



Order Paper For The Meeting Of The

Hearing of Submissions on the Review of Fees and Charges 2016

**Tuesday 14 June commencing at 9.00am
at QLDC Council Chambers, 10 Gorge Road, Queenstown**

QUEENSTOWN LAKES DISTRICT COUNCIL

RESOURCE CONSENT HEARING

Proposed Fees and Changes – Planning and Development

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Proposed Fees and Charges Report to Hearings Panel

**Hearing Panel
14 June 2016**

Report for Agenda Item: Fees and Charges Review

Department: Planning & Development

**Title Report on submissions received on Proposed Fees and Charges Review –
Planning and Development**

Purpose

- 1 The purpose of this report is to report on submissions received to the Special Consultative Procedure proposal to increase fees and charges for Planning and Development.

Recommendation

That the Hearing Panel

1. **Note** the contents of this report and consider the submissions received;
2. Recommend to Council the adoption of the proposed fees and charges schedule as shown in Attachment 1.

Prepared by:



Tony Avery
General Manager Planning and
Development

8/06/2016

Background

- 2 The 28 April Council meeting approved a Special Consultative Procedure to publicly consult on a proposal to increase fees and charges for the Planning and Development related services.
- 3 The 28 April Council report, which included the Statement of Proposal that was publicly available is attached as Attachment 2.
- 4 The proposal was advertised on 30 April 2016 and closed on Tuesday 31 May 2016.
- 5 Two submissions were received, both opposing the proposal.

Comment

- 6 The two submissions received were from Andre Frexio and Willowridge Developments Limited.
- 7 **Andre Frexio** – no reasons were given for Mr Frexio's opposition to the proposal. He has asked to be heard.
- 8 **Willowridge Developments Ltd** – While the submitter originally asked to be heard, they have subsequently said that they no longer wish to be heard. The reasons stated for Willowridge's opposition are:
 - a. Willowridge objects to the increase in hourly rates proposed for resource consents and engineering. Willowridge considers the fee's for processing applications are already excessive and any increase is not justifiable.

Response

There has been no increase in fees since 2009, other than to take account of the GST increase in 2011, and as a result the present fees and charges have not kept pace with inflation and the increased costs being experienced across Building Control, Resource Consenting and RM Engineering. The cost of providing Building Control services has also continued to increase as a result of a higher standards being required in order to maintain accreditation, both in processing systems and in the number of inspections required of the physical building work. Council charges have not kept up with those increased requirements. The costs of providing resource consenting services has also increased over time as a result of changes to the Resource Management Act, the complexity of the Council's planning framework and the extra demands that are being made to ensure appropriate decisions are being made.

There is a need to increase those fees and charges in order to meet the Council's funding policy and in order to recover costs appropriately for providing those services.

Attached (Attachment 3) is a recent report resulting from a review that was undertaken by Tattico on the proposed fees and charges increase. It

notes that, when compared to other comparable Councils, the new proposed fees are reasonable and still at the lower end of what other councils are charging.

- b. The review of Fee's and Charges states that the funding policy requires 80% of funding the various planning activities to be met privately and 20% publicly funded. Willowridge believes the proposed charges will result in a revenue well in excess of 80% of the private funding required. The proposed fee's are on a par with fee's charged by private consultants and do not reflect 80% of the actual cost of the public service.

Response

If the proposed increase in fees and charges is approved, the financial modelling undertaken shows that the total costs of the Resource Consenting, Building Control and Resource Management Engineering services would be funded 80% by the new fees and charges. The total costs of providing those services includes a range of non-chargeable activities such as front counter public enquiries, the first hour of the pre-application process being free. Those and other back-office activities which are integral to the delivery of the services are funded by the 20% rates funded that are budgeted as part of the Council's overall funding mix.

The report from Tattico also agrees that the proposed 80:20 split is appropriate to fund a range of non-chargeable activities which they identify.

- c. In 2012 QLDC consulted on a proposal to introduce fixed resource consent fee's. The model proposed at the time contained certain flaws but the principle was positive in that it would provide clarity for the applicant as well as ensuring efficient, cost-effective processing of applications by QLDC. Willowridge requests that QLDC give further consideration to a fixed-fee regime and retains the current charge-out rates until a fixed fee system has been investigated

Response

A fixed fee regime was considered by the previous Council and was rejected. A fixed fee regime is based on an average price which then tends to penalise applications for minor activities, or well put together applications. It can also act as a disincentive for applicants to improve the quality of their applications as the extra time that is required to process poorer applications is not then reflected in the cost charged. A fees system that is based on an initial fee that in the majority of cases will cover the costs of processing the consent application, with an hourly rate charge to cover any extra time needed, is considered to be the fairest and most equitable basis for charging.

The report from Tattico also agrees that an hourly rate basis for charging is appropriate.

