Statement of Proposal

CHANGES TO COUNCIL'S SCHEDULE OF FEES AND CHARGES

Changes set to commence on 1 July 2024

1. Introduction

Council is facing all of the same cost pressures that are impacting on households and businesses. These pressures include inflation, high interest rates and more expensive insurance. Council sets fees and charges to allocate a reasonable cost sharing between the ratepayers and the people or businesses using the service. There is no perfect balance between the two but the greater the public good element, the more the cost is funded by general rates.

If Council chooses not to increase these fees and charges in line with other cost increases, they will need to be funded by a larger rate increase. We are very mindful of the cost of living pressures on households and businesses and have worked hard to minimise the increases.

Council is proposing to increase fees and charges by the Consumer Price Index (CPI) of 5.6% but some fees, as detailed in this document, are proposed to increase by more. Increases above CPI are designed to better achieve the recovery targets from the beneficiaries of Council services as set out in Council's Revenue and Financing Policy. This Policy explains 'who pays and why' for each of Council's activities and outlines the expected private benefit/public cost split to determine the expected level of cost recovery. Cost increases over CPI are in those areas where a greater proportion of costs should be met by applicants and other users of Council services.

2. Proposals

Nelson City Council is seeking your views on the following proposals:

- to increase some resource management fees and charges by more than the CPI
- to increase annual environmental monitoring fees and charges by CPI
- to increase fees and charges under the Food Act 2014 by more than CPI
- to create an additional cemetery and crematorium fee for an activity that is managed under the Urban Environments Bylaw
- to increase marina fees and charges under the Navigation and Safety Bylaw by more than CPI
- to increase the public health fees by more than CPI
- to increase the York Valley landfill fees and charges by more than CPI

All of the proposed fees and charges listed above are attached to this Statement of Proposal as Attachment 1.

3. Special Consultative Procedure – we want your feedback

Council is required to undertake a special consultative procedure before introducing or amending any fees or charges under the Resource Management Act and the Food Act. Council is also required to consult the public before amending any fees or charges provided for under the Urban Environments Bylaw and Navigation and Safety Bylaw, and is taking the opportunity to include these proposed amendments in this statement of proposal. The opportunity is also taken to introduce some additional changes to fees and charges.

Based on community feedback, the outcomes of this special consultative procedure could include:

- Retaining the existing charges
- Adopting a lower increase in charges
- Adopting the proposed amendments outlined in this statement of proposal, or a variation of these
- Adopting a higher increase in charges

How to have your say

Council would like to know what you think of the proposed changes outlined in this document. In making decisions on these proposals, Council will be taking account of all submissions made.

Details about how to make a submission can be found at section [10] on page 17.

Submissions must be received no later than **Sunday 28 April 2024**.

Other things Council is consulting on

At the same time as this consultation, Council is consulting on the Long Term Plan 2024-2034 Consultation Document. The decisions made on fees and charges, following this consultation, will have an impact on budgets and on projected income in the supporting financial information included in the Long Term Plan 2024-2034 Consultation Document.

4. Proposed amendments to the charges under the Resource Management Act 1991 (RMA)

4.1 The proposal in relation to charges under the RMA

Council is proposing changes to charges under the RMA relating to the administration of resource consents and other prescribed activities. The changes would better reflect the actual cost to Council in providing this service and ensure reasonable cost-recovery goals are met. Specifically, the amendments would ensure that those gaining the benefit from the regulatory service pay the reasonable cost for that service.

Analysis of the issues and options is provided in section 4.2 of this proposal. The charges schedule with all proposed changes is included in Attachment 1. The proposed amendments for activities that increase greater than CPI are identified below:

a) Increase the hourly charge out rate from $197 per hour to $230 per hour
b) Increase the initial charge (deposit) for most consent activities from $1860 to $3000
c) Increase the initial charge (deposit) for subdivisions over three lots from $3095 to $5800
d) Increase the fixed charge for deemed permitted activities (marginal, temporary or boundary) from $595 to $695
e) Increase the hourly charge out rate for consultants engaged by Council where the work is normally able to be provided by Council staff charge from $197 per hour to $230 per hour
f) Increase the initial monitoring charge from $208 to $230

Consideration under the relevant legislation

This section of the statement of proposal to amend the charges under the RMA has been prepared in accordance with the following legislation:

- RMA sections 36 and 36AAA
- Local Government Act 2002 sections 82, 83 and 150

4.2 Issues and Options – RMA charges

Resource consent processing and monitoring

Since the last review of charges under the RMA, organisational support and external expertise costs have increased by at least CPI annually. There is also a nation-wide shortage of planners meaning Council needs to engage external consultants to assist with the processing of consent applications and their hourly charge out rates are $20 to $30 higher than internal costs.

