



Draft Fees and Charges 2024/25

Statement of Proposal

DRAFT FOR CONSULTATION



Background

Council sets Fees and Charges annually as part of our Annual Plan or Long Term Plan process. This ensures fees and charges are up to date and reflect the actual and reasonable cost of the services and activities it provides.

Section 150 of the Local Government Act 2002 (LGA) allows Councils to set fees or charges, but they are not allowed “to recover more than the reasonable costs”. In other words, Councils may recover the ‘actual cost’ of an activity, but may not utilise Fees and Charges to generate profit.

What are fees and charges?

While rates are our main source of income, we receive around 16% of our revenue from fees and charges. Fees and Charges are charged to users of a specific service, such as swimming pool fees, dog registration, event centre hire and building consents.

Why are changes being proposed?

Our costs have gone up significantly and we have to cover those costs – we can either recover it ALL through rates, or recover some of it through higher fees (i.e. more user pays).

While increasing the fees for our services and at our sites is never popular, if we don’t increase the fees to cover the income needed, we’d have to increase rates even more.

We’re proposing a number of fee increases, particularly for community venues, pools and spas, cemeteries, building control and animal control fees.

We are also proposing to add, remove, rename or recatergorise some fees and charges.

We are asking the community to have their say on the changes we are proposing. All submissions will be considered at the Council hearing before the Fees and Charges are adopted and enforced by 1 July 2024.

Fee changes

More information on the increases being proposed can be found below.

Cemeteries

Our current Revenue and Financing Policy set out that between 40%-70% of costs should be recovered by fees and charges. Over the last three years, we have recovered 39% of costs through fees and charges, which is outside the policy. Due to increasing costs of maintenance, and overheads for cemeteries this has resulted in the need for significant increase in fees and charges to meet the policy minimum of 40%.

Community Venues

Our current Revenue and Financing Policy sets out that 10%-15% of costs are recovered through user pays. Our Draft Revenue and Financing Policy 2024 is proposing to increase the Fees and Charges range to 20%-40%. We are proposing to charge for function room or event centre spaces by room size (small, medium, large, extra-large and whole facility) for better consistency. We are also proposing changes for Aerodrome, Firth Tower and Camping Fees.

Animal Control

Our current Revenue and Financing Policy sets out that 80% of this activity should be covered through user pays. Our draft Revenue and Financing Policy for 2024 is proposing to increase the user pays element to 80%-100%. This means fees like dog registration, microchipping and stock call out fees are proposed to increase.

Building Consents and Monitoring

Our current Revenue and Financing Policy sets out that 40-60% of income should come from fees and charges. Our Draft Revenue and Financing Policy for 2024 is proposing to increase the user pays element of this activity to 50-90% fees and charges. This is due to the increasing costs to provide this service has resulted in the need for significant uplift in fees and charges.

Licensing and Enforcement

The Licensing and Enforcement activity covers health, alcohol and noise control. The Revenue and Financing Policy sets out that enquiries, complaints and enforcement for health and alcohol should be 100% covered by rates, and 100% of health license processing should be covered by Fees and Charges. Alcohol license processing Charges in this activity are set by central government legislation, and are not able to be changed. Increases are being proposed for this activity where reasonable and practical to recover increasing costs.

Resource Consents and Monitoring

The Revenue and Financing Policy sets out that 100% of planning, resource consents processing and monitoring are user pays. Enquiries, complaints and enforcement are 100% covered by rates. Increases are being proposed where reasonable and practical to recover increasing costs.

Swimming Pools

The current Revenue and Financing Policy range of 30-50% has not been changed under the Revenue and Financing Policy review. However Council signalled a preference to achieve a higher recovery of user fees within that range.

Analysis of reasonably practicable options

In preparing these fees and charges we have considered three options for reviewing the fees and charges and we would like your thoughts on what we should do.

Option 1 – Adopt the Fees as proposed: The Fees would change to those currently charged.	
Advantages:	Disadvantages:
Reflects our actual cost of service and is consistent with our Revenue and Financing Policy.	Increased fees and charges will mean increased costs to those in the community that use the affected services.
Allows us to recover costs for new services and facilities.	
Allows for services, facilities and activities to be maintained to a good standard for the community	

Option 2 – Status quo: The Fees would remain the same as present with only inflation applied.	
Advantages:	Disadvantages:
Charges to the community remain the same.	These will not reflect our actual costs of services.
	Services with a private benefit (such as resource consent processing, cemetery plots and building consents) may have to be subsidised by rates. This may be inconsistent with our Revenue and Financing Policy.
	Does not allow us to recover costs for new services and facilities.
	Services, facilities and activities may not be maintained to the current levels.

Option 3 – Decrease Fees: We would decrease our reliance on Fees and Charges and move towards a more rates-based system whereby rates fund services and facilities.	
Advantages	Disadvantages
The cost of services and facilities is spread over all ratepayers.	We will need to recover our costs through rates increases.

Statutory requirements:

Section 150 of the LGA provides for fees or charges to be imposed by us using the principals of consultation. Fees and charges must be prescribed in one of our Bylaws or by using a public consultation process.

Other legislation, such as the Resource Management Act 1991 (RMA), set the price Council is allowed to charge for a service. These charges are noted as 'set by statute' and may not be increased.

Council is required to consult on changes made to fees under Section 82 and 83 of the Local Government Act 2002.

Have your say

Whether you agree, oppose or you have suggestions on things we could change for this proposal or any other proposal, we want to hear from you.

You can make a submission between 21 March and 21 April 2024.

For more information about this proposal, and to see what else we are consulting on, go to mpdc.govt.nz/ltp

Making a submission:

📄 Go to mpdc.govt.nz/ltp to fill out the online form

📄 Drop off form: Any Council office

📧 Mail to: PO Box 266, Te Aroha 3342

✉ Email: info@mpdc.govt.nz

Head to mpdc.govt.nz/ltp to make a submission and have your say by 21 April 2024

Please be aware that submissions made to Council are public information. Your submission will be used and reproduced for purposes such as reports to Councillors, which are made available to the public and media.

Key Dates

Council adopt proposal for community consultation	20 March 2024
Submission period	21 March – 21 April 2024
Community present submissions to Council	8 May (9 May if needed) 2024
Proposal is adopted	9 May 2024
New Fees and Charges apply	1 July 2024