Options

9 The Statement of Proposal identified and assessed the reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002 and they are repeated below:

10 Option 1 Retain the current fee schedule

Advantages:

- Does not increase costs to the industry
- Retains the fees structure that many are familiar with
- Does not require a separate Special Consultative Procedure as no change is proposed

Disadvantages:

- Does not reflect the true costs of providing the services or inflation since the charges were last set
- A number of services that are currently provided would continue to not be able to be charged for
- Unlikely to meet the revenue targets or achieve the funding policy for the Planning and Development activities as contained in the draft 2016/17 annual plan and may result in a funding deficit for the year
- Likely to result in increased rating being required to fund the activities in the future

11 Option 2 Increase Council fees and charges as shown in Appendix A of Attachment 2.

Advantages:

- Reflects the true costs of providing the services
- Provides for the charging for services currently provided but which are not able to be charged for under the present fees schedule
- Should be able to achieve the revenue targets and achievement of the funding policy outcomes as contained in the Draft 2016/17 Annual Plan

Disadvantages:

- Increases costs to the industry

12 Option 3 Increase Council fees and charges, but to a lesser extent to that shown in Appendix A of Attachment 2.

Advantages:

- Reduces the cost increase to the industry and goes some way to reflecting the true costs of providing the services
- Provides for the charging for services currently provided but which are not able to be charged for under the present fees schedule

Disadvantages:

- Increases costs to the industry
- Unlikely to achieve the revenue targets and funding policy outcomes as contained in the Draft 2016/17 Annual Plan
- Likely to result in increased rating being required to fund the activities in the future

The Council resolved to consult on Option 2 as its preferred option for addressing the matter.

Comment

Two submissions were received on the Special Consultative Procedure proposal to increase fees and charges for Planning and Development. This report provides a response to the issues raised by those submissions and recommends that the fees and charges schedule as shown in Attachment 1 be recommended for adoption by the Council.

Attachments

- 1 Building Consent, Resource Consent and Engineering Fees and other Charges
- 2 28 April Council report with Statement of Proposal
- 3 Tattico Review
- 4 Submissions

ATTACHMENT 1

Building Consent, Resource Consent and Engineering Fees and other Charges

Building Consent Fees and Other Charges - June 2016

The following schedule is for charges under the Building Act 2004 and is effective from 1st July 2016.

- All charges and initial fees are inclusive of GST and are payable on application.
- The initial fees are minimum charges based on the expected reasonable costs relative to the estimate value of work. Further costs will be invoiced on a time basis and are payable before further work is completed.
- The Estimated Value of Building Work is defined in section 10 of the Goods and Services Act 1985, which includes the cost of building materials, labour, design costs, siteworks, but excludes furnishings, carpets and appliances.
- The use of external consultants where required will be charged on a full recovery basis. Disbursements will be charged on a full recovery basis.

HOURLY RATES	\$
Building Officer	145.00
Administration	90.00

BUILDING CONSENT NO PIM (Initial Fee)	(No PIM) \$
Estimated Value of Building Work (Incl GST)	
- - 5,000	325.00
5,001 - 20,000	715.00
20,001 - 180,000 Unlined Accessory Building	1,155.00
20,001 - 180,000	1,750.00
180,001 - 500,000 Single Residential	2,850.00
180,001 - 500,000 Commercial	3,100.00
500,001 - 1,000,000 Single Residential	4,350.00
500,001 - 1,000,000 Commercial	4,800.00
Over 1,000,000 *	5,300.00
* for every \$50,000 or part thereof over \$1,000,000 an additional initial fee of \$55.00	

BUILDING CONSENT INCL PIM (Initial Fee)	(Incl PIM) \$
- - 5,000	365.00
5,001 - 20,000	755.00
20,001 - 180,000 Unlined Accessory Building	1,180.00
20,001 - 180,000	1,775.00
180,001 - 500,000 Single Residential	2,875.00
180,001 - 500,000 Commercial	3,125.00
500,001 - 1,000,000 Single Residential	4,375.00
500,001 - 1,000,000 Commercial	4,825.00
Over 1,000,000 *	5,325.00
* for every \$50,000 or part thereof over \$1,000,000 an additional initial fee of \$55.00	

SPECIFIC BUILDING TYPE (Initial Fee)	\$
Heating Appliances	295.00
Demolition - Residential	230.00
Demolition - Commercial	335.00
Demolition - Minor	115.00

GOVERNMENT LEVIES (for all building work of value \$20,000 and over)	
Building Research Levy BRANZ	\$1.00 per \$1,000 of building work
Department of Building and Housing Levy	\$2.01 per \$1,000 of building work

BUILDING ADMINISTRATION (Initial Fee)	\$
Minor Plan Variation (No additional processing work and very simple changes)	110.00
Relodged / Split Building Consent Application (no change in value of work)	420.00
PIM only - Residential (cost is later deducted from subsequent full Building Consent Initial Fee)	230.00
PIM only - Commercial (cost is later deducted from subsequent full Building Consent Initial Fee)	390.00
PIM Amendment Assessment	70.00
Certificate of Public Use (sect 363)	235.00
Certificate of Public Use amendment (sect 363)	115.00
Change of Use Consideration (if no building work required)	80.00
Exempted Building Work consideration	110.00
Certificate of Acceptance	Full Building Initial Fee based on value of work
Relocation assessment and report	235.00
Notice to Fix (where no building consent active)	235.00
Building Across 2 allotments (sect 75)	hourly rate plus legal disbursements
Natural Hazards (sect 72 certificate)	hourly rate plus legal disbursements
Alternative Solution Approval	hourly rate
Pre-Application meetings	hourly rate
Cancellation of Building Consent	unused initial fee returned
Application to extend time for which Building Consent is valid	70.00
Monthly BC Issue information report - per annum (or \$35 per month)	360.00