The Council resource consent hourly rate is proposed to increase by 16.8% and to recover 52% of the costs to provide this service.

The main factors influencing the level of income received from charges are the hourly charge out rate and number and complexity of resource consent applications. The income for 2023/24 is tracking comparably to that anticipated for this financial year (97% as at November 2023).

At least 40% of staff time is not chargeable to resource consent applicants. Much of this time is spent answering public enquiries, training, reporting or responding to objections to conditions or costs. When there is time, staff review procedures, systems, templates and practices to improve quality and efficiency.

It is reasonable therefore that at least 40% of overall resource consent costs are met by rates. The Council's Revenue and Financing Policy requires 40 to 60% of costs be met by charges. Current fees and charges will only recover 45% of expected costs. It is proposed to increase the hourly rate to $230 to recover 52% of the anticipated costs.

From analysis of the 2022/23 actual costs for processing resource consent applications, the existing initial charge or deposit amounts are generally not a reasonable reflection of the actual processing costs. It is proposed to adjust application initial charges based on the actual processing costs so that the charges better reflect the true cost of applications. This will not change actual total charges, rather the initial charge increase is intended to provide more clarity to customers of the total average application processing costs.

Options Analysis

Option 1 — Increase the charges by CPI (5.6%)

While applicants and consent holders would not face a greater increase to charges, more of the costs of the activity will need to be covered by income from rates, rather than those directly benefitting from the Council services. If greater increases are not made now there may need to be larger increases in the future.

Option 2 — Increase the staff hourly charge out rate by 16.8% to recover 52% of overall costs, increase the initial charges and increase the fixed fees as proposed in Attachment 1

This option improves the cost recovery from the current situation. A larger increase in the future may be required to recover a fairer proportion of the costs from those who gain the most from the services. This option also provides greater clarity for applicants on the total average processing costs for the various application types.

Option 3 — Increase the staff hourly charge out rate by 30% to recover 60% of overall costs and increase associated initial charges and fixed costs accordingly

This option improves the recovery rate from applicants and consent holders, reduces the potential for larger increases in the future and reduces the requirement on rates. However, the increased hourly charge out rate of $256 is higher than most other Councils, is not considered reasonable and could deter developments.

Preferred Option

Option 2 — Increase the staff hourly charge out rate by 16.8% to recover 52% of overall costs, increase the initial charges and increase the fixed fees as proposed in Attachment 1

Reasons

The proposed amendment better covers the costs for the service than the existing charges and is a reasonable increase in the current economic context.

Annual environmental monitoring and science charge

Section 36 of the RMA provides for councils to collect charges from certain categories of consent holders for the purpose of "administration, supervision and monitoring"' of those consents. This gives local authorities the power to recover 'reasonable' costs associated with the environmental monitoring function. Charges apply to specific activities covered by resource consents, where there is a private benefit from publicly funded environmental monitoring. An example is where private water take consents are informed by publicly funded hydrology programmes.

4.3 The proposal

Council is proposing to increase the annual environmental monitoring and science charges by CPI (5.6% and rounded to the nearest dollar) to help ensure the costs of providing the service are met by income from charges and that those gaining the benefit from the regulatory service pay the reasonable cost for that service.
The proposed changes are set out in the table below and are also included in the schedule with all proposed changes (Attachment 1).

