



CONSENT HOLDER NEWSLETTER

Welcome to the Summer Edition of the 'In the Zone' newsletter. In this issue we share the results of the S.36 Review and what this means for you as a consent holder.

S.36 Charges Review

Every year we get calls about the bills for S36 charges. These calls are about: updating information on our database; what the charges are for; and how the charges are calculated. The number of calls we get has reduced over the last three years (1000 down to 140) and this year have been mainly about water meter charges for the new meters that have come 'on stream' this year. Just over 1700 bills go out each year for 3500 consents, to recover 35% of the cost of science work carried out in the region that is associated with water takes and discharges to land and water. The constructive comment we receive by phone has fallen into three main areas. A need to understand what is being charged for, how the charge is calculated and what the charge is likely to be next year. As part of the Long Term Plan consultation this year we asked consent holders to indicate if there was agreement with a proposed shift of charging from a zone based system to a flat rate regional charge. Because the response was low, and the preference was unclear, Client Services conducted an additional survey and held public meetings to canvas opinion. This week the conclusion of that process was reported to council with recommendations.

Next year the science team will be carrying out the following work programme (from which S36 charges are calculated).

Science Programme 2016-17

State of the Environment monitoring and reporting - required by RMA

- Climate stations, air quality
- Catchment rainfall, stage, flows, groundwater levels
- Soil quality, ecological functions
- Lake, estuary, ocean, groundwater and river water quality
- Annual SoE summary report, further technical reports

Catchment investigations for plan changes

- Further implementation of Tukituki Plan Change 6
- Greater Heretaunga Plains continued investigations
- Further investigations for proposed Mohaka plan change
- Other work as required

At the well-attended (in quality if not quantity) public consultation meetings in CHB and Hastings, information was shared on the impact of a shift to a regional charge and a preference was expressed to retain the zone based charge but give indicative costs at the beginning of the year, rather than issuing a surprise at the end of the year.

The meetings also suggested a review of the pollution index used to set discharge to land and water charges to reflect low impact consents. From the survey we learnt that of the 11% that responded 50.8% favoured a regional charge. It was also noted that an 11% survey response indicates a low level of engagement with the issue where the majority of consent holders would not be seeing material change, where the biggest fluctuation in charges is being experienced in zones where there are low numbers of consent holders.

The conclusions from the consultation were:

- When consent holders have a greater understanding the S.36 charging methodology they are more comfortable with the current charging model.
- Those who want change to a regional charge are likely to want to reduce their charge.
- Charging that isn't the same for everyone is perceived as unfair, but any charging that doesn't support a graduated user pay principle reflecting personal gain, is also unfair.
- There is certainly a need to talk more and listen more to stakeholders but not necessarily change what we do. The 'customer' wants empathy with recognition that their view is important.

One reflective comment captured a general feeling from the process and that was from the Hawke's Bay Fruit Growers Association:

The HBFA Executive have indicated a preference to continue with the status quo for section 36 charges being applied to individual zones and that the parties tasked with funding the studies (science work) are engaged in the development of joint research plan prior to studies being conducted, and that clear information of costs is provided to the funders for budgeting purposes.

At its meeting on the 16th December HBRC considered the results of the consultation and agreed to continue with the current zone based charging model, with the proviso that the Client services team be encouraged to continue a productive dialogue with stakeholders and make any minor changes to S36 charging that will improve perception, performance and prompt payment of S36 charges. To put that into perspective, of the \$3.9m billed over the last three years, \$75k is currently outstanding and awaiting payment. It was also agreed that it would be helpful in the annual plan to include greater detail on budget based S36 indicative charges.

The next 'In the Zone' will be sent to you in February 2016, so, best wishes from the Client Services Team at HBRC for a safe and happy holiday season, and a prosperous new year.