RELATED APPROVALS (Fixed Fee)		\$
Building Certification - Sale of Liquor Act		140.00
Utility Services - admin fee only (new connection Water, Sewer, Stormwater, Crossing) - each		60.00
Utility Services - Approval and inspections of physical works - each		130.00

FOOTPATH BONDS	
Footpath bonds	per separate schedule

BUILDING WARRANT OF FITNESS CHARGES (Fixed Fees)		\$
Compliance Schedule (issue and register)		235.00
Amended Compliance Schedule		115.00
Annual BWOFF certificate		90.00
BWOFF audit on-site (approx 3 year intervals)		hourly rate

FENCING OF SWIMMING POOLS (Fixed Fee)		\$
Initial Pool Inspection or Application for Exemption		220.00
Annual Inspection for Exemptions granted (Additional fee required if failure, and re-inspection necessary)		130.00

NEW ZEALAND FIRE SERVICE - DESIGN REVIEW UNIT (Fixed Fee)		\$
Some plans will require assessment by the NZ Fire Service. This assessment will incur a charge from the Fire Service, based on the time required, which will be passed on to the applicant, and an administration fee of \$60 will also be charged to cover costs incurred by Queenstown Lakes District Council.		65.00

LAND INFORMATION MEMORANDUM (Fixed Fee)		\$
Residential - standard 10 working days		200.00
Commercial - Standard 10 working days		305.00
Residential - Speedy 3 working days		315.00
Commercial - Speedy 3 working days		420.00

Resource Consent and Engineering Fees and Other Charges- June 2016

Charges for processing resource consents and undertaking related activities have been set by the Queenstown Lakes District Council in accordance with section 36(1) of the Resource Management Act 1991. Council has fixed a formula for charges as provided by section 36(1). The charges are comprised of an administrative fee of \$225.00 including GST per consent, plus an amount calculated as the reasonable time spent processing the application by the staff involved at the hourly rates scheduled below. The initial fees and charges are set out below.

In accordance with section 36(3) the applicant is also required to pay an additional charge to cover the actual and reasonable cost of items such as printing, advertising, postage, additional reports and commissioners that may be required in the processing of their application.

At the time of lodging an application the applicant is required to pay the applicable initial fee set out below. They will then be invoiced monthly for other amounts payable under the fixed formula and for any additional charges payable under section 36(3).

Where the cost of processing an application is less than the initial charges refund will be given.

Applications will not be received and processing will not continue while charges remain unpaid or overdue.

The following schedule of initial fees and charges is effective from 1st July 2016.

- All charges and initial fees are inclusive of GST and are payable on application.
- The initial fees are minimum charges based on the expected reasonable costs relative to the work. Further costs will be invoiced on a time basis and are payable before further work is completed.
- The use of external consultants where required will be charged on a full recovery basis. Disbursements will be charged on a full recovery basis.

HOURLY RATES	\$
Senior Planner	165.00
Planner	145.00
Monitoring	145.00
Compliance	145.00
Development Contributions Officer	145.00
Engineering	165.00
Environmental Health	125.00
Administration Support	90.00

INFRASTRUCTURE - HOURLY RATES SET ANNUALLY	\$
Senior Infrastructure Engineer	165.00
Infrastructure Engineer/ Logistics	145.00
Infrastructure Other	145.00
Parks & Reserves Planner	145.00

MONITORING (Initial Fees)	\$
Land Use Monitoring	145.00
Earthworks Monitoring	290.00

ADMINISTRATIVE CHARGE (Fixed fee)	\$
Administrative charge per consent	225.00

PRE-APPLICATION MEETINGS (Initial Fees)	\$
Pre-Application Meeting (Minor) - first hour free, after which at the applicable hourly rate.	hourly rate
Pre-Application Meeting – complex applications requiring input from multiple Council departments	1,500.00

LAND USE CONSENTS (Initial fees)	
Breach of site standard other than earthworks (all zones except Town Centre, Business and Industrial)	825.00
Breach of site standard other than earthworks, Town Centre, Business and Industrial zones	1,025.00
Breach of zone standard (all zones except Town Centre, Business and Industrial)	1,300.00
Breach of zone standard Town Centre, Business and Industrial zones	1,950.00
Comprehensive residential development Low Density Residential zone	5,650.00
Controlled Activity	980.00
Design control minor (e.g. building in Town Centre, Business or Industrial zones or dwelling in any special zone)	980.00
Design control other (e.g. dwelling in Rural Residential zone or dwelling on a platform in Rural Lifestyle zone)	1,280.00
Earthworks minor (e.g. single dwelling or similar)	1,025.00
Earthworks other	3,125.00
Establish residential building platform in Rural General	3,850.00
Extensions or alterations to existing Rural General dwelling	1,300.00
Heritage Orders	1,950.00
Minor alterations to heritage building	515.00
New Rural General dwelling not on building platform	3,850.00
Non-residential activity in residential or special zones	3,200.00
Signs	640.00
Visitor accommodation 1-2 units Low Density Residential zone	1,025.00
Visitor accommodation multi-units Low Density Residential zone	6,400.00
Visitor accommodation 1-2 units High Density Residential zone	640.00

