended.

Mandy Bishop  
**Manager Resource Consents**

### **Attachments**

Attachment 1: Dog Control Fees and Charges

Attachment 2: Environmental Health and Other Activities Fees and Charges

Attachment 3: Dog Registration Fees Options

Supporting information follows.

## Supporting Information

### 1. Fit with Purpose of Local Government

The performance of Regulatory functions is one of the stated purposes of Local Government. This service needs to be cost effective. Comparisons are made with neighbouring Councils and the split of user-pays and ratepayer funding to determine the most appropriate fees and charges.

### 2. Fit with Community Outcomes and Council Priorities

Good leadership – Fees and charges are set at a fair and reasonable rate so that those who profit from them pay the majority of their costs.

Other community outcomes such as healthy land and people friendly places are supported through the resource consent process that ensures development not meeting minimum requirements still promotes the sustainable management of natural and physical resources.

### 3. Fit with Strategic Documents

Long Term Plan – Fees and charges are set to assist in achieving the stated funding policy.

### 4. Sustainability

Economic Outcomes – Fees and charges should be set to ensure they are not a barrier to growth and development while recognising the applicant or licence holder will receive the majority of the benefit in holding such document.

### 5. Consistency with other Council policies

The recommended fees and charges are consistent with the required statutes and assist with achieving organisational KPIs in economic performance.

### 6. Long Term Plan/Annual Plan reference and financial impact

Income from licence applications, registrations and other charges are credited to the relevant activity within the resource consent business unit.

### 7. Decision-making significance

This is not a significant decision in terms of the Council's Significance Policy.

### 8. Consultation

Consultation has not been undertaken with any external parties. Fees and charges for Dog Control services will be publicly advertised in accordance with section 37(6) of the Dog Control Act 1996.

### 9. Inclusion of Māori in the decision making process

There has been no consultation with iwi regarding this recommendation.

### 10. Delegation register reference

No specific delegation so the Council decides on the setting of fees and charges.

**ATTACHMENT 1**

**Dog Control Fees and Charges**

<b>Registration Fees</b>	<b>\$</b>
Rural dogs (properties of 1 hectare or more)	<b>45.00</b>
Dogs Good Dog Owner Scheme	<b>62.00</b>
All other urban dogs	<b>80.50</b>
All dogs classified as dangerous (standard registration fee, plus 50% surcharge as required by statute)	<b>120.75</b>
Police, Seeing Eye and Hearing Dogs	5.00
A late payment penalty of 50% of the registration shall apply to all registrations remaining unpaid on 1 August 2013 and all dogs unregistered after 1 September 2013 shall incur a further \$200 infringement fee, plus penalty. Such penalties are to be made clear on the invoice for registration.	
Replacement registration disc	5.00
Inspection for compliance for fencing for all owners on the Good Dog Owner Scheme changing properties	54.00
<b>Impounding Fees (in any 12 month period)</b>	
First Impounding	65.00
Second Impounding	140.00
Third Impounding	200.00
Daily charge (for each day following impounding)	15.00
After hours callout charge (outside normal working hours)	65.00
Install microchip to impounded dogs where required	35.00

Note: Figures in bold have increased from current fees.

## ATTACHMENT 2

### Environmental Health Licence and Other Activities Fees and Charges

Licence and Activity Fees	Current \$
Template Food Safety Programmes (Food Control Plans) includes annual administration charge and a maximum of 2 hours audit time	375.00
Additional audit time per hour (charged in 15 min intervals)	125.00
Registered Food premises -	
1. General food premises including up to two inspections in one year	375.00
2. High food risk small premises (area less than 50 sqm including food stalls)	250.00
3. Low food risk small premises (area less than 50 sqm including food stalls) and generic market Certificate of Registration	165.00
4. Non-commercial premises used for storage and/or low risk food preparation for a registered low food risk stall ("approved support base" and is additional to stall fee)	75.00
5. Occasional (less than four times a year) or out of town registered stalls, non-perishable pre-packaged food stall or fresh fruit and vegetable stalls where market convener holds Certificate of Registration for the market	0.00
6. Additional inspection per inspection or per hour whichever is the greater	125.00
7. Transfer of Registration fee	75.00
Hairdressers	155.00
Offensive trades	330.00
Camping grounds	270.00
Funeral directors	170.00
Late fee penalty, fees overdue by more than one month	20%
Animal Control (other than dogs) time taken at hourly charge out rate	125.00 p/h