Annual Environmental Science and Monitoring Charges	Current fee	Proposed fee 2024/25
Activity		
Air discharge - small (eg abrasive blasting; commercial wood-fired pizza ovens)	$64.00	$68.00
Air discharge - medium (appliances <1000kW)	$428.00	$452.00
Air discharge - large (appliances >1000kW)	$643.00	$679.00
Discharge to land or water 20 -100m3/day	$428.00	$452.00
Discharge to land or water >100m3/day	$643.00	$679.00
Gravel/sand extraction <2000m3/annum	$64.00	$68.00
Gravel/sand extraction 2000m3-10,000m3/annum	$321.00	$339.00
Gravel/sand extraction >10,000m3/annum	$428.00	$452.00
Quarry/other earthworks	$160.00	$169.00
Earthworks from subdivision	$160.00	$169.00
Forestry/woodlot harvest <100ha	$64.00	$68.00
Forestry harvest >100-200ha	$107.00	$113.00
Forestry harvest >200ha	$214.00	$226.00
Works in river/stream bed	$160.00	$169.00
Water take surface water <5 l/s, or groundwater <100,000m3/year	$64.00	$68.00
Water take surface water 5-25 l/s, or groundwater 100,000 - 200,000m3/year	$214.00	$226.00

Annual Environmental Science and Monitoring Charges	Current fee	Proposed fee 2024/25
Water take surface water >25 l/s - <60 l/s, or groundwater > 200,000 m3 - <400,000m3/year	$750.00	$792.00
Water take surface water >60 l/s, or groundwater > 400,000 m3/year	$1,072.00	$1,132.00
Coastal consents (other than takes or discharges)	$107.00	$113.00
Dredging	$214.00	$226.00

4.4 Issues and options

Options Analysis

Option 1 - Retain the current charges

While consent holders would not face increased charges, more of the costs of the activity will need to be covered by income from rates, rather than those directly benefitting from the Council services. If no increases are made now there may need to be larger increases in the future.

Option 2 – Increase the charges by CPI (5.6% and round to the nearest dollar)

This option improves the recovery rate from the users (consent holders), reduces the requirement on rates and helps to ensure the costs of the service are adequately met by income from charges.

Preferred option

Option 2 – Increase the charges by CPI (5.6% and round to the nearest dollar)

Reasons

The proposed increase helps to ensure the cost of the service is adequately covered by income from charges and is a reasonable increase in the current economic context.

5. Proposed amendments to the fees under the Food Act 2014

5.1 The proposal in relation to fees under the Food Act 2014

Council is proposing amendments to the fees relating to registration, verification, compliance and monitoring activities for food businesses under section 205 of the Food Act 2014. The changes will improve the current allocation of costs between food business owners and ratepayers and will better reflect the actual time and costs for the services.

Analysis of the issues and options is provided in section 5.2. The current fees and proposed changes are set out in the table below:

Activity	Current fee	Proposed fee
New Registration Food control plan	$300 initial fee Plus $187 per hour after the first 1½ hours	$333 initial fee Plus $207 per hour after the first 1½ hours
New Registration National programme	$204 initial fee Plus $187 per hour after the first hour	$226 initial fee Plus $207 per hour after the first hour
Renewal	$102 initial fee Plus $187 per hour after the first ½ hour	$113 initial fee Plus $207 per hour after the first ½ hour
Amendment to Registration	$102 initial fee Plus $187 per hour after the first ½ hour	$113 initial fee Plus $207 per hour after the first ½ hour
Voluntary suspension	$102 initial fee Plus $187 per hour after the first ½ hour	$113 initial fee Plus $207 per hour after the first ½ hour
Verification	$187 per hour	$207 per hour
Compliance	$187 per hour	$207 per hour
Monitoring (where there is compliance)	No charge	No charge

5.2 Issues and Options

Options Analysis

Option 1 — Retain the current charges

While food business owners would not face increased fees, the costs associated with the service would not be sufficiently covered by income from fees and charges. In addition, food businesses would not be paying a large enough proportion of the costs of the services relative to the costs covered by general rates. This is inconsistent with the principle that all direct and indirect costs incurred by administering the Food Act should

be recovered by way of fees, and it passes on those costs to ratepayers. If no increases are made now there may need to be larger increases in the future.

Option 2 — Increase fees by more than CPI (11%) to recover 55% of costs

Increasing the fees at a higher level will ensure the business owners meet a greater proportion of the Council costs for providing the service and lowers the dependence on rates to provide these services. The proposed increase is in line with the Revenue and Financing Policy.

