



STAFF REPORT

TO: Environment & Planning Committee

FROM: D C Bush-King, Environment & Planning Manager

REFERENCE: T202/1

SUBJECT: **BUILDING CONTROL FEES – REPORT EP07/06/05** - Report Prepared for 20 June 2007 Meeting

1. PURPOSE

This report seeks Council's approval to increase the Building Consent fees and other associated fees related to building work in light of increased costs we have incurred and will continue to incur as a result of implementing the Building Act 2004, including Building Consent Authority Accreditation.

2. BASIS FOR FEES AND CHARGES

This paper has been necessary because building control staff continue to labour under increased pressure in processing building consents and inspecting building work. We continue to have a backlog of applications and while improvements are occurring, we are still not achieving 80 percent compliance with the statutory timeframes (as per target in Annual Plan). Additional resources are required but fees will need to increase in order to cover the costs.

Under Section 219 of the Building Act 2004 territorial authorities are entitled to recover costs associated with processing building consents and other related functions. Council's current policy position is to recover at least 95% of the costs associated with building control from applicants on the basis that this reflects the degree of private benefit.

3. COST RECOVERY ANALYSES

We propose to allow for an additional three staff FTEs in the building control area. In order to cover overheads (including accommodation costs and the purchase of an additional vehicle) we have allowed for a cost increase of \$195,000. While the increase in fees that was effective from 1 January 2007 has assisted in reducing the shortfall that was then present in the building account, we can not absorb this increase without a further increase in fees.

4. BUILDING CONTROL FEES

With the impact of the accreditation process and the introduction of other reforms to the Building Act 2004, the following has occurred:

- More stringent checking and documentation requirements as part of the assessment of building consent applications.

- More inspections, including additional inspections of “at risk” developments. We have also been involved in more re-inspections before sign-off at code completion stage.
- Additional requirements as part of each inspection to ensure a proper assessment of developments against the Building Code requirements.
- More requirements for staff to take up training opportunities to keep abreast of changes affecting their work.

We have taken the opportunity in reviewing the fees to also take into account the CPI adjustment that would take place in accordance with Council’s Charging Policy at the beginning of the new financial year. It is also proposed that a new category of charge be introduced and that is a Notice to Fix Charge. A Notice to Fix is a formal notice served on a building owner and usually arises where a non-compliance with the Building Code or approved plans has not been addressed. This involves the inspector in extra monitoring and administration, and while not a service which the building owner might be happy about, we should try and recover some of the associated costs. Some Councils, including Buller District Council, have such a fee. We propose two levels, one applying where a consent is held and one where illegal, non-compliant work has been detected.

The proposed changes as set out in Appendix 1 represent overall a 15 percent revenue increase – this reflects the fact that the staff compliment is increasing by 23 percent. A copy of the existing fee schedule is attached as Appendix 2.

5. SIGNIFICANCE

Changing the fees for building control does not trip Council’s policy on significance. It has been normal practice to promote fee changes through the annual planning process. The Building Act however gives the Council ability to fix charges at any time and in light of the need to better cover our costs it is recommended that the fees change as at the beginning of the next financial year. This gives little time to formally alert the building industry but discussions have indicated that if we can improve our service there is a reluctant acceptance that this will cost.

6. RECOMMENDATION

That the Committee agree to the fees and charges set out in Appendix 1 of this report, and that they become effective 1 July 2007.

D C Bush-King
Environment & Planning Manager

APPENDIX 1

Building Control Charges

		\$ (GST inclusive)
A	Minor Consents involving one inspection (e.g. log burners, solar heating panels, wetback connections, and building work under the value of \$2,000). Additional inspections charged at \$100.00 each.	184.00
B	Proprietary kitset carports, kitset garages and kitset outbuildings	720.00
C	New dwelling - single storey	2,115.00
D	New Dwelling - multi-storey	2,620.00
E	Attached dwellings, including multi-storey	3,220.00
F	Relocated dwellings	1,050.00
G	Residential alterations and additions \$20,000 - \$99,999	1,260.00
H	Residential alterations and additions > \$100,000 - \$999,000	1,880.00
I	All other building work valued \$2,001 - \$5,000	475.00
J	All other building work valued \$5,001 - \$10,000	720.00
K	All other building work valued \$10,001 - \$19,999	900.00
L	All other building work valued \$20,000 - \$49,999	1150.00
M	All other building work valued \$50,000 - \$99,999	1550.00
N	All other building work valued \$100,000 - \$249,999	1950.00
O	All other building work valued \$250,000 - \$499,999	2550.00
P	Commercial building work \$20,000 - \$99,999	1,750.00
Q	Commercial Building work \$100,000 - \$249,999	2,660.00
R	Commercial building work \$250,000 - \$499,999	3,350.00
S	Commercial building work and all other building work valued \$500,000 - \$999,999	3,960.00
T	Building work valued over \$1,000,000 and not elsewhere covered	4600.00 deposit*
U	Demolition permit	184.00
V	Change of use	184.00 deposit*
W	Amended Plans (after consent granted and before CCC issued)	184.00 deposit*
X	Swimming Pools Building Consent (No registration fee)	250.00
Y	Fencing of Swimming Pool Exemption fee (plus costs associated with staff time, hearings and inspections)	184.00
Z	Building Code waivers, including sec 72 decision	184.00 deposit*
AA	Section 75 Notice - Building over two allotments Applications for Certificates of Acceptance. (Fees, charges and levies payable had building consent been applied for, will also be charged)	184.00 disbursements
AB	Safe and Sanitary reports - lodgment fee	50.00
AD	New Compliance Schedule	260.00
AE	Alterations to CSs - linked to BC	50.00
AF	Amend Existing Compliance Schedule	184.00

AG	BWOF	120.00
AH	BWOF Inspections	85.00 deposit*
AI	Certificates of Public Use	260.00
AJ	Re-inspection Fees for Code Completion Certificates and inspections for other purposes	110.00 per inspection
	Plan Rechecking Fee – a surcharge will be added when plans are returned for a third time, and any subsequent occasion, for rechecking	
AK		110.00
AL	Building Certificates required under other legislation	125.00
AM	Project Information Memoranda	260.00
AN	Notice to Fix – where consent is held	85.00
AO	Notice to Fix – where no consent is held	170.00

* Categories T, V, W, Z, AH are excluded from standard fees and will be subject to deposit plus invoice for additional costs or refund if costs are less than the deposit. For all other building consent application categories, a deposit of \$175.00 is expected at time of lodgment with the balance to be paid prior to uplifting the consent.

'Commercial' includes those buildings requiring assessment in terms of accessibility, fire safety, and those building accessible to the public.

'All other building work' means buildings not for habitation or those defined as 'commercial' and includes such work as accessory buildings, farm buildings, retaining walls.

NZFS or NZHPT charges recovered on basis of actual charge

Specialist consultant charges recovered on basis of actual cost plus 10% up to a maximum of \$250.00