

Building Fees and Charges



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Introduction

This brochure is to assist people understand the fee structure for building consent matters. It sets out how the charges are set for building consents, and associated activities and what they are for. The brochure only covers fees likely to be charged for a building consent and does not include details of other fees that may be payable such as resource consent fees, development levies, and services connections. These other charges vary from project to project.

The full list of fees is on the Marlborough District Council Web pages under fees. <http://www.marlborough.govt.nz/Services/Building-Consents/Fees.aspx>

How are Fees Set

All of our fees are set through the public consultative process which means they are publicly notified before being adopted by the Council. The public has the opportunity to make submissions on the fees during this period. The public notification period is advertised in newspapers and to the industry by articles in newsletters and emails. Once set the fees become standard charges for where they apply. They are not negotiable and are firm fees.

Fees are reviewed at least annually but the latest fees are those published on the Council web pages.

Basis for the Fees

The fee structure is maintained at a level that is as simple as possible to apply and understand. In general terms the fees are set so that the recovery is at an average level for each activity. That means we charge the same for an inspection irrespective of how long they take and what is involved. The alternative charge out systems would involve a significant increase in costs to customers because of the administration required for implementation. We try and recover the full cost of each building consent otherwise the costs of the work would fall onto Council ratepayers.

How Building Fees Compare With Other Councils?

Each Council has its own fee structure but we have compared our fees for an average dwelling with fees charged by most other Councils. Marlborough District Council charges are at the lower end of the average. Many Councils charge significantly more than we do and in some cases up to double the fees. Some charge less than we do but as a rule the lower charges are very little below ours.

How the Cost of Each Project is Worked Out

The fees for each project vary. The processing charges are value based. The inspection fees are determined by the number of inspections to be undertaken. Travel charges are distance based but are discounted on the basis that we will probably do more than one inspection when in an area. The other building consent charges are usually standard charges but will depend on the nature of the project

Small consents usually work out to be relatively expensive because they include some of the same tasks we have to undertake for large consents. This makes the fees for smaller works seem high relative to the value of the work.

The fees for some project where we have lesser involvement are specific to those projects. These include, solid fuel heaters and log fires, marquees and solar water heating systems.

Charges from other sections of Council are sometimes included with the building consent fees such as development levies and these apply specifically to some projects only. More about these in a later section.

Government levies for The Department of Building & Housing and BRANZ are also collected by Council and included with the building consent fees. These are only payable on projects valued at \$20,000 or more and are not Council charges.

When Fees are Payable

The Building Act 2004 sets out that fees should be paid before the Building Consent Authority undertakes any work in respect of a consent. That allows Councils to charge the processing fees on receipt of the application and to insist on all payments being made before the building consent is issued. Most Councils operate this way.

The Marlborough District Council only asks for the Project Information Memorandum fees on application. The balance of the fees are invoiced at the time the building consent is issued and are payable immediately. If the fees are not paid by the time the first inspection is called for then the Council may refuse to undertake inspections which effectively stops the work. This is a rare event and usually only applies to fee defaulters.

We are sometimes asked why we ask for payment for inspections prior to them being undertaken. The reason is because we expect all fees to be paid on issue of the building consent as we are empowered to do under the Building Act 2004. We give applicants a significant concession by not asking for any payments up front and by issuing the consent before any fees are paid. That concession will not be extended to after inspections are undertaken.

Our Charges in Detail

There are quite a few different charges and each one is set out here along with a description of what it applies to. The words in brackets are how the charge is coded on invoices.

1. **Building Consent Lodgement** (BLDLODGMNT)

This is an administration charge for the cost of receiving the application at the counter and covers the initial check of the application for completeness, the entering of the application into the computer systems, assembling of the application for later processing, issuing the consent and posting it out, and keeping of the records.

