

16 July 2013

Memo To: Mayor and Councillors

Memo From: Administration Advisers

**Subject: COUNCIL – GOVERNANCE – 16 JULY 2013
LATE ITEM**

1. Fees and Charges 2013/14: Building Unit

Document 1483441

A report titled Fees and Charges 2013/14: Building Unit is attached to be considered as a major late item at this meeting.

In accordance with section 46A(7) of the Local Government Official Information and Meetings Act 1987 and Standing Order 3.7.5, a procedural resolution is required before a major item that is not on the agenda for the meeting may be dealt with.

In accordance with section 46A(7)(b)(i) the reason why the item was not on the agenda is because it came to hand after the agenda had been distributed.

In accordance with section 46A(7)(b)(ii) the reason why discussion of this item cannot be delayed until a subsequent meeting is because a resolution on the matter is required before the next scheduled meeting of the Council to enable the updated fees and charges regime to most closely mirror the start of the new financial year.

Recommendation

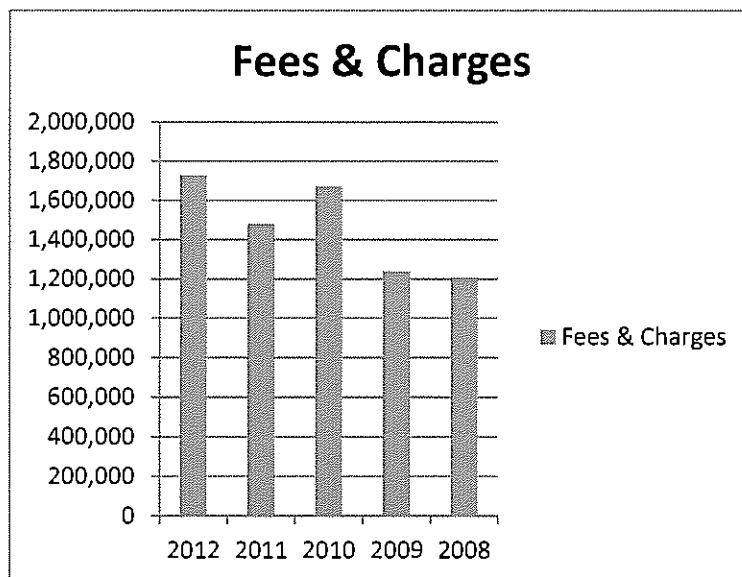
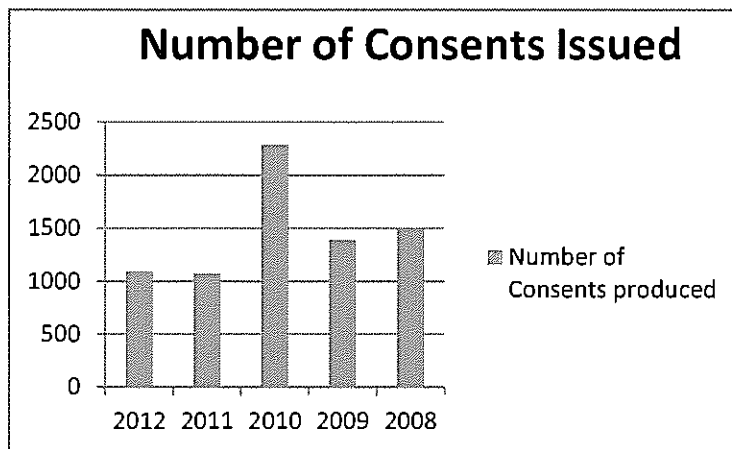
THAT the item regarding Fees and Charges 2013/14: Building Unit be considered at this meeting as a major item not on the agenda, pursuant to Section 46A(7)(a) of the Local Government Official Information and Meetings Act 1987, to enable the updated fees and charges regime to most closely mirror the start of the new financial year.

applied to consent processing only or include the inspection component of the building activity.

4. Discussion

Building Unit Activity Funding Assumptions

4.1 Assumption 1: There will be no significant changes to the nature and volume of building consent activity in 2013/14 from recent years. This assumption is supported by the trending data provided below.