Attachment 3

**ATTACHMENT 3**

**Dog Registration Fees Options**

Class	Current situation			Option A		Option B	
	Number	Fee	Income	Fee	Income	Fee	Income
Dangerous Dog	16	\$110.20	\$1,763.20	\$117.00	\$1,872.00	\$120.75	\$1,932.00
Menacing	71	\$73.50	\$5,218.50	\$78.00	\$5,538.00	\$80.50	\$5,715.50
Standard Urban	3250	\$73.50	\$238,875.00	\$78.00	\$253,500.00	\$80.50	\$261,625.00
Good Dog Owner	1440	\$56.50	\$81,360.00	\$60.00	\$86,400.00	\$62.00	\$89,280.00
Rural	397	\$40.00	\$15,880.00	\$43.50	\$17,269.50	\$45.00	\$17,865.00
Working Dog	98	\$40.00	\$3,920.00	\$43.50	\$4,263.00	\$45.00	\$4,410.00
Hearing Dog	1	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
Police Dog	3	\$5.00	\$15.00	\$5.00	\$15.00	\$5.00	\$15.00
Epilepsy assist	1	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
Seeing Eye	3	\$5.00	\$15.00	\$5.00	\$15.00	\$5.00	\$15.00
\$5 discount for neutering	2720						
<b>Total</b>	<b>8250</b>		<b>\$347,056.70</b>		<b>\$368,882.50</b>		<b>\$367,267.50</b>

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## **Winter Free Parking Tuesdays**

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### **1. Purpose of Report**

- 1.1 To consider the continuation of the Winter Free Parking Tuesday initiative for the 2013/14 financial year.

### **2. Recommendation**

***THAT Council approve the continuation of the Winter Free Parking Tuesdays initiative for the 2013/14 financial year commencing on Tuesday 2 July 2013 and ending on Tuesday 3 September 2013 for a total of nine weeks.***

### **3. Background**

- 3.1 Council approved in the Long Term Plan 2012-22 (LTP) with respect to Managing Parking their intention to “offer a free parking day in winter to encourage more shoppers to come to Nelson following the trial in 2011”.

### **4. Discussion**

- 4.1 In 2011 the initiative commenced on Tuesday 5 July and ended on Tuesday 6 September (a total of nine weeks) and was well received by the ratepayers and CBD businesses.
- 4.2 As a result of the delay in approving the LTP, the 2012 initiative was shorter and commenced on Tuesday 24 July and ended on Tuesday 4 September (a total of 6 weeks).
- 4.3 It is understood that Council and the retailers wish to continue with this initiative.
- 4.4 Uniquely Nelson has proposed running the initiative for a 12 week period commencing on Tuesday 18 June and ending on Tuesday 3 September.
- 4.5 This initiative results in a net loss in revenue of around \$15,000/year.

## **5. Conclusion**

- 5.1 Staff recommend that the initiative run for a period of 9 weeks as in 2011, which coincides with the new 2013/14 financial year.

Alec Louverdis  
**Executive Manager Network Services**

### **Attachments**

None

No supporting information follows.

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**Minutes of a meeting of the Remuneration Review Committee  
Held in Ruma Mahitahi, Civic House, Trafalgar Street, Nelson  
On Friday 22 February 2013, commencing at 9.03am**

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Present: His Worship the Mayor A Miccio, Councillor A Boswijk  
In Attendance: Chief Executive (C Hadley), Manager Human Resources (S Gully), Administration Adviser (L Canton)  
Apology: Councillor G Collingwood

**1. Apologies**

Resolved

***THAT an apology be received and accepted from  
Councillor Collingwood.***

His Worship the Mayor/Boswijk

Carried

**2. Conflicts of Interest**

There were no conflicts of interest declared and no updates to the Interests Register were noted.