Option 3 — Increase fees by CPI (5.6%)

This option slightly improves the recovery rate from business owners and reduces the requirement on rates. However, a more significant increase to charges would likely be needed in the future to reach a better proportion of costs being met by food businesses that ratepayers.

Preferred Option

Option 2 — Increase fees by more than CPI in order to bring recovery levels in line with the Revenue and Financing Policy.

Reasons

The proposed amendments help to ensure that food business owners are responsible for the proper proportion of the costs; the increase is considered reasonable compared to other regulatory charges.

6. Proposed amendments to the fees and charges under the Navigation Safety Bylaw 2019

6.1 The proposal in relation to fees and charges under the Navigation Safety Bylaw

Council has reviewed the current charges and is proposing to increase certain fees and charges by 15% to 150%. This is to ensure that costs to provide certain marina services are paid by the users who directly benefit from that service, and to allow the Marina to keep up with compounded inflation.

Analysis of the issues and options is provided in section 6.2 of this proposal. The charges schedule with all proposed changes is included in Attachment 1, and the proposed amendments are summarised below:

1. Increase permanent annual recreational and commercial berth fees by 15%;
2. Increase live aboard charges by 15%;
3. Increase public boat ramp launching fees by 150%.

Consideration under the relevant legislation

Council may set fees and charges for marina services that are regulated under the Navigation Safety Bylaw 2019, under clause 3.4 of the Bylaw and s 150 of the Local Government Act 2002.

The fees and charges for Nelson Marina that are regulated by the Bylaw are as follows:

1. Marina Berthing fees for all vessels;
2. Live aboard charges;
3. Public Boat Ramp fees.

Other services provided by Nelson Marina are land based and are not covered by the Bylaw.

6.2 Issues and Options

Annual Licence Fee for marina berths, pile berths, commercial berths and live aboard fees

The annual licence fees for renting a berth within Nelson Marina is for vessels that are on a long-term contract with Nelson Marina and Nelson City Council. The live aboard fee is additional to the annual berth fee and applies to those vessels with a permit to live on board their vessel within the marina on a permanent basis.

Options Analysis

Option 1 — Retain the existing charges

While licence holders would not face increased charges this year, the revenue for the marina will not increase proportionally to the increases in costs associated with operating the marina. If no increases are made now there will need to be larger increases in the future.

Option 2 — Increase the charges by CPI

This option will allow the marina to recover the increased cost of doing business for the current financial year but will not meet the total operating costs of this service.

Option 3 – Increase the charges by 15%

This option allows Nelson Marina to better recover the costs of operating the marina.

Preferred Option

Option 3 — Increase the charges by 15%

Reasons

The proposed amendment better covers the costs for the service than the existing charges and is a reasonable increase in the current economic context. The marina needs to increase its revenue over time to provide for a reasonable cashflow for improvements to the levels of service offered our customers. Failure to do this incrementally year on year will result in a large increase in future years that could cause hardship to our customers.

Public Boat Ramp Fee

Nelson Marina operates the public boat ramp for Nelson. The fee of $6 currently includes launch and retrieval of the trailered vessel and unlimited parking for the towing vehicle and trailer. The marina has 92 dedicated carparks available.

Revenue is collected from annual ramp fees for unlimited use or on a casual use basis. Total revenue collected from the boat ramp launch fees is $30,000 and the total cost to the marina to operate the boat ramp is $90,000. The shortfall of $60,000 is being subsidised by other revenue streams within the marina business and is not sustainable.

For comparison, Motueka boat ramp fee is $15 per use ($30 to launch and retrieve) and Marlborough Marinas (Havelock, Picton and Waikawa) are $15 plus a parking fee.

Options Analysis

Option 1 — Retain the existing charges

The boat ramp should be user pays and not subsidised by other revenue streams of the marina. To retain current charges means that other marina revenue streams are subsidising the boat ramp users by 66% of the cost of operating the facility.

Option 2 — Increase the ramp fee by CPI (5.6%) from $6 to $6.50

This option allows the marina to match increasing costs of operating the boat ramp but will not recover all costs of this service.

Option 3 – Increase the ramp fees by 150% from $6 to $15 to achieve cost recovery of providing the service .

This option allows the marina to recover the actual costs of the service.