4.1.1 Note: Number of Consents and Fees and Charges 2010 is influenced by Wood burner phase out.

4.2 Assumption 2: For its territorial authority functions the Building Unit will largely be a rates funded activity. Fees and charges will recover about 20% of the total proposed budget from applications and approvals for

Fees and Charges 2013/14: Building Unit

1. Purpose of Report

- 1.1 To seek approval from the Council for the amended fees and charges for the Building Unit 2013/2014.

2. Recommendation

THAT the report Fees and Charges 2013/14: Building Unit (1483441) and its attachment (1485024) be received;

AND THAT the fees and charges for Building Unit activities for 2013/14 be approved;

AND THAT the revised fees and charges apply from 5 August 2013.

3. Background

- 3.1 The Building Unit is responsible under the Building Act 2004 for a range of functions as a Building Consent Authority (BCA) and also as a territorial authority.
- 3.2 The Building Unit is accredited as a Building Consent Authority by regulation. A Building Consent Authority may charge fees and levies as described by the Building Act 2004.
- 3.3 The Building Act 2004 (sections 219, 240 and 281A, 281B, 281C and 281D) and Fencing of Swimming Pools Act 1987 (section 10.9) authorises Councils to set charges for the costs of processing building consents and other functions or services under those Acts without public consultation. This means that Council is not required to use the Special Consultative Procedure to seek public feedback on a proposal for building activity fees and charges. This is different to fees and charges under the Resource Management Act 1991 which are set under s36 and require a public submission process.
- 3.4 It is proposed to carry out a fundamental review of the basis of funding the BCA activity as part of preparing the 2014/15 Annual Plan. The alternative funding model, as used by Tasman District Council, is a set of charges based on the value of building consent rather than the time-based approach taken at present. That value based approach could be

Fencing of Swimming Pools, Building Warrant of Fitness and Certificate of Acceptance, applications and approvals.

4.3 Assumption 3: The activities with a non-recoverable cost basis include:

- Some enforcement and monitoring functions;
- Resolving complaints and enquiries;
- Weather-tight Homes Resolution Service claims;
- Other claims, disputes and court hearings;
- Determinations by Department of Building and Housing;
- Earthquake Prone Building Policy implementation;
- Full time Duty Building service to assist customers;
- Other contentious building issues: If these activities do not relate to an active building consent or application then the time is usually non-unrecoverable.

4.4 Assumption 4: For its BCA functions based on receiving, processing, and issuing building consents and for building inspections the BCA will be largely self-funded by fees and charges.

4.5 Assumption 5: There is no increase in staffing levels in the Building Unit.

Proposed Changes to Fees and Charges for 2013/2014

4.6 Summary

4.6.1 The review of fees for territorial and BCA functions has highlighted the need for limited changes for the 2013/ 2014 financial year as outlined below. Minor changes for these functions have arisen in response to some fees having had no CPI increase since 2009 and as a result of changes to regulations and model of charging for administration fees.

4.7 Pre-Paid Fixed Charge Building Consents

4.7.1 These fees are not refundable if the consent lapses or if it is cancelled.

Fees and Charges Schedule Clause 2

Pre-paid Fixed Charge Building Consents		Fixed fee \$ (GST incl)		Comment
		Current	Proposed	
Payable at the time the building consent is lodged				
Space heaters – all fuel types	Inbuilt	200.00	250.00	Due to more complex nature and affect on property.
Wood Pellet Fires		100.00	200.00	To cover the cost of the process to consent.
Marquees	>100m ² commercial	200.00	300.00	No CPI or other increase since 2009 and a change to the size limit has been made.
	>100m ² residential	150.00	200.00	No CPI or other increase since 2009.
Demolition (full building):	Residential	200.00	450.00	All demolition is the same process so should be same fee as commercial.
	Commercial	400.00	450.00	No CPI or other increase since 2009.
Application for exemption under the Fencing of Swimming Pools Act 1987 (Hearing Panel) for existing doors without automatic closers.		N/A	75.00 +Hearing Fees	New process.
Bathroom alterations only (allows for 2 inspections). Wetfloor/wall system will require an additional inspection charge of \$125.00 . (Increased from \$100.00)		450.00	450.00	To cover inspection charge increases.
Note:				
<ol style="list-style-type: none"> For Pre-paid Fixed Charge Building Consents any additional processing or information required over 1hr will be charged at \$100/hr. All prepaid consents include planning check to Nelson Resource Management Plan. Additional inspections will be \$125.00 each and invoiced before a Code Compliance Certificate is issued. 				