**3. Confirmation of Minutes – 17 August 2012**

Document number 1355458, agenda pages 4-6 refer.

Resolved

***THAT the minutes of a meeting of the  
Remuneration Review Committee, held on 17  
August 2012, be confirmed as a true and correct  
record.***

His Worship the Mayor/Boswijk

Carried

#### 4. Exclusion of the Public

Resolved

***THAT the public be excluded from the following parts of the proceedings of this meeting.***

***The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:***

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
<b>1</b>	Remuneration Review Committee Public Excluded Minutes – 17 August 2012  These minutes confirmed the minutes of 26 January 2012 and also contain information regarding	Section 48(1)(a)  The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary:
	Acting Chief Executive Performance Review 2011/12		<ul style="list-style-type: none"> <li>Section 7(2)(a) To protect the privacy of natural persons</li> <li>Section 7(2)(i) To carry out negotiations</li> </ul>
	Acting Chief Executive Performance and Employment Criteria 2012/13		<ul style="list-style-type: none"> <li>Section 7(2)(a) To protect the privacy of natural persons</li> <li>Section 7(2)(i) To carry out negotiations</li> </ul>
	Performance Feedback on the Executive Team		<ul style="list-style-type: none"> <li>Section 7(2)(a) To protect the privacy of natural persons</li> </ul>
	Acting Chief Executive remuneration for 2013/13		<ul style="list-style-type: none"> <li>Section 7(2)(a) To protect the privacy of natural persons</li> </ul>
<b>2</b>	Chief Executive's Proposed Performance Agreement	Section 48(1)(a)  The public conduct of this	The withholding of the information is necessary: <ul style="list-style-type: none"> <li>Section 7(2)(a) To protect the privacy</li> </ul>

	This report contains information regarding the assessment of Chief Executive performance and measures for the remainder of 2012/13.	matter would be likely to result in disclosure of information for which good reason exists under section 7	of natural persons <ul style="list-style-type: none"> <li>• Section 7(2)(i) To carry out negotiations</li> </ul>
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Boswijk/His Worship the Mayor

Carried

The meeting went into public excluded session at 9.04am and resumed in public session at 9.25am.

**5. Re-admittance of the Public**

Resolved

***THAT the public be re-admitted to the meeting.***

His Worship the Mayor/Boswijk

Carried

There being no further business the meeting ended at 9.25am.

Confirmed as a correct record of proceedings:

\_\_\_\_\_ Chairperson \_\_\_\_\_ Date

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**Minutes of a meeting of the Audit, Risk and Finance Committee**  
**Held in the Council Chamber, Trafalgar Street, Civic House, Nelson**  
**On Tuesday 26 February 2013, commencing at 9.05am**

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- Present: Councillors I Barker (Chairperson), G Collingwood, R Copeland and P Matheson
- In Attendance: Councillor R Reese, Chief Financial Officer (N Harrison), Executive Manager Support Services (H Kettlewell), Acting Executive Manager Community Services (R Ball), Manager Resource Consents (M Bishop), Manager Community Development (K Inwood) and Administration Adviser (L Laird)
- Apologies: His Worship the Mayor Aldo Miccio, Mr G Thomas and Councillor Copeland (for lateness)

**1. Apologies**

Resolved

***THAT an apology be accepted from His Worship the Mayor and Mr Graeme Thomas.***

Barker/Collingwood

Carried

**2. Conflicts of Interest**

- 2.1 Councillor Barker read out Standing Orders 3.49 relating to conflicts of interest and reminded Councillors to declare any conflicts with any agenda items as they arose over the course of the meeting.

**3. Confirmation of Minutes – 2 October and 13 November 2012**

Document number 1381616, agenda pages 4-14 refer.

Resolved

***THAT the minutes of a meeting of the Audit, Risk and Finance Committee, held on 2 October and 13 November 2012, be confirmed as a true and correct record.***

Matheson/Collingwood

Carried

#### 4. **Status Report – Audit, Risk and Finance Committee**

Document number 1374515 v3, agenda pages 15-16 refer.