Visitor accommodation or residential multi-units High Density Residential zone	5,125.00
Other applications	1,025.00

SUBDIVISION CONSENTS (Initial fees)	\$
Amalgamation Certificate - fixed fee	102.00
Boundary adjustment	1,025.00
Controlled activity up to two lots	1,300.00
Controlled activity more than two lots	1,950.00
Engineering Review & Acceptances, Inspections and Road Naming (Initial Fee)	412.50
Other subdivision (e.g. Rural Residential, Rural Lifestyle)	3,200.00
Rural General subdivision	3,850.00
Registered Bond / release of Registered Bond (each)	102.00
Right of Way consent	512.00
Section 223 Certificate	140.00
Section 224(c) Certificate	250.00
Signing and Sealing other plan or certificate	102.00
Development Contribution Assessment and Estimates - residential	145.00
Development Contribution Assessment and Estimates - commercial	290.00

MULTIPLE ACTIVITIES

Where an application includes both land-use and subdivision activities or multiple activities, only the higher or highest relevant charge is payable

OTHER APPLICATIONS / PROCESSES (Initial Fees)	
Notice of Requirement for a Designation	3,850.00
Alteration of Designation	640.00
Removal of Designation or Heritage Order	195.00
Certificate of Compliance	640.00
Existing Use Certificate	640.00
Extension of lapse period of a resource consent	640.00
Outline Plan Approval Section 176A	640.00
Outline Plan Waivers Section 176A(2)(c)	300.00
Overseas Investment Certificate	640.00

Surrender of consent	195.00
Trees e.g. <i>trimming or removal of protected or heritage tree</i> Residential Arrowtown Historic Management zone (with supporting Arboriculturist's report)	195.00
Variation to resource consent conditions	640.00
Traffic Management Plans	125.00
Licence to Occupy	600.00
Temporary Road Closures	500.00

OTHER APPLICATIONS / PROCESSES (Fixed Fees)		
Urban Design Panel (prior to lodging resource consent)		250.00
Urban Design Panel (post lodging resource consent)		500.00
Corridor Access (Road Opening Permits)	< 20 m	187.50
	20-100 m	375.00
	100-500 m	562.50
	500-2000 m	750.00
	> 2000 m	1,875.00
Engineering Connection to Council Services (one connection)		250.00
Engineering Connection to Council Services (for each additional connection)		120.00

NOTIFIED AND LIMITED NOTIFIED APPLICATIONS (Initial Fees)		
Limited Notification / Service (Section 95B)		
The charges fixed by council under section 36(1) include the following extra charge if limited notification of an application is required. The extra limited notification charge is also payable at the time of lodgement. However, where the need for notification / service is not apparent at the time of lodgement, the extra \$1,300 is payable as soon as it becomes apparent that limited notification is required.		1,300.00
Notified Applications (Section 95A or 95C) (Initial Fees)		
The charges fixed by council under section 36(1) include the following extra charge if full notification of a resource consent or designation is required. The extra notification charge is payable at the time of lodgement or as soon as it becomes apparent that notification is required and is to proceed. Public notification will not occur before payment is made.		4,500.00
INITIAL CHARGES FOR HEARINGS (Initial Fees)		
Where a hearing is required the applicant is liable to pay the costs for Commissioners attending hearings, undertaking site inspections and writing decisions as well as the cost of attendance of professional and secretarial staff.	Half Day	6,000.00
	Full Day	11,000.00

<p>Prior to a hearing date being confirmed, an estimate of the hearing time (including site visit) will be made and the applicant will be required to pay the appropriate hearing initial fee. If the cost of the hearing and decision writing exceeds the hearing initial fee, the additional amounts will be invoiced. If actual charges are less than the initial fee, a refund will be issued.</p>	<p>Each additional day</p>	<p>9,700.00</p>
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ATTACHMENT 2

28 April Council report with Statement of Proposal

**QLDC Council
28 April 2016****Report for Agenda Item: 3****Department: Planning & Development****Fees and Charges Review – Planning and Development****Purpose**

- 1 To consider the outcomes of a funding review in respect of revenue for Planning and Development and to propose that a Special Consultative Procedure be undertaken on a proposed increase in Council fees and charges.

Executive Summary

- 2 Council has recently been undertaking a review of its funding policy and approach and this has resulted in changes to the revenue requirements contained in the Council's Draft 2016/17 Annual Plan which is currently being consulted on. In order to meet the Council's funding policy and revenue targets, an increase in fees and charges is required for Planning and Development. In addition a review of the overall fees and charges has identified a number of services presently provided, for which no fee or charge is specified.
- 3 The Local Government Act 2002 and Resource Management Act 1991 require that charges made for regulatory services are adopted following a Special Consultative Procedure.

Recommendation

That Council:

1. **Note** the contents of this report and the Statement of Proposal; and
2. **Adopt** the Statement of Proposal for consultation.