Standard Charge \$77.00

Application for fireplaces or minor alterations involving no services \$51.00

2. **Building Consent Processing** (BLDASSESS)

This is a variable charge and is generally value based. The fee covers the cost of reviewing the application for technical completeness before processing, processing the application or in other words assessing the application for compliance with the NZ Building code, granting the consent, liaison with the applicant or the agent, signing and stamping the approved plans.

Value up to and including \$5,000	\$51.00
Value between \$5001 - \$20,000	\$8.40 per \$1000 plus \$222.00
Value between \$20,001 - \$100,000	\$3.20 per \$1000 plus \$731.00
Discounted by \$100.00 if a Project Information Memorandum obtained.	
Value between \$100,001 - \$500,000	\$1.10 per \$1000 plus \$1124.00
Discounted by \$200.00 if a Project Information Memorandum obtained.	
Value \$500,000 and above	\$1.40 per \$1000 plus \$1,635.00
Discounted by \$250.00 if a Project Information Memorandum obtained.	

Solar water heating systems \$51.00

Processing charges based on value of project:

Value of Work

The value of work for setting of fees is set out in the Building Act 2004 as being the cost of undertaking the work inclusive of all labour and materials including GST for work commercially constructed. The value of work can be different from what it actually costs to do the work. This is often misunderstood especially by home builders who don't include their own labour costs or who supply the materials.

Multi Use Approval Applications

These are applications for standard projects such as group housing or standard garages. The projects are approved for multi use by the Department of Building and Housing. The role of Council is to approve the aspects of the consent relating to site specific conditions including foundations, plumbing & drainage and site works.

Value up to and including \$5,000	\$51.00
Value between \$5001 - \$20,000	\$102.00
Value between \$20,001 - \$100,000	\$204.00
Discounted by \$100.00 if a Project Information Memorandum obtained.	
Value between \$100,001 - \$500,000	\$307.00
Discounted by \$150.00 if a Project Information Memorandum obtained.	
Value \$500,000 and above	\$510.00
Discounted by \$200.00 if a Project Information Memorandum obtained.	

3. Inspections (BLDINSP)

This is a fixed charge to cover the cost of booking the inspection, the inspectors time preparing the application, undertake the inspection, make records, liaise with the people on site or owner, take photographs, and log the information into Council records. Each inspection is charged at the full rate. The inspectors time on site is just part of the time to undertake the process.

The number of inspections required for each project are set by the processing officer and are notified with the building consent.

At the time of issuing the Code Compliance Certificate the number of inspections undertaken is compared with the number paid for with the consent. If the number done is less than that charged then a refund of the difference is made. No application for this is needed, the refund will be posted out. If the number done exceeds the number charged for then the extra are invoiced and must be paid for before the Code Compliance Certificate will be issued.

Standard Inspection Charges

Inspections for solar water heaters, fireplaces,- each inspection	\$97.00
All other inspections - each inspection	\$123.00

4. Travel Charges (BLDTRAVEL)

Travel charges are the cost of travel for the inspector from the Council office to the building site. The charge includes a charge for road or boat travel and the inspector's time to travel. The fees are calculated separately for each project. The fees are discounted on the basis that we may do more than one inspection each trip.

Standard Travel Charges

Travel charge for building consent inspections charged at 0.35 cents/km or minimum charge whichever is the greater	\$0.36/km
Minimum charge	\$2.60

Boat Travel

Inner QCS to Scott Point and Parea Point	\$204.00
QCS out from Scott Point and Parea Point	\$256.00
Inner Pelorus to Tawero Pt and Opani-Aputu Pt	\$204.00
Pelorus out from Tawero Pt and Opani-Aputu Pt	\$256.00

Travel Time

Travel time is charged at the inspector's standard hourly rate of \$105.30 discounted by 50%. These costs will be high for projects located in remote locations because of the time it takes to travel to them.

5. Code Compliance Certificates (BLDCCOMP)

Code Compliance Certificates are a very important document that signify that all work is completed in accordance with the approved plans and specifications and complies with the NZ Building Code. The fee is for the administrative work involved in finalisation of the project, checking that all Council requirements have been met, inspections reconciliation, reviewing all inspections and dealing with omissions if any, issuing the CCC, keeping the project records and sending out the Code Compliance Certificate.