Resolved

***THAT the Status Report – Audit, Risk and Finance Committee (1374515 v3) be received.***

Matheson/Barker

Carried

#### 5. **Finance Report for the Period Ending 31 December 2012**

Document number 1442931, agenda pages 17-37 refer.

The Chief Financial Officer, Nikki Harrison, presented the report and highlighted the key information.

The Committee discussed the report by section and asked questions relating to the variances of each budget, particularly the large variance associated with 'Environment' (page 21 of the agenda).

Attendance: Councillor Copeland joined the meeting at 9.20am

It was noted that the City Development Strategy referred to in clause 14.4 (page 24 of the agenda) is now called the Nelson Development Strategy and the report should reflect this.

The Committee discussed development contributions being \$275,000 under budget and noted that historically development contributions track over budget. The Chief Financial Officer confirmed staff were looking into this matter.

##### 5.1 Elected members training and travel to 31 December 2012

The Chief Financial Officer noted that Councillors Reese's training budget was overstated by about \$1000 as she received a discount due to her role as a speaker at the LGNZ conference.

Councillor Barker tabled a report (1464667) on the Benchmarking Consultation Forum Conference and spoke about the upcoming Department of Internal Affairs consultation process.

In response to a question, Ms Harrison said staff had done some work on these new benchmarks and would support the SOLGM submission on this.

Resolved

***THAT the report be received and the variations noted.***

Matheson/Collingwood

Carried



## 6. Events Resource Consents Update

Document number 1431189, agenda pages 38-43 refer.

Attendance: Councillor Copeland declared an interest and took no part in the discussions and voting on the matter.

The Manager Community Development, Kath Inwood, presented the report.

The Committee discussed the report, particularly relating to the budget overspend. There was concern that the \$170,000 overspend was significant. Ms Inwood said the original allocated budget was insufficient due to the complexity of the resource consent application. Ms Inwood confirmed that the costs would be recovered from anticipated savings in the current year budget, as detailed in the report.

The Committee discussed what the resource consents would cover. Ms Inwood confirmed that all Council events would be covered as well as community events and private operators, where they fall within the specified terms of the consents.

The Committee recognised the benefit in obtaining this resource consent and agreed that there needed to be a scheme of charges, including possibly a user pays system, which could assist in recouping some of the costs.

The Acting Executive Manager, Roger Ball, said staff had initiated a review to highlight deficiencies in the process that may have caused this situation to arise. The Chief Financial Officer added that an electronic purchase order system would soon be implemented to track all commitments and highlight any issues before the invoices are sent to Council.

Resolved

***THAT staff consider the direction from the Audit, Risk and Finance Committee, as discussed at the 26 February 2013 meeting, and report back to the Council with options on how to best cover the actual overspend for the events resource consent application including via user pays options and/or savings from other areas (report 1431189).***

Barker/Collingwood

Carried

**7. Regulatory Report for 1 October and 31 December 2012**

Document number 1436826, agenda pages 44-51 refer.

The Manager Resource Consents, Mandy Bishop, joined the meeting and presented the report.

It was agreed subsequent regulatory reports would present the median results as well as the average results.

The Committee expressed concern with the results detailed in 3.8 of the report (page 45 of the agenda) relating to the decline in the number of building consents for commercial buildings.

Resolved

***THAT the Regulatory Report for 1 October to 31 December 2012 (1436826) be received.***

Copeland/Collingwood

Carried

**8. Appointment of New Trustee for Debenture Trust Deed**

Document number 1437520, agenda pages 52-54 refer.

Resolved

***THAT the Council approve the appointment of Corporate Trust Limited as trustee of the Nelson City Council Debenture Trust deed signed on or about 10 December 2010;***

***AND THAT the Chief Executive be delegated authority to take all necessary steps to give effect to this appointment.***

Matheson/Collingwood

Carried

There being no further business the meeting ended at 10.26am.