Preferred Option

Option 3 — Increase the ramp fee by 150% from $6 to $15

Reasons

The proposed amendment allows the marina to recover close to the actual costs of operating the boat ramp and parking area and is comparable to charges in neighbouring regions. It will also help to cover the costs of the increased level of service through the installation of CCTV facilities throughout the ramp and carpark area. This has been installed in late 2023 to help monitor and protect our boat ramp customers assets. The marina would also like to increase capital expenditure to improve the boat ramp services over time but is unable to until we have full cost recovery.

7. Proposed amendments burials and cremation activities under the Urban Environments Bylaw

7.1 The proposal in relation to charges under the Urban Environments Bylaw

Analysis of the issues and options is provided in section 7.2 of this proposal. The charges schedule with all proposed changes is included in Attachment 1, and the proposed amendments are summarised below:

1. Create a new fee for a Standard Ash Plot (up to four urns)

Consideration under the relevant legislation

Council may set fees and charges for burials and cremations activities that are managed under the Urban Environments Bylaw, under clause 8.32 of the Bylaw and s 150 of the Local Government Act 2002.

7.2 Issues and Options

Options Analysis

Option 1 – Create a new fee of $1,260 for a Standard Ash Plot (up to four urns)

There are currently only two ash plot options available: up to two urns, at a fee of $906, and up to eight urns, at a fee of $1,626. Given there is an increased interest in purchasing up to four urns, it is proposed to offer this at a fee of $1,260.

Option 2 – Do not create a new fee

This option will mean a four-urn ash plot will not be offered as an option and customers would only be able to purchase a two-urn or eight-urn plot.

Option 3 – Create a new fee that is higher or lower than $1,260

The fee being proposed is a mid-way point between the two-urn and eight-urn options. A higher or lower fee may not reflect the difference compared with the other two charges.

Preferred Option

Option 1 — Create a new fee of $1,260 for a Standard Ash Plot (up to four urns)

Reasons

Currently only two choices of ash plot available. By adding an a third, at a fee that reflects its value will provide increased income to council and support the operating cost of the cemetery.

8. Proposed amendments to public health licence fees

8.1 The proposal

Analysis of the issues and options of this proposal is set out in section 8.2. The charges schedule with all proposed changes is included in Attachment 1, and the proposed amendments are summarised below:

a) Increase the hairdressers annual licence fee from $205 to $264 and if paid after 31 July increase from $245 to $316.
b) Increase the offensive trades annual licence fee from $305 to $393 and if paid after 31 July increase from $365 to $470.
c) Increase the annual fee for camping grounds from $340 to $438 and if paid after 31 July from $405 to $522.
d) Increase the annual fee for funeral directors from $215 to $277 and if paid after 31 July from $280 to $361.
e) Increase fee for transfer of registration from $95 per transfer to $122.
f) Increase fee for inspection of non-commercial support base from $95 per inspection to $122 and if after 31 July from $112 to $144.
g) Increase the hourly charge-out rate for animal control (other than dog control) from $187 per hour to $241.
h) Identify the staff hourly rate for processing Site Marine Oil Spill Contingency Plans as being $241 per hour.
i) Identify the staff hourly rate for maritime oil spill responses is $241 per hour and other disbursement charges will apply at cost.

Consideration under the relevant legislation

This statement of proposal to amend the Environmental Health (including Maritime) fees and charges has been prepared in accordance with the following legislation:

- Health Act 1956 sections 120 and 120B and the Health (Registration of Premises) Regulations 1966
- Impounding Act 1955 Parts 4 and 7
- Maritime Transport Act 1994 sections 33R, 270 and Part 130B of the Maritime Protection Rules
- Local Government Act 2002 sections 83 and 150

8.2 Issues and Options

Options Analysis

Option 1 – Amend the fees and charges as proposed in Attachment 1 and above

The proportional cost of the services is better met by applicants and consent holders than ratepayers. The proposed increase will prevent a larger increase later and reduce the impact on rates.

Option 2 – Increase the charges by CPI (5.6%)

The cost of the activity is not sufficiently covered by income from the charges. There would be an additional rates burden if expected costs are not better met by applicants.

Option 3 – Retain current fees and charges

Likely to require larger increases in the future. The cost of the activity is not sufficiently covered by income from the charges and must be met through rates.