Fees and Charges 2013/14: Building Unit

4.8 Administration Fees

4.8.1 The main fees for administration are not set to change but the hourly rate will be increased. The activities or tasks subject to charging of the additional administration fees will be identified.

Fees and Charges Schedule Clause 3A) Administration Fees

Consent set up and Inspections Administration costs		Fee \$ per Hour (GST incl)		Comment
		Current	Proposed	
Additional Administration	<p>Additional administration charges of \$95.00/hr (min charge \$15.00) will be levied for (but not only limited to) the following additional administration services:</p> <ul style="list-style-type: none"> • Requests for further information (due to insufficient information on submitted documentation). • Booking and changing inspections dates and times. • Failure to be present at pre booked inspection. • Building Consent Amendment; administration cost in addition to fees under part 3C. • Administration associated with lodgement and registration of information with LINZ. Section 72/ Section 75 Certificates / Section 37. • Certificate of acceptance COA Admin Fee (1 hour). 	\$75.00	\$95.00	No change since 2009. Increased to cover CPI and general increases in cost of providing services.

4.9 Hourly Charges

Schedule of Charges	Per Hour \$ (GST incl)		Comment
	Current	Proposed	
Building Consent Officer (Residential 1) Includes pre-paid consents.	100.00	125.00	Do not use lower skill or cost staff for Residential 1 processing.

4.10 Miscellaneous Fees and Charges

Schedule of Fees and Charges Clause 6) Certificate of Acceptance and Unauthorised Building Works Reports

Certificate of Acceptance		Proposed	
Certificate of Acceptance (COA)	<ul style="list-style-type: none"> \$450.00 fixed lodgement fee at NCC. \$100.00/hr to assess and prepare COA report. 	<ul style="list-style-type: none"> \$750.00 fixed lodgement fee at NCC. \$125.00 hr to assess and prepare COA report. 	Increase reflects the complexity of the work undertaken.
Section 96 BA2004	<ul style="list-style-type: none"> \$200.00 COA Certificate. \$75.00 admin fee. 	<ul style="list-style-type: none"> \$200.00 COA Certificate. 	
Form 9, Building (Forms) Regulations 2004	<ul style="list-style-type: none"> Insurance, DBH, BRANZ & QA levies NCC Development or Financial Contributions if applicable. NCC inspection fee \$100 each if required (minimum 1 inspection by NCC). Compliance schedule fee if applicable. 	<ul style="list-style-type: none"> Insurance, DBH, BRANZ & QA levies NCC Development or Financial Contributions if applicable NCC inspection fee \$125.00 each if required (minimum 1 inspection by NCC) Compliance schedule fee if applicable. 	To bring in line with changed inspection fee.

5. Conclusion

5.1 The proposed changes to the fees and charges are based on the assumption that consent activity will track according to the previous five year trend. Changes to the fees and charges have been made in response increasing unit costs and changes to legislation requiring the Building Unit to carry out additional functions.

Martin Brown
Manager Building

Attachments

Attachment 1: Building Unit Proposed Schedule of Fees and Charges [1485024](#)

Supporting information follows.

Supporting Information

1. Fit with Purpose of Local Government

The performance of Regulatory functions is one of the stated purposes of Local Government. This service needs to be cost effective. To be effective the fees and charges need to strike an appropriate balance between user-pays and ratepayer funding where the Building Act provides for cost recovery.

2. Fit with Community Outcomes and Council Priorities

Good leadership – Fees and charges are set at a fair and reasonable rate so that those who profit from Building Unit services pay the majority of their costs.

Other community outcomes such as healthy land and people are supported through the building consent process that ensures development delivers durable, safe, healthy buildings for the design life of those buildings.

3. Fit with Strategic Documents

Long Term Plan – Fees and charges are set to assist in achieving the stated funding policy.

4. Sustainability

Economic Outcomes – Fees and charges should be set to ensure they are not a barrier to growth and development while recognising the applicant or licence holder will receive the majority of the benefit in holding such a document.