Prepared by:



Tony Avery
GM Planning
Development
13/04/2016

Reviewed and Authorised by:



Mike Theelen
Chief Executive
20/04/2016

and

Background

- 4 Council has recently undertaken a review of its funding policy and approach and this has resulted in changes to the revenue requirements contained in the Council's Draft 2016/17 Annual Plan which is currently being publicly consulted on. A significant lift in revenue is included in the plan for the Planning and Development area.
- 5 At the same time, a workforce resourcing review has been underway within Planning and Development in response to the significant development pressures and growth, as evidenced by the increased number and value of consents and approval requests received across all areas of Planning and Development. This is likely to result in a need for increasing resources in order to be able to keep pace with that demand and has been matched with a continued focus on lifting productivity levels within the teams to ensure that they are operating efficiently.
- 6 While some of that increased revenue within the Planning and Development area will result from the increased levels of activity being experienced, and through a continued drive to greater efficiency within the team, that alone will not provide for the additional revenue.
- 7 Fees and charges across Planning and Development have not increased since 2009 and do not currently meet the costs of providing for many of the services provided. There is a need to increase those fees and charges in order to meet the Council's funding policy and in order to recover costs appropriately for providing those services.
- 8 The Local Government Act 2002 and Resource Management Act 1991 require that any change in the Council's fees and charges can only be made following a Special Consultative Procedure.

Proposal

- 9 Council has a funding policy that requires the following public-private split for funding the various activities within Planning and Development:

Area	Private	Public
Building Control	80	20
Resource Consents / RM Engineering	80	20

- 10 The private contribution is through the fees and charges the Council charges for the delivery of certain services. There has been no increase in fees since 2009, other than to take account of the GST increase in 2011, and as a result the present fees and charges have not kept pace with inflation and the increased costs being experienced across Building Control, Resource Consenting and RM Engineering. The cost of providing Building Control services has also continued to increase as a result of a higher standards being required in order to maintain accreditation, both in processing systems and in the number of inspections

required of the physical building work. Council charges have not kept up with those increased requirements. The costs of providing resource consenting services has also increased over time as a result of changes to the Resource Management Act, the complexity of the Council's planning framework and the extra demands that are being made to ensure appropriate decisions are being made.

- 11 Modelling has been undertaken across the Planning and Development area to ensure that the fees are appropriately reflective of the cost of providing the service and are in line with Council's funding policy. The modelling involved the following:
 - a. A full review of roles and activities across the three areas of Planning and Development was completed to reset productivity targets by role for chargeable and public good processing work.
 - b. Each revenue stream for each of the three areas was analysed and volumes forecast for the 2016/17 year.
 - c. The combination of the first two pieces of work produced a cost for workforce and contractor resource by area.
- 12 With the cost structure finalised, the future 2016/17 volume forecast was utilised to calculate the required revenue under the Council's funding policy, which has resulted in the proposed fee increases of on average between 5 and 25% as shown in Appendix A to the Statement of Proposal.

Comment

- 13 Any increase in fees needs to be carefully considered as it does impose additional costs onto the industry. However there is a cost to the Council and ultimately the ratepayers if the fees for the services are not set at an appropriate level to be able to recover the true costs of providing those services, in accordance with the Council's funding policy.
- 14 In proposing the extent and level of fees increase, consideration has also been given to similar charges from other councils from a comparison point of view. The proposals would lift QLDC's fees to comparable levels with other councils, noting that a straight comparison with printed fees schedules needs to be treated with some caution.
- 15 It is proposed to increase the hourly rate for the range of services provided, and to provide a greater level of differentiation in hourly rate charges to reflect the experience levels and resultant costs.
- 16 It has also been made clear that when external consultants are used, that the full cost of those consultants will be on-charged to the applicant. This provides for the situations where external professional advice may be needed in assessing an application, for necessary peer reviews and for when external resources are needed to undertake the processing of applications. In all such cases, the applicant would be informed of the need for the work and the charges. While that

is no change from the current operations, the proposed fees schedule makes it clearer.

- 17 The current fees schedule is often unclear as to whether the fee shown is a “fixed fee” for the delivery of the service for which no further charges would be required, or an “Initial fee” which is set at a level that, on average, should cover the costs of providing the service but which also provides for further charges on the hourly rate basis for more complicated or larger applications. This has been clarified in the proposed fees schedule.
- 18 The titles and headings have also been reviewed and in some cases changed to ensure they describe more accurately the service.
- 19 In undertaking the review, it has also become apparent that there are a number of Planning and Development services provided currently which should be charged for, as they are primarily of private benefit, but for which there is no set fee. The attached proposed fees schedule includes those services with a proposed fee.
- 20 The proposed fee schedule also includes a proposed new pre-application process which would be an added and new service offering. While there is a present pre-application process that provides for an hour of free time, there is currently no way of charging for the time that would be required to work through a proper pre-application process for larger developments that would require input and the involvement of multiple Council departments. This would be an optional service that an applicant could choose to utilise, knowing that they will then be charged for it. The benefits to the applicant are a more thorough review and input at an early stage of a development proposal that should provide for a smoother and faster progress thorough the Council's consenting and approval processes, and/or an early indication of any difficulties that Council foresees with the proposal. The fee proposed is an initial fee only, with the costs of the various Council departments' involvement being able to be charged for.
- 21 In fixing any fee or charge under the RMA, Council must consider whether the proposed increases in the fees and charges are necessary in order for the Council to be able to recover the reasonable costs it incurs in providing those services. The purpose of the increased fees and charges and the basis for setting the fees and charges are set out elsewhere in this report. The Council must also have regard to the appropriate persons that should be charged any fee or charge. The Council is satisfied that the benefits of the actions undertaken by Council and which are included in the fees and charges schedule are obtained by the person proposed to be charged. Council's funding policy also establishes the split between private-public benefit of these activities which have been applied to the proposed fees and charges structure.

