



STAFF REPORT

TO: Environment & Planning Committee

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

REFERENCE: T202

SUBJECT: **BUILDING CONTROL FEES – REPORT EP06/11/14** - Report Prepared for 22 November 2006 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.

2. BASIS FOR FEES AND CHARGES

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. Each year we review the fees and charges not set by legislation to ensure that impacts such as CPI increases, additional process requirements, and new cost areas are fully captured.

3. COST RECOVERY ANALYSES

It has become clear that we are incurring additional costs in our building control activity area that are no longer off-set by fees. In the 2005 / 2006 financial year we ended up with a \$200,000 deficit in building control. It is too early to project out how the situation might be for the 2006 / 2007 financial year. But extra costs associated with the accreditation process, the engagement of additional staff (plus overheads such as vehicles and equipment) or contractors, need to be accounted for.

4. BUILDING CONTROL FEES

The impact of the Weathertightness issue and the introduction of the Building Act 2004 have resulted in a number of new initiatives in order to manage Council's current risk and respond to the changed requirements. These initiatives include:

- 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.
- Preparation for meeting the accreditation requirements under the Building Act 2004, including a review of systems and procedures designed to achieve accreditation.
- Reviewing building official salaries as part of the job evaluation process in order to reflect market conditions and in order to attract and retain an appropriately skilled workforce.
- Ensuring that staff are able to take up training opportunities to keep abreast of changes affecting their work.

Taking into consideration forecast increases in operational expenses, the cumulative effect of other Building Act changes, and the requirement for staffing and contractor levels to cope with business volumes, it has become clear that a fee increase is required in order to off-set the additional costs. In reviewing the fees we have taken the opportunity to recast the schedule to better reflect the types of building activity. This makes it difficult to directly compare with the current schedule but 'like for like' comparisons see will see movements of 23% for minor consents, 28% for dwellings, and up to 60% for the high-end commercial developments.

Costs recovered include time and overheads associated with administration, plan checking and inspections, including one inspection to sign off a code completion certificate. We are also required to issue a Project Information Memorandum (PIM) with each building consent – this is an additional charge and has been imposed on all but minor building consents. However these can be time consuming and it is proposed to increase the fee from \$160.00 to \$250.00. Because of the information Council holds on natural hazards and infrastructure, getting this information to building designers before the consent is issued is highly desirable and cuts down processing times. We did consider a discounted cost for PIMs applied for and issued prior to receiving an application for building consent but considered absorbing the processing costs and covering them under general rate was not appropriate..

Other changes include

- Reducing the number of new dwelling categories from three to two (as very few dwellings are less than 70m²)
- Separating out residential and commercial building work over \$20,000 as costs and complexities are different
- Setting separate fees for proprietary kitset garages and outbuildings in recognition of their standard design features
- Setting a deposit and then actual charges for buildings over the \$1M value
- Increasing the charge for re-inspections to provide an incentive for builders 'to get it right' first time and to try and minimise the times when our inspectors are called back for repeat checks.

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 soon as possible. The New Year will allow for time to amend our various forms and notify the trade. While it may result in a rush of applications received prior to the changeover, this is unavoidable. However, for those consents processed after 1 January 2007, the new fees will apply.

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 January 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.	160.00
B	Proprietary kitset carports, kitset garages and kitset outbuildings	650.00
C	New dwelling - single storey	1,840.00
D	New Dwelling - multi-storey	2,280.00
E	Attached dwellings, including multi-storey	2,800.00
F	Relocated dwellings	920.00
G	Residential alterations and additions \$20,000 - \$99,999	1,160.00
H	Residential alterations and additions > \$100,000 - \$999,000	1,640.00
I	All other building work valued \$2,001 - \$5,000	450.00
J	All other building work valued \$5,001 - \$10,000	650.00
K	All other building work valued \$10,001 - \$19,999	840.00
L	All other building work valued \$20,000 - \$49,999	1025.00
M	All other building work valued \$50,000 - \$99,999	1350.00
N	All other building work valued \$100,000 - \$249,999	1780.00
O	All other building work valued \$250,000 - \$499,999	2230.00
P	Commercial building work \$20,000 - \$99,999	1,520.00
Q	Commercial Building work \$100,000 - \$249,999	2,320.00
R	Commercial building work \$250,000 - \$499,999	2,920.00
S	Commercial building work and all other building work valued \$500,000 - \$999,999	3,440.00
T	Building work valued over \$1,000,000 and not elsewhere covered	4000.00 deposit*
U	Demolition permit	160.00 160.00
V	Change of use	deposit* 160.00
W	Amended Plans (after consent granted and before CCC issued)	deposit*
X	Swimming Pools Building Consent (No registration fee)	240.00
Y	Fencing of Swimming Pool Exemption fee (plus costs associated with staff time, hearings and inspections)	160.00 160.00
Z	Building Code waivers, including sec 72 decision	deposit* 160.00 plus legal disbursements
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)	160.00
AB	Safe and Sanitary reports - lodgment fee	45.00
AC	New Compliance Schedule	240.00
AD	Alterations to CSs - linked to BC	45.00
AE	Amend Existing Compliance Schedule	160.00

AG	BWOF	110.00
AH	BWOF Inspections	80.00 deposit*
AI	Certificates of Public Use	240.00
AJ	Re-inspection Fees for Code Completion Certificates and inspections for other purposes	100.00 per inspection
	Plan Rechecking Fee – a surcharge will be added when plans are returned for a third time, and any subsequent occasion, for rechecking	100.00
AK	rechecking	100.00
AL	Building Certificates required under other legislation	110.00
AM	Project Information Memoranda	250.00

* 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 \$160.00 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%