The building consent process ensures development meets minimum building code requirements and hence a sustainable building stock.

5. Consistency with other Council policies

The recommended fees and charges are consistent with the required statutes and assist with achieving organisational KPIs in economic performance.

6. Long Term Plan/Annual Plan reference and financial impact

Income from building consent applications are credited to the building consent activity within the Building Business Unit.

7. Decision-making significance

This is not a significant decision in terms of the Council's Significance Policy.

8. Consultation

Consultation has not been undertaken with any external parties.

9. Inclusion of Māori in the decision making process

There has been no consultation with iwi regarding this recommendation.

10. Delegation register reference

The Council decides on the setting of fees and charges.



Building Unit: Fees and Charges 2013/14

12 July 2013

By Martin Brown

All fees apply from 5 August 2013

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1. Pre-lodgement and Duty Building Officer

Schedule of Charges	Fixed fee (GST incl)
Pre-lodgement meetings – Commercial Consents (Residential optional)	50.00 per ½hr
Schedule 1 – Exempt Building Works advice/ meeting. Payable at NCC Customer Centre after appointment	25.00 per ½hr appointment (30 minute booking)
Technical advice/booked meeting with Duty Building Officer (No building consent submitted). Payable at NCC Customer Centre after appointment	No fee up to 15 minute appointment (30 minute booking)
	50.00 per 15 to 45 minute appointment (1hr booking)

2. Pre-Paid Fixed Charge Building Consents

- 2.1. Please note that these fees are considerably subsidised and are not refundable if the consent lapses or if it is cancelled.

Pre-paid Fixed Charge Building Consents		Fixed fee \$ (GST incl)	
		Current	Proposed
Payable at the time the building consent is lodged			
Space heaters – all fuel types:	Free standing	200.00	200.00
	Inbuilt	200.00	250.00
Wood Pellet Fires		100.00	200.00
Marquees	>100m ² commercial	200.00	300.00
	>100m ² residential	150.00	200.00
Demolition (full building):	Residential	200.00	450.00
	Commercial	400.00	450.00
Solar Hot Water Heaters (stand-alone) Council		No fee	No Fee
Swimming Pool / fencing application only (allows for 1hr processing / admin and 1 inspection).		200.00	200.00
Swimming Pool (stand alone & allows for 1hr processing and 2 NCC inspections). Engineer monitoring and inspections are charged separately.		400.00	400.00
Application for exemption under the Fencing of Swimming Pools Act 1987 (Hearing Panel).		250.00	250.00
Application for exemption under the Fencing of Swimming Pools Act 1987 (Hearing Panel) for existing doors without automatic closers.		N/A	75.00 + Hearing Fees

Swimming Pool Fence Monitoring, FOSP Act 1987 (every 3yrs). Additional inspections and applications will be charged separately.	210.00	210.00
Proprietary garages up to 50m ² (allows for 3 inspections). Firewall inspection will be additional inspection charge of \$125.00.	900.00	900.00
Bathroom alterations only (allows for 2 inspections). Wetfloor/wall system will require an additional inspection charge of \$125.00 .	450.00	450.00
<p>Note: For Pre-paid Fixed Charge Building Consents any additional processing or information required over 1hr will be charged at \$100/hr. All prepaid consents include planning check to NRMP. Additional inspections will be \$125.00 each and invoiced before a Code Compliance Certificate is issued.</p>		

3. All Other Building Consents

3.1. All other building consents will include the following charges:

- Administration time (Consents Administrator and Building Inspection Coordinators) (see A below);
- Fixed levies (B);
- Processing time (dependent on the category of the building) (C);
- Section 37 check/Project Information Memorandum (PIM) (D);
- Code Compliance Certificate (E).

3.2. Note: Building consents may also incur Development or Financial Contributions: for further information see Council's brochure "Development Contributions, Financial Contributions, Reserve Contributions, Guide for small scale activity".

Building Consent invoices must be paid prior to the consent being released by Council.