Options

- 22 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.
- 23 Option 1 Retain the current fee schedule

Advantages:

- 24 Does not increase costs to the industry
- 25 Retains the fees structure that many are familiar with
- 26 Does not require a separate Special Consultative Procedure as no change is proposed

Disadvantages:

- 27 Does not reflect the true costs of providing the services or inflation since the charges were last set
 - 28 A number of services that are currently provided would continue not to be able to be charged for
 - 29 Unlikely to meet the revenue targets or achieve the funding policy for the Planning and Development activities as contained in the draft 2016/17 annual plan and may result in a funding deficit for the year
 - 30 Likely to result in increased rating being required to fund the activities in the future
- 31 Option 2 Increase Council fees and charges as shown in Appendix A to the Statement of Proposal

Advantages:

- 32 Reflects the true costs of providing the services
- 33 Provides for the charging for services currently provided but which are not able to be charged for under the present fees schedule
- 34 Should be able to achieve the revenue targets and achievement of the funding policy outcomes as contained in the Draft 2016/17 Annual Plan

Disadvantages:

- 35 Increases costs to the industry
- 36 Option 3 Increase Council fees and charges, but to a lesser extent to that shown in Appendix A to the Statement of Proposal

Advantages:

- 37 Reduces the cost increase to the industry and goes some way to reflecting the true costs of providing the services
- 38 Provides for the charging for services currently provided but which are not able to be charged for under the present fees schedule

Disadvantages:

- 39 Increases costs to the industry
- 40 Unlikely to achieve the revenue targets and funding policy outcomes as contained in the Draft 2016/17 Annual Plan
- 41 Likely to result in increased rating being required to fund the activities in the future
- 42 This report recommends **Option 2** for addressing the matter.

Significance and Engagement

- 43 This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy because it relates to the on-charging and recovery of the costs associated with providing services that are utilised by a large number of people in the Queenstown Lakes District. The item will have implications for the environment, specific sectors of the community and have an impact on the Council's capability and capacity.

Risk

- 44 This matter relates to the strategic risk SR1 and SR2, which relate to current and future development needs of the community (including environmental protection), and business capability planning, as documented in the Council's risk register. The risk is classed as moderate. This matter relates to this risk because the agenda item relates to funding of the key regulatory services provided by Council.
- 45 The recommended option considered above mitigates the risk by: Treating the risk - putting measures in place which directly impact the risk. Increasing fees will help ensure the current and future development needs of the community (including environmental protection), and business capability planning, are provided for.

Financial Implications

- 46 As outlined in this report, increasing the fees is required in order to be able to meet the revenue and funding policy requirements contained in the Draft 2016/17 Annual Plan. While a continued focus on efficiency and productivity within the teams, coupled with an increased level of applications that are able to be charged for, will positively impact on revenue throughout the year, this is unlikely to be able to achieve the targets.
- 47 The fees schedule currently does not allow for the recovery of the true cost of providing the services.

Council Policies, Strategies and Bylaws

- 48 The following Council policies, strategies and bylaws were considered:
 - Operative District Plan

The recommended option is consistent with the principles set out in the named policy/policies in the sense that the Council will have sufficient revenue to ensure the delivery of regulatory services arising out of the Local Government Act, Resource Management Act and other legislative requirements.

49 This matter is not included in the 10-Year Plan/Annual Plan.

- The review of fees and charges has been undertaken, together with a review of workforce requirements across the Planning and Development Department, over the last three months and the results were not available in time to be considered as part of the Draft 2016/17 Annual Plan process

Local Government Act 2002 Purpose Provisions

50 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by helping to meet the true cost of providing core services to a level consistent with the Council's funding policy split between private and public good;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

51 The persons who are affected by or interested in this matter are any potential applicants for building consents, resource consents, resource management engineering approvals and related activities, the industry involved in undertaking, managing or delivering on building or development projects, as well as the wider public who benefit from the delivery of these services.

52 The Council last increased its fees in 2009. There has been no consultation undertaken around this proposed increase in fees to date.

53 A full Special Consultative Procedure is required under the Local Government Act 2002 and the Resource Management Act 1991 in setting any fees and it is recommended that that process be initiated.

Legal Considerations and Statutory Responsibilities

54 The Local Government Act 2002 and Resource Management Act 1991 require that charges made for regulatory services are adopted following a Special Consultative Procedure.