Confirmed as a correct record of proceedings:

\_\_\_\_\_ Chairperson \_\_\_\_\_ Date

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## **Council Submission on Development Contributions Review**

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### **1. Purpose of Report**

- 1.1 To confirm Council's submission to the Department of Internal Affairs' consultation document 'Development Contributions Review'.

### **2. Recommendation**

***THAT the submission (1465025) on the Development Contributions Review is confirmed, subject to any changes agreed by Council.***

### **3. Background**

- 3.1 Development Contributions are a tool for funding infrastructure associated with growth. The Local Government Act 2002 specifies that all territorial authorities have to have a Development Contribution Policy.
- 3.2 The Department of Internal Affairs recently circulated a discussion document seeking views on a variety of issues that have been identified with the current development contributions system, and on a range of possible solutions that address those issues.
- 3.3 A Council workshop was held on 26 February 2013 to provide staff guidance on the issues and options. The discussions at that workshop have been used to develop the draft submission attached (Attachment 1).
- 3.4 The closing date for submissions is 15 March 2013.

### **4. Discussion**

- 4.1 The draft Council submission acknowledges that the consultation document raises important issues but questions whether the changes proposed will result in the desired outcomes, particularly in relation to housing affordability.

- 4.2 The draft submission also points out that many of the options are available to Council when it reviews its policy, which will take place prior to the development of the next Long Term Plan.

Chris Ward  
**Manager Strategic Response**

**Attachments**

Attachment 1: Draft Submission on the Development Contributions Review  
1465025

Supporting information follows.

## Supporting Information

### 1. Fit with Purpose of Local Government

Responding to proposals on behalf of the Nelson Community is part of Council's democratic function.

### 2. Fit with Community Outcomes and Council Priorities

Submitting on proposals of relevance to Council and the community demonstrates Good Leadership.

### 3. Fit with Strategic Documents

The current Development Contributions Policy was developed under the existing legislation. Development Contributions are an identified revenue stream within the Long Term Plan. Any changes to the statutory framework covering Development Contributions (as proposed in the discussion document) would need to be taken into consideration when Council next reviews its policy.

### 4. Sustainability

Not applicable.

### 5. Consistency with other Council policies

The current Development Contributions Policy does address some of the issues raised in the discussion document. The submission makes reference to the current policy.

### 6. Long Term Plan/Annual Plan reference and financial impact

None from the submission. Potential impacts when/if legislation changes.

### 7. Decision-making significance

This is not a significant decision in terms of the Council's Significance Policy.

### 8. Consultation

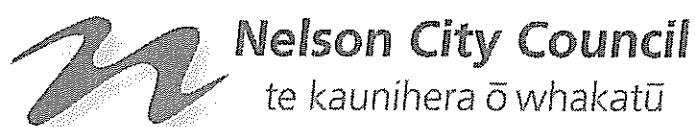
No external consultation has been carried out.

### 9. Inclusion of Māori in the decision making process

No specific Māori consultation has been carried out.

### 10. Delegation register reference

Not applicable.



**Department of Internal Affairs  
Development Contributions Review**

**DRAFT SUBMISSION FROM NELSON CITY COUNCIL**

To: Development Contributions Review  
Local Government and Emergency Management Directorate  
Department of Internal Affairs  
PO Box 805  
Wellington 6140

**12 March 2013**

**This submission is made by:** Nelson City Council

**Address for Service:**

**Postal:** Nelson City Council  
PO Box 645  
Nelson 7040  
Attn: Manager Strategic Response

**Email:** chris.ward@ncc.govt.nz

**Fax:** (03) 546 0431

**Contact Person:** Chris Ward, Manager Strategic Response

**Direct Phone:** (03) 545 8729

Signed

..... Date.../...../.....

Aldo Miccio  
Mayor of Nelson City Council

## **1. Introduction**

- 1.1 Nelson City Council (the Council) thanks the Minister of Local Government for the opportunity to make a submission on the Development Contributions Review Discussion Paper.
- 1.2 The Council agrees with the Minister that good quality infrastructure is critical to New Zealand's economic growth and to the health and wellbeing of people and the environment.
- 1.3 The Council has identified, in its Long Term Plan, a capital programme of infrastructure works totalling \$367.5 million over the ten years from 2012 – 2022. Of this total, some \$21.7 million of revenue (5.9%) will be funded from Development Contributions.