Preferred Option

Option 1 — Amend the fees and charges as proposed in Attachment 1 and above

Reasons

The proposed increases will better cover the actual costs for the services.

9. York Valley Landfill Fees and Charges

9.1 The proposal

The fees and charges for the York Valley Regional Landfill facility are set by the Nelson Tasman Regional Landfill Business Unit but are consulted on separately by each council.

Fees and charges are proposed to increase by 17.7%, from $212/tonne (excluding GST) in 2023/24, to $250/tonne (excluding GST) in 2024/2025. This is a result of increased capital expenditure, increased costs in depreciation, interest rates, operations and maintenance costs, an additional $10/ tonne increase in Waste Minimisation Levy and funding requested by Nelson and Tasman councils for the local disposal levy.
The local disposal levy is used to fund local solid waste programmes – for Nelson this includes running the Pascoe Street transfer station, waste minimisation initiatives, green waste disposal, and recycling.

9.2 Issues and Options

Options Analysis

Option 1: Increase the fees and charges by 17.7%

Increasing charges will better reflect the increase in costs related to depreciation on additional capital works, an additional $10/ tonne increase in Waste Minimisation Levy, increased interest rates, and an increase in the landfill operations and maintenance cost. Will also prevent a larger increase being required at a later date.

Option 2: Increase the fees and charges by CPI

The option would only partially recover the increased costs, such as interest rates and increased costs in depreciation. This would likely result in a more significant increase being required in the future.

Option 3: Do not increase the fees and charges

The option would not recover the increased costs, such as interest rates and increased costs in depreciation which would result in a more significant increase being required in the future.

Preferred Option

Option 1: Increase the fees and charges by 17.7%

Reasons

Increasing charges will better reflect the increase in costs related to depreciation on additional capital works, an additional $10/ tonne increase in Waste Minimisation Levy, increased interest rates, and an increase in the landfill operations and maintenance cost. Will also prevent a larger increase being required at a later date.

10. Submissions

Anyone may make a submission about any aspect of the proposed amendments to the fees and charges detailed in this statement of proposal and any other options that have been considered. Council, in making its decision, will take account of all submissions made.

Please look through what we propose and let us know what you think by **28 April 2024.**

Submissions can be made:

- Online at **nelson.govt.nz**
- By droppping it off to Civic House, 110 Trafalgar Street, Nelson
- By post to Nelson City Council, PO Box 645, Nelson 7050. Freepost 76919
- By email to submissions@ncc.govt.nz

Consultation information is available from:

- Online at nelson.govt.nz
- Our Customer Service Centre at the corner of Trafalgar and Halifax Streets
- The public libraries in Nelson, Tāhunanui and Stoke
- Or talk to a person by calling us on 03 546 0200 to answer your questions.

Any person who wishes to speak in support of their submission will be given the opportunity to address the Council at a hearing on 9 or 10 May 2024.

Other things Council is consulting on: The Long Term Plan consultation and other related consultations will be heard together over the two days of hearings. A total of up to five minutes per person (and up to 10 minutes per organisation) is allocated to those wishing to speak to one or more of the consultations they submitted on.

Public information: All submissions (including your name and contact details) will be provided to Council workers for administration and analysing feedback, and to those who are involved in decision making on the consultation.

All submissions, including submitter names (unless you request otherwise) but not contact details, will be publicly available online. The body of your submission and any attachments will not be checked for personal information and it should be assumed that anything included in these will be made public.

Note: Council is subject to the Local Government Official Information and Meetings Act 1987 and a request for official information may cover your submission, including your address and other contact details.

Note: You may be contacted following this year's consultation to find out about your experience of the engagement process.

Submission Form

Proposed amendments to fees and charges

Name:_____

Organisation represented: (if applicable): _____

Address: _____

Email: _____

Phone: _____

Do you wish to speak at the hearing? Yes / No.

If you do not circle either, we will assume you do not wish to be heard. If you wish to present your submission at the hearing in Te Reo Māori or New Zealand sign language please include this information in your submission.

Comments on the Statement of Proposal on changes to fees and charges

Feedback on proposed changes to fees and charges

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Please attach additional sheets if needed.