Attachments

- A Statement of Proposal: Proposed Fees And Charges Review, Planning and Development
 - Appendix A: Proposed Building Consent Fees and Other Charges
Proposed Resource Consent and Engineering Fees and Other Charges
 - Appendix B: Current vs Proposed Fee Schedule



**PROPOSED FEES AND CHARGES REVIEW
PLANNING AND DEVELOPMENT**

STATEMENT OF PROPOSAL

1. INTRODUCTION

- 1 Section 36 of the Resource Management Act 1991 (RMA) enables the Queenstown Lakes District Council (the Council; 'QLDC') to set fees and charges payable by applicants for resource consent, by holders of resource consents, and for other matters set out in section 36 that relate to the Council's administration of its functions under the RMA.
- 2 Sections 219 and 240 of the Building Act 2004 (Building Act) enable the Council to set fees and charges in relation to a building consent and for the performance of any other function or service under the Building Act.
- 3 The Council has undertaken a review of the present fees and charges, which have not been reviewed since 2009 and do not currently meet the costs of providing for many of the services that the Council provides. The Council is considering whether the present fees and charges should be revoked, and replaced with the proposed Queenstown Lakes District Council fees and charges.
- 4 In proposing the extent and level of fees increase, consideration has also been given to similar charges from other councils from a comparison point of view. The proposals would lift QLDC's fees to comparable levels with other councils, noting that a straight comparison with printed fees schedules needs to be treated with some caution.
- 5 This Statement of Proposal has been prepared in accordance with the requirements of sections 83 of the Local Government Act 2002 (LGA).

2. PROPOSAL

- 6 It is proposed to increase the fees and hourly charge out rates by an average of between 5% and 25%, and to provide a greater level of differentiation in hourly rate charges to reflect the experience levels and resultant costs. The proposed new fees and charges are set out in **Appendix A**. **Appendix B** shows the comparison between the current and proposed fees and charges.
- 7 Any increase in fees needs to be carefully considered as it does impose additional costs onto the industry. However, there is a cost to the Council and ultimately the ratepayers if the fees for the services are not set at an appropriate level to be able to recover the true costs of providing those services, in accordance with the Council's funding policy.
- 8 The proposed new fees and charges schedules make it clearer that when external consultants are used, the full cost of those consultants will be on-charged to the applicant. This provides for the situations where external professional advice may be needed in assessing an application, for necessary peer reviews and for when external resources are needed to undertake the processing of applications. In all such cases, the applicant would be informed of the need for the work and the charges. While that is no change from the current operations, the proposed schedules make it clearer.
- 9 The current fees schedule is often unclear as to whether the fee shown is a "fixed fee" for the delivery of the service, for which no further charges would be required, or an "Initial fee" which is set at a level that, on average, should cover the costs of providing the service but which also provides for further charges on

the hourly rate basis for more complicated or larger applications. This has been clarified in the proposed fees schedule.

- 10 The titles and headings have also been reviewed and in some cases changed to ensure they describe more accurately the service.
- 11 In undertaking the review, it became apparent that there are a number of Planning and Development services currently being provided which should be charged for, as they are primarily of private benefit, but for which there is no set fee. The attached proposed fees schedule includes those services with a proposed fee.
- 12 Charges for preparing Development Contribution Estimates, and for undertaking Development Contribution Assessments have also been introduced, as these assessments are increasingly time consuming and require dedicated staff resources.
- 13 The proposed fee schedule also includes a proposed new pre-application process which would be an added and new service offered. While there is a present pre-application process that provides for an hour of free time, there is currently no way of charging for the time that would be required to work through a more comprehensive pre-application process for larger developments that would require input and the involvement of multiple Council departments. This would be an optional service that an applicant could choose to utilise, knowing that they will then be charged for it. The benefits to the applicant are a more thorough review and input at an early stage of a development proposal that should provide for a smoother and faster progress through the Council's consenting and approval processes, and/or an early indication of any difficulties that Council foresees with the proposal. The fee proposed is an initial fee only, with the costs of the various Council departments' involvement being able to be charged for.

3. REASON FOR PROPOSAL

- 14 Council has a funding policy that requires the following public-private split for funding the various activities within Planning and Development:

Area	Private	Public
Building Control	80	20
Resource Consents / RM Engineering	80	20

- 15 The private contribution is through the fees and charges the Council charges for the delivery of certain services. There has been no increase in fees since 2009, other than to take account of the GST increase in 2011, and as a result the present fees and charges have not kept pace with inflation and the increased costs being experienced across Building Control, Resource Consenting and RM Engineering. Council charges have not kept up with those increased requirements.
- 16 The costs of providing building control services have continued to increase as a result of a higher standards being required in order to maintain accreditation, both

in processing systems and in the number of inspections required of the physical building work.

- 17 The costs of providing resource consenting services has also increased over time as a result of significant changes to the RMA in March 2015, the complexity of the Council's planning framework and the extra demands that are being made to ensure appropriate decisions are being made.
- 18 Modelling has been undertaken across the Planning and Development area to ensure that the fees are appropriately reflective of the cost of providing the service and are in line with Council's funding policy. The modelling involved the following:
 - a. A full review of roles and activities across the three areas of Planning and Development was completed to reset productivity targets by role for chargeable and public good processing work.
 - b. Each revenue stream for each of the three areas was analysed and volumes forecast for the 2016/17 year.
 - c. The combination of the first two pieces of work produced a cost for workforce and contractor resource by area.
- 19 With the cost structure finalised, the future 2016/17 volume forecast was utilised to calculate the required revenue under the Council's funding policy, which has resulted in the proposed fee increases of on average between 5% and 25% as shown in the proposed fees and charges.