## **2. General comments**

- 2.1 Council notes that the cost of infrastructure for growth has to be paid from somewhere. Central Government has also indicated that it considers that general rates growth is too high. It is difficult to see an alternative to Development Contributions which does not result in increase costs to the general ratepayer.
- 2.2 Council believes that the existing provisions do allow for many of the solutions proposed in the discussion document. The development of guidance in partnership with the sector may be more cost effective than developing new legislation as a means of achieving some of the solutions proposed.
- 2.3 The focus of the discussion paper solely on development contributions may result in sub-optimal solutions being developed. Financial Contributions are barely touched on in the discussion document, yet there is great potential crossover between the issues and solutions for both development contributions and financial contributions. Further consideration of the range of tools available to local authorities for funding different types of infrastructure for growth is warranted.
- 2.4 Council would like the Department to investigate extending the use of development contributions to regional councils for regional infrastructure projects such as flood protection measures (stopbanks are a means to protect land intensification and built development on flood plains), and infrastructure in support of public passenger transport.
- 2.5 While the discussion document highlights the ongoing increase in the quantum of development contributions the Nelson experience is different. The sum for development contributions has moved from \$11,172 HUD 2006, \$12,525 HUD 2009 and is now at \$9,691 HUD2012.



### **3. Discussion – the issues**

#### Housing Affordability

- 3.1 Council acknowledges that development contributions do contribute to the cost of housing, and that there is a housing affordability problem in Nelson. Whilst, as in some other parts of the country, development contributions only make up a small proportion of the total costs, the dollar amount is seen as significant within the industry because it is a cost simply passed on to the purchaser of a section or a new home.
- 3.2 That said, Council believes that development contributions need to be considered in the context of other components of housing costs. These include: financial contributions, consent fees, land costs, building costs etc. as identified in the consultation document, page 21.
- 3.3 Council notes that development contributions were not designed as a tool for managing housing affordability, but as a tool for funding infrastructure to service growth. The use of development contributions as a policy tool to address housing affordability may have limited (or no) effect. There is no evidence to suggest that any savings from reducing development contributions would be passed on to buyers.
- 3.4 Council also notes that there are particular issues in relation to housing affordability in Auckland. Council is concerned that policy changes to address particular problems in Auckland may have unintended consequences when applied in other parts of the country.

#### Issues with early payment

- 3.5 Council acknowledges that early payment can be a cash flow issue for developers, particularly when section sales are low. However, developers are able to (and do) stage developments in order to manage this issue.
- 3.6 There is a need to strike a balance between costs and risks to Council. Later payment may ease developers cash flow but means that Council (and hence ratepayers in general) has to carry the costs of servicing debt (the Council as banker).
- 3.7 The Council would argue that a contribution payable is a debt; it is payable at the point that a building consent or resource consent enables a development. The limitation on issue of s224 or Code Compliance Certificate is a mechanism to address non-payment of contributions.

#### One size fits all

- 3.8 Council agrees that adopting a one size fits all approach does not generally incentivise the development of smaller more affordable housing. One reason for this is that the demand on services is much the same. For example, a four bedroom house does not place twice the demand on services that a two bedroom house does irrespective of the number of toilets or bathrooms. Household Units of Demand (HUD's) are acknowledged as a crude measure, but

where they are effects based (water use, wastewater, transport) they would seem more equitable than charging DC's by size or cost of development.

- 3.9 Council questions whether the use of development contributions is the best mechanism to incentivise particular types of development.
- 3.10 Nevertheless, Council believes it is possible to incentivise particular development types in Development Contribution Policies created under the existing legislation. For example, Nelson City Council currently exempts social housing developments undertaken by recognised social housing providers from having to pay development contributions.

