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Report to the Rural Services and Wairarapa Committee
from Colin Wright, Divisional Manager, Wairarapa

Consent Charge Write-Off

1. Purpose

To gain approval to write-off the remaining debt associated with the Castlepoint jetty proposal.

2. Background

An application for consent for a jetty at Castlepoint was received from the Castlepoint East Coast Recreation Trust on 28 September 1998. It was notified with submissions closing on 5 February 1999 and a joint hearing with the Masterton District Council was held on 21 April 1999.

The Hearings Committee declined the consent with their decision released on 10 May 1999. The period for appeal passed with no appeals lodged.

Charges for processing the consent were invoiced to the applicant with an accompanying letter and summary on 4 June 1999. The total charge was \$14,151.89 plus GST which included the initial application charge of \$3,000 plus GST which had already been paid.

An objection to these charges was received on 22 June 1999 and this was considered at length by the Rural Services and Wairarapa Committee at its meetings on 6 July and 26 August 1999.

The Committee eventually agreed to remit \$2,500 in recognition that more specific and timely advice on costs could have been provided during the consent process. Additionally, the Committee Chairman and Divisional Manager were requested to discuss the situation with the Masterton District Council given that a joint consideration of consents was involved and also their encouragement given to the project. Subsequently, the Masterton District Council contributed the costs of the hearing commissioner and half the disbursements for the hearing.

The resulting outstanding balance of \$6404.84 plus GST has remained unpaid despite regular reminder statements.

3. Comment

As outlined in detail at the Committee meeting in August 1999, the Castlepoint East Coast Recreational Trust has no funds. The Trust was formed by a group of Wairarapa citizens with the express purpose of providing a recreational jetty at Castlepoint. It depended entirely on donations, mainly from public bodies, and their sources of potential further funding ceased once the resource consents were declined. It appears that the Trust members had never contemplated that their consent application might be declined and they had not planned accordingly.

On the other hand, this Council proceeded in good faith to act as the lead agency for the processing and consideration of the consent application, and it is now left with a significant outstanding debt. The Masterton District Council has been in a similar situation although it is understood that the amount involved in their case was smaller and has since been written off.

Overall, a most regretful situation has developed, but it is probably time to bring this matter to an end. It seems that the Council has limited choice apart from legal action or writing this debt off. The latter seems preferable in the overall circumstances of this matter. However, some lessons can be learnt from this whole episode, including the following:

- More specific and timely advice on potential costs could have been provided during this particular consent process. Procedures relating to this aspect have since been tightened considerably, although it needs to be said that a very significant contributing aspect in this Castlepoint matter was an apparent failure in communications between the Trust and its consultant.
- Where joint hearings are involved specific agreements over cost sharing need to be made beforehand with the relevant territorial authority. In this case, after the event, we found that the Masterton District Council has quite a different approach to charging for consent applications. Procedures to cover cost sharing agreements are now in place.
- Particular care is now being taken in cases involving similar bodies to the Jetty Trust where the individuals involved and perhaps their consultant have limited appreciation of the consent process and no clear source of funding.

It is also noted that in this case there was clear support from some public bodies for the project. In particular the Masterton District Council had included a substantial sum for the project in its draft annual plan. As a result, the Trustees apparently felt confident in making the decisions that they did because of the support they had received from politicians. However, as a result a significant cost has fallen on regional ratepayers.

4. Communications

No specific communications are proposed on this item.

5. Recommendation

That the Committee agrees that the outstanding debt of \$6404.84 plus GST from the Castlepoint East Coast Recreational Trust be written off.

Colin Wright
Divisional Manager, Wairarapa