4. OPTIONS CONSIDERED

- 20 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.

21 Option 1 Retain the current fee schedule

Advantages:

- Does not increase costs to the industry
- Retains the fees structure that many are familiar with
- Does not require a separate Special Consultative Procedure as no change is proposed

Disadvantages:

- Does not reflect the true costs of providing the services or inflation since the charges were last set
- A number of services that are currently provided would continue not to be able to be charged for
- Unlikely to meet the revenue targets or achieve the funding policy for the Planning and Development activities as contained in the draft 2016/17 annual plan and may result in a funding deficit for the year

- Likely to result in increased rating being required to fund the activities in the future

22 Option 2 Increase Council fees and charges as shown in Appendix A

Advantages:

- Reflects the true costs of providing the services
- Provides for the charging for services currently provided but which are not able to be charged for under the present fees schedule
- Should be able to achieve the revenue targets and achievement of the funding policy outcomes as contained in the Draft 2016/17 Annual Plan

Disadvantages:

- Increases costs to the industry

23 Option 3 Increase Council fees and charges, but to a lesser extent to that shown in Appendix A

Advantages:

- Reduces the cost increase to the industry and goes some way to reflecting the true costs of providing the services
- Provides for the charging for services currently provided but which are not able to be charged for under the present fees schedule

Disadvantages:

- Increases costs to the industry
- Unlikely to achieve the revenue targets and funding policy outcomes as contained in the Draft 2016/17 Annual Plan
- Likely to result in increased rating being required to fund the activities in the future

24 Having had regard to whether the proposed increases in the fees and charges are necessary in order for the Council to be able to recover the reasonable costs it incurs in providing those services, and who should be charged those fees and charges, the Council resolved on 28 April 2016 to consult on Option 2 as its preferred option for addressing the matter.

5. TIMETABLE FOR CONSULTATION

25 The following dates represent the key times in the consultation programme:

- a. Council resolves to undertake public consultation regarding the proposed bylaw – 28 April 2016
- b. Advertisement in Otago Daily Times, Southland Times, Mirror and Wanaka Sun – between 30 April and 7 May 2016.
- c. Submissions close on 31 May 2016.

- d. Submissions heard on 14 June 2016 by a subcommittee of Councillors (to be confirmed).
- e. Council considers outcome of consultation process.
- f. Public notice of final decision (if Council resolves to change the fees and charges schedules) – 30 June 2016

26 The proposed fees and charges come into effect subject to the above.

6. INSPECTION OF DOCUMENTS AND OBTAINING COPIES

27 Copies of this Statement of Proposal and the proposed fees and charges schedules may be inspected, and a copy obtained, at no cost, from:

- a. either of the Council offices at 10 Gorge Road, Queenstown or the Wanaka Service Centre, 47 Ardmore Street, Wanaka;
- b. any Council library within the Queenstown Lakes District; or
- c. the Council website – www.qldc.govt.nz

7. RIGHT TO MAKE A SUBMISSION AND BE HEARD

28 Any person or organisation has a right to be heard in regard to this proposal and the Council encourages everyone with an interest to do so.

29 The Council would prefer that all parties intending to make a submission:

- a. go to the Queenstown Lakes District Council website: www.qldc.govt.nz or
- b. post their submission to: Planning & Development, Queenstown Lakes District Council, Private Bag 50072, Queenstown 9348.

30 Submissions must be received by **31 May 2016**. The Council will then convene a hearing, which it intends to hold on **14 June 2016** at which any party who wishes to do so can present their submission in person. The Council will give equal consideration to written and oral submissions.

31 The Council will permit parties to make oral submissions (without prior written material) or to make a late submission, only where it considers that special circumstances apply.

32 Every submission made to the Council will be acknowledged in accordance with the LGA 2002, will be copied and made available to the public, and every submission will be heard in a meeting that is open to the public.

33 Section 82 of the LGA 2002 sets out the obligations of the Council in regard to consultation and the Council will take all steps necessary to meet the spirit and intent of the law.

8. MAKING AN EFFECTIVE SUBMISSION

34 Written submissions can take any form (e.g. email, letter). An effective submission references the particular aspect of the proposed initial fees and other charges you wish to submit on, states why the initial fee or charge is

supported or not supported and states what change to the proposed initial fee or charge is sought.

- 35 Submissions on matters outside the scope of the proposed initial fees and charges cannot be considered by the Hearings Panel.

Mike Theelen
CHIEF EXECUTIVE

Appendix A Proposed Building Consent Fees and Other Charges;
Proposed Resource Consent and Engineering Fees and Other Charges

Appendix B Proposed fees and charges compared to existing fees and charges

Proposed Building Consent Fees and Other Charges

The following schedule is for charges under the Building Act 2004 and is effective from 1st July 2016.

- All charges and initial fees are inclusive of GST and are payable on application.
- The initial fees are minimum charges based on the expected reasonable costs relative to the estimate value of work. Further costs will be invoiced on a time basis and are payable before further work is completed.
- The Estimated Value of Building Work is defined in section