A. Administration Fees

Consent, Inspection Administration Building	\$ value of work	Fixed fee \$ (GST incl)	
		Current	Proposed
Commercial, Retail Apartments, Hotels, Industrial	Up to \$250,000		
	\$250,000 to \$500,000	600.00	600.00
	\$500,000 to \$1,000,000	1000.00	1000.00
	Over \$1,000,000 and every \$1,000,000 there after	1000.00	1000.00
Residential Use	Up to \$250,000	300.00	300.00
	\$250,000 to \$500,000	600.00	600.00
	\$500,000 to \$1,000,000	750.00	750.00
	Over \$1,000,000	1000.00	1000.00
Administration Fees	Additional administration charges of \$95.00/hr (min charge \$15) will be levied for the following	75.00/hr	95.00/hr

	<p>additional administration services;</p> <ul style="list-style-type: none"> ➤ Requests for further information. (due to insufficient information on submitted documentation) ➤ Booking and changing inspections dates and times. ➤ Failure to be present at pre booked inspection. ➤ Building Consent Amendment; administration cost in addition to fees under part 3C. ➤ Administration associated with lodgement and register of information with LINZ. (Section 72/ Section 75 Certificates) ➤ Certificate of acceptance COA Admin Fee (1 hour) ➤ Administration associated with Section 32. 		
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B. Fixed Levies

Levies as required by Building Act 2004 and fixed by legislation	\$ based on value of work	
Insurance Levy		\$0.75 per \$1,000 or part of
Building Research Association New Zealand Levy (BRANZ)	\$20,000 and over	\$1.00 per \$1,000
Department of Building and Housing Levy (DBH)	\$20,000 and over	\$2.01 per \$1,000
Quality Assurance Levy (QA)	\$20,000 and over	\$1.00 per \$1,000

C. Processing/Inspection Charges

Hourly Charge Out Rates of Building Unit

Schedule of Charges	Per Hour \$ (GST incl)	
	Current	Proposed
Amendment Officer and Administration	100.00	100.00
Building Consent Officer (Residential 1) Includes pre-paid consents	100.00	125.00
Building Consent Officer (Residential 2 & 3)	125.00	125.00
Building Consent Officer (Commercial 1, 2 & 3)	125.00	125.00

Schedule of Charges	Per Hour \$ (GST incl)	
	Current	Proposed
Building Inspections (scheduled each)	125.00	125.00
Re-inspection (per inspection)	125.00	125.00
Additional Inspections (each)	125.00	125.00
Inspection review / assessment of consent files	100.00	100.00
Technical advisor, senior staff, engineers	125.00	125.00
Team Leaders of Consent & Inspection Teams	125.00	125.00
Manager Building	125.00	125.00
Executive Manager Regulatory	150.00	150.00
External consultants or Council staff contractors engaged by the Council to provide expertise not available in-house for building consent related peer reviews.	\$125 hr (in-house) or cost of external contractor/peer review	
Note: These charges include organisational overhead costs (such as HR, IT, Finance, Corporate) operational costs of vehicles, travel, equipment, ACC, safety and training.		

- 3.3. The expected number of site inspections will be assessed at consent stage and charged as part of the initial consent cost. These inspections will be identified on the issued Building Consent.
- 3.4. Any additional inspections that are required to monitor compliance with the NZ Building Code will be charged as additional costs and separately invoiced prior to issuing the Code Compliance Certificate.

D. Section 37 check / PIM Check / NRMP

Administration (fixed fee) unless stated	\$ (GST incl)
Section 37 Certificate	75.00
Section 37 Administration (per hour)	95.00
Project Information Memorandum (PIM) Certificate administration fee	75.00
Processing	
Property Information Officer Residential	100.00
Property Information Officer Commercial	100.00

E. Code Compliance Certificates

Code Compliance Certificate (CCC)	Fixed fee (GST incl)
Residential 1 & 2	200.00 each
Commercial 1 & 2	200.00 each
Residential 3 and Commercial 3	300.00 each
Building Consents issued prior to January 2009 without a CCC	200.00
Section 93 Monitoring & Decision letters for CCC	100.00

- 3.5. NOTE: An additional invoice will be generated prior to issuing the Code Compliance Certificate if additional inspections, administration and processing were carried out after the building consent was issued and during the inspection process. If no Code Compliance is issued at 2½ years (monitoring) an invoice will be generated at that point of decision. Council will require full payment of outstanding invoices prior to issuing a Code Compliance Certificate.