Fixed fee for Code Compliance Certificates:

Dwelling or other work up to \$150,000	\$41.00
Work over \$150,000 (Excludes Dwellings)	\$123.00
Solid fuel heaters and log fires, solar water heating systems, marquees	\$31.00

6. DBH and BRANZ Levies (BLDDBH) (BLDBRANZ)

These are levies that Council collects on behalf of the Department of Building & Housing (DBH), and the Building Research Association of NZ (BRANZ). They are not Council charges. They are levies collected by Council and forwarded onto the appropriate organisation. These charges only apply to project valued at \$20,000.00 and higher.

Levy Charges

BRANZ Levy Less than \$20,000	No Charge
BRANZ Levy \$20,000 and greater	\$1 per \$1000 project value
DBH Levy Less than \$20,000	No Charge
DBH Levy \$20,000 and greater	\$2.01 per \$1000 project value

7 BCA Accreditation charge

The Council is accredited as Building Consent Authority and is externally assessed on a two yearly rotation. The costs involved in accreditation are high and this charge is to recover some of the costs and is payable on all applications.

Projects valued at less than \$100,000	\$10.00
All other projects	\$50.00

8 Officer charge out rate (for work not covered by the schedule) \$105.30/hr.

9 Additional requests for information. The standard processing charge allows for a reasonable dialogue between the BCA and the applicant. Where additional information has to be asked for more than twice then all additional requests will be charged for at \$106 per request.

10 Project Information Memorandum

The fee for a standard Project Information Memorandum is \$340.00.

For minor work \$41.00.

For intermediate work \$170.00.

11 Planning & Services Confirmation

Where the applicant has received a Project Information Memorandum there is no further need to check planning and services requirements for a project. Where there is no Project Information Memorandum then planning and services requirements are checked as part of the building consent process. This is a time consuming process and the charge is to recover the cost of that work.

12 Other possible Charges

The charges listed in previous clauses are the main ones which apply to most consents. There are several other charges that may be levied with building consents and these are listed below.

- **Consultants Fees**

Where a project is forwarded to a consultant or the NZ Fire Service for checking or review then the cost of that is charged onto the applicant. The consultants fees are charge on in total. An additional 15% is added to cover the administration cost and time for liaison between Council and the Consultant.

- **Section 71 and 75 Title Notations**

Sometimes an endorsement is required to be placed on the title of a property or properties before a building consent can be issued. This will occur if the work is on more than one lot and can occur if the site is subject to a hazard. This is a legal notice and is handled by the District Solicitor whose charges are added to the building consent fees where this occurs. The standard charge is \$762.00 for each.

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- **Compliance Schedules**

Compliance schedules are required on commercial and industrial buildings that have certain safety features such as alarm systems, lifts, back flow prevention devices, automatic doors, thermal and smoke detectors and other items. The compliance schedule is issued in draft with the building consent and in final form when the Code Compliance Certificate is issued.

Compliance Schedules \$61 for first system and \$31 for each subsequent system.

An ongoing annual charge of \$31.00 is made for all premises holding compliance schedules to cover the cost of auditing and verifying compliance schedules and building warrants of fitness are being administered correctly.

- **Miscellaneous Charges**

Development levies, reserves contributions, services contributions, connection fees for water supplies, connection fees for drainage, backflow prevention fees, and other similar charges may also be levied with the building consent. These are not building consent charges but come from resource consent conditions, or are generated when one of the other services is required. In some cases these charges will be invoiced at the same time as the building consent but will be included with a separate invoice as the time for payment may vary from that of the building consent.

FURTHER INFORMATION

**For further information on any building consent matter, please call the Council's Customer Service Centre. Remember to Quote your Building Consent Number.
(03) 520 7400**

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