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Report to the Rural Services and Wairarapa Committee
from Paula Pickford, Section Leader, Consents and Compliance

Request for Part Remittance of Annual Resource Management Charge

1. Purpose

To seek consideration of an application for the part remittance of Wairarapa Aggregates annual charge for gravel extraction on the Waingawa River.

2. Background

Wairarapa Aggregates have submitted a formal request seeking a part remittance of their annual gravel extraction charge for their consent to extract up to 4000m³ from the Waingawa River.

At the current time gravel returns show that they have extracted 1366m³ from the river. Therefore they are seeking a remission of \$2222.44.

This request is based on the charge for 4000m³ from the Waingawa River (\$3701.25 incl GST) less the charge for the 1366m³ they have extracted already (\$1478.81 incl GST) which equates to \$2222.44 (incl GST).

As the charge the applicant is seeking to remit is greater than one thousand dollars, the decision to remit the charge is at the discretion of the Committee.

3. Comment

Wairarapa Aggregates feel the remission is justified as the charge to them is based on what has actually been extracted. As they have now surrendered this consent they consider that the Wellington Regional Council is also not adversely affected as the resource is now available for other users to utilise.

What is important to note however is that this consent is set to expire on the 30th June 2001, thereby only freeing up the resource for three months before

all gravel consents in the catchment will need to be renewed. Although their allocation did not represent all of the available allocation in the catchment they have had control of 4000m³ of the 6000m³ available to extract for the past 9 months.

The above has only been a problem for one application in the reach over the past 9 months. The amount of gravel requested under this application was reduced due to the gravel already allocated in the reach. This new application was from Wairarapa Aggregates therefore they were the only ones affected.

Wairarapa Aggregates have also stated previously that they did not realise that the Annual Charge (in particular the State of Environment Component) for extractions in the Waingawa River was high. This is because they had inherited the consent from Bruce Buchanan Ltd from the merger with Winstone Aggregates to form Wairarapa Aggregates. They admit that this was poor planning on their behalf. However it is noted that at least one director of Bruce Buchanan Ltd is on the Board of Winstone Aggregates.

4. Other Considerations

- 4.1 Part remittance of annual charges is not a practice that we would wish to encourage as annual charges are based on the maximum volume allocated in a resource consent, not the actual volume extracted. This is the same for all consent types. It would become very difficult to accurately assess actual usage of any resource to start this type of charging. A precedent could be set for not only gravel extraction consents but all other types of consents if this charge is to be remitted.
- 4.2 Extractions in the Waingawa River are limited because of the need to protect the foundations of the rail and road bridges. As a consequence of the sensitivity of the reach, riverbed surveys are undertaken in the reach every six months. It is the State of Environment fee that partially funds this monitoring. The cost is passed onto the extractors on a cubic metre basis. Hence the reason the State of Environment fee is relatively high (i.e \$0.65/m³) in the Waingawa River is because of the high monitoring cost for the relatively small amount of gravel which is extracted.
- 4.3 The remittance of this charge could potentially set a precedent for tying up the resource so that no other contractor has access to it and then having the charges remitted based on an honesty system of gravel returns close to the consents expiry. Remitting the charges on this basis may also mean that we will be unable to adequately recover the cost of undertaking monitoring of gravel consents and State of the Environment Monitoring.

4. Recommendation

That the Committee, under delegated authority, decline the request to remit the charge.

Report prepared by:

Approved for submission by:

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