F. Certificate of Public Use (for Public Buildings)

- 3.6. Certificate of Public Use and administration set fee \$200.00, plus recovery of staff time at an hourly rate of \$100.00 or part thereof.

G. Determinations. Lapsed Consents. Consents Prior to 2009

- 3.7. Preparation of submission(s) for determination prior to signing Form D2 for the Department of Building and Housing.
- 3.8. Desktop assessment of building consents and inspection of building work

Administration (fixed fee)	100.00
Processing, peer review, preparing reports	125.00 hr
Inspections	125.00 each

H. Registration of Documents with Land Information New Zealand

	Fixed fee (GST incl)
Section 73 Building Act 2004	200.00
Section 75 Building Act 2004	200.00
Removal of either Section 73 or 75 BA2004	200.00

4. Notice to Fix and Infringement Offences

	Fixed fee (GST incl)
Notice to Fix (each) issue and administration	150.00
Other Notices (each) issued under Building Act 2004. For example: Section 124 Notices	150.00
Building Consent officer and/or Inspector time, including monitoring of Notices issued under the Building Act 2004	Charges as per Section C above
Infringement Offences and fixed fines as per Building (Infringement Offences, Fees and Forms) Regulations 2007, adopted by Council 19 Sept 2009	

5. Compliance Schedule and Building Warrant of Fitness

	Per Hour \$ (GST incl)
Compliance Schedule	\$150.00 each
Compliance Schedule amendment	\$50.00 per specified system + any additional time to review
Building Warrant Of Fitness	\$150.00 each renewal + any additional time to review 12A forms
Administration	\$75.00 (per hr)
Audit / inspection / technical assessment	\$100.00 (per hr)
Register of independent qualified persons (IQP's) Application to be on register	\$150.00 each

6. Certificate of Acceptance and Unauthorised Building Works Reports

Certificate of Acceptance		Proposed
Certificate of Acceptance (COA)	<ul style="list-style-type: none"> • \$450.00 fixed lodgement fee at NCC • \$100.00hr to assess and prepare COA report • \$200.00 COA Certificate • \$75.00 admin fee 	<ul style="list-style-type: none"> • \$750.00 fixed lodgement fee at NCC • \$125.00 hr to assess and prepare COA report • \$200.00 COA Certificate
Section 96 BA2004	<ul style="list-style-type: none"> • Insurance, DBH, BRANZ & QA levies • NCC Development or 	<ul style="list-style-type: none"> • Insurance, DBH, BRANZ & QA levies

Form 9, Building (Forms) Regulations 2004	Financial Contributions if applicable • NCC inspection fee \$100 each if required (minimum 1 inspection by NCC) • Compliance schedule fee if applicable	• NCC Development or Financial Contributions if applicable • NCC inspection fee \$125.00 each if required (minimum 1 inspection by NCC) • Compliance schedule fee if applicable
Un-authorised building works report		
Un-authorised building works report	\$100.00 lodgement / administration fee Payable on submission at NCC.	\$100.00 lodgement / administration fee Payable on submission at NCC.

7. Schedule 1 Exempt Building Works

Schedule 1 Applications	Fixed fee (GST incl)
Schedule 1 – no assessment by Territorial Authority, application placed on property file	100.00
Schedule 1 (k) – Requires Territorial Authority assessment and decision. Includes administration	300.00

8. Certificate of Compliance (District Licensing Agency)

- 8.1. Building Code compliance assessment for fire safety and sanitary facilities in a building, prior to an application for a Liquor Licence.
- 8.2. Fixed charge \$150.00 each (allows for 2 hours).

9. Register of Suppliers of Producer Statements

Application for addition to the Register	Fixed fee (GST incl)
Chartered Professional Engineers (CPENG)	\$50.00
Others	\$150.00

10. Reports of Building Consents Processed

Photocopied details (per annum)	\$125.00 (increased to reflect work involved and be closer to rates charged by other local DC)
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11. Photocopying Charges

- A4 Actual cost from copy service plus staff time;
- A3 Actual cost from copy service plus staff time;
- A2 Actual cost from copy service plus staff time;
- A1 Actual cost from copy service plus staff time.

12. Debt Recovery

- 12.1. Any costs incurred by Council from debt recovery shall be payable by the applicant.