#### Variability and inconsistency

- 3.11 Council notes that the Productivity Commission has recently consulted on the 'Towards Better Regulation' draft report. Council agrees with the arguments in that document in relation to the need for local flexibility to deal with local circumstances. The growth issues that Nelson faces (predominantly hillside development and the infrastructure required to support that growth), are significantly different from those faced by our neighbouring authorities.
- 3.12 Council strongly believes that local flexibility is necessary to ensure fairness and reasonableness for developers.

#### Lack of clear purpose, fragmented structure, lack of guidance

- 3.13 Council agrees that it is desirable to look at providing more clarity in defining some of the terms used, particularly around 'development' and 'other development'.
- 3.14 However, Council believes that professionals in the sector that have to administer the Local Government Act 2002 (the Act) requirements are able to do so under the existing legislative framework. It is unclear how the LGA 2002 Development Contributions clauses could be better structured; the bulk of the provisions are contained in subparts of Part B and Schedule 13.
- 3.15 There is a lack of guidance available to local authorities in developing their policies. Such guidance should be clear and consistent, and developed in partnership with local government sector.

#### Fairness and equity

- 3.16 Council agrees that there are issues in relationship to fairness and equity, primarily relating to apportionment of costs. There is a need to strike the right balance:
  - 3.16.1 Geographically – how costs of development are apportioned across a territorial authority area. Aggregation of development contributions (the one catchment approach) often results in a simpler development contributions policy, but may mean that developers are paying for infrastructure that is not used by their particular development.

- 3.16.2 Inter-generationally – how to apportion costs between present and future residents for infrastructure that both will use. People paying development contributions now are generally also ratepayers who (through rates) may be paying for the costs of previous developments.
- 3.17 Council does not believe that there is a particular issue in relation to the type of infrastructure. Council currently identifies the growth component of any capital project within its Long Term Plan, allowing fair apportionment of that component of a project. That CAPEX programme is consulted on through the Long Term Plan so any concerns about priority and timing of projects is available for public scrutiny and comment.

#### Complexity and Efficiency

- 3.18 Council agrees that development contributions are complex – necessarily so. This is partly because local authorities try to match their policies to local circumstances, and partly because efforts to make policies more fair and equitable require policies of greater complexity.
- 3.19 Council’s experience is that those working with development contributions policies are those with expertise in their use, as is the case across many pieces of legislation that local authorities work with. Simplification is likely to aggravate some of the other issues raised.

#### Dispute resolution

- 3.20 Council agrees that there is an issue in relation to dispute resolution, around the basis of assessment for contributions payable, and for the quantum charged. Formalised dispute or objections processes should be limited to the application of the policy rather than the policy itself. Challenges to the policy arise through the Special Consultative Procedure. Such a system should have clarity in relation to costs apportionment, scope and timeframes.

### **4. Discussion – the solutions**

#### Updated guidance

- 4.1 Council agrees that updated guidance is desirable, particularly if substantive changes are made to the legislation. This guidance needs to be developed in partnership with the sector in order to ensure that it is relevant, appropriate and realistic. This approach would be in line with the direction contained within ‘Towards Better Local Regulation’.

#### Consolidation of LGA02 provisions

- 4.2 Council questions the value of consolidating the existing provisions if no other substantive changes are to be made to the Act. The Act is a complex piece of legislation, and Council has sufficient professional expertise available to navigate its provisions as they are. (Note our submission at clause 3.13).

#### Explicit discounts for certain developments

- 4.3 Council agrees that consideration should be given to enabling explicit discounts, or remissions, and that the decision on which types of developments should qualify should rest with the individual local authority. Nelson City Council's current policy already exempts (i.e. gives a 100% discount) to approved social housing providers. It would however be useful to have greater flexibility to encourage, for example, urban intensification.

#### New purpose and principles

- 4.4 Council agrees that there is scope for more clarity in the purpose and principles of development contributions, and how these relate to the new purpose of local government contained within section 10 and 11A of the Act.

#### Facilitating increased private provision of infrastructure

- 4.5 Council agrees that there is merit in this approach, and notes that this is already possible under the existing provisions. Any such provision should meet with the relevant local engineering or development standards and especially if the infrastructure is planned to be handed to the Council at some future point. If things go wrong then Council could be in the position of having to pick up the pieces of a sub-standard development and associated upgrade costs.
- 4.6 There are also likely to be fairness and equity issues if one group of residents has lower standards of infrastructure than another group.

#### Tightening the range of infrastructure that can be funded

- 4.7 Council has mixed views on this proposal. Some Councillors supported a tightening to focus development contributions on core network infrastructure and not on community infrastructure and reserves. Others felt that it should be left up to the individual local authorities to focus on its infrastructural needs and that the range should be broadened further. All were aware that specific exclusions would still need to be funded from elsewhere, and this was likely to be from the general ratepayer.
- 4.8 There was a view that it was difficult to make a case for business, retail, industrial development contributing to reserves and most community infrastructure. The connection with residential development is clear.

#### Delaying when development contributions can be charged

- 4.9 Council agrees that the timing of payment of development contributions should align with the point at which demand is being created, and recognises that there will be a gap between Council providing infrastructure and receiving the development contributions for that infrastructure. No-one likes playing banker, but there will always be a requirement for someone to do so. The ability to pass on a share of the interest costs is supported, although Council notes that this may add further complexity to the calculations.

#### Capping development contributions

- 4.10 Council does not support this option. There are different challenges facing different local authorities across the country. These are different challenges for the same type of infrastructure even within a Council district. There needs to be flexibility for local authorities to respond appropriately to these challenges. Caps set too low would simply transfer the burden to the general ratepayer. Caps set too high risk becoming a target or sanctioned upper limit for contributions rather than a figure developed through robust calculation.
- 4.11 Any capping system would seem to run counter to the need for equity and fairness in the development contribution system.

#### Independent dispute resolution

- 4.12 Council strongly supports this proposal and suggests a process somewhat similar to the s.357 RMA objection to delegated or primary decisions would be useful. This scope of the dispute should relate to application of the development contributions policy and not to the policy itself

#### Reinstatement of appeals to the Environment Court

- 4.13 Council strongly opposes this proposal notwithstanding that Development Contributions have never been applicable (they are a LGA decision, not an RMA decision) as identified in Appendix A of the discussion document, appeals to the Planning Tribunal (the predecessor of the Environment Court) had the effect of delaying implementation of policies and created uncertainty over the level of financial contributions to be paid thereby impacting on revenue streams and sound budgeting.

#### Regulations to promote greater consistency

- 4.14 Council believes that clarification and guidance (see 4.1) is preferable to regulation in order to promote greater consistency. As identified above, there needs to be flexibility within the system so that local needs can be prioritised and met.
- 4.15 Regulations which clarify the development contributions framework (i.e. process issues) rather than those that specify what policies should contain may be of benefit. These need to be developed in partnership with the local government practitioners that have to work with the regulations.

#### Percentage based infrastructure levy

- 4.16 Council has mixed views on this proposal. Some Councillors felt that this was a retrograde step that re-introduced a blunt tool not necessarily related to the growth demands of infrastructure. Others felt that it would be useful for local authorities to have the option of using this approach as part of their overall development contributions policy. Council does not support the complete replacement of the current system with a percentage based system.

#### Removal of development contributions as a financing tool

- 4.17 Council has mixed views on this proposal. The majority view is that the current system should remain, particularly in light of recent local government reforms, the need for transparency for ratepayers, and the potential impact on general ratepayers if costs for infrastructure for growth were transferred to them.
- 4.18 There was a minority view that it would simplify things if development contributions were removed for houses (although not necessarily for commercial/industrial development) and to rely on rating mechanisms/loans to fund CAPEX projects. Given that new ratepayers share the burden for existing infrastructure, there may be a case (in the interests of equity and fairness) for existing ratepayers to share the burden for new infrastructure.

#### Bonds as an alternative financing mechanism

- 4.19 Council does not support the use of bonds as a replacement for the current system, but sees the use of bonds as an option for Council to consider as part of its overall funding package. This is already allowed for under the current statutes.

### **5. Technical amendments (appendix C)**

- 5.1 Council supports the proposed technical changes which would bring greater clarity to the development and administration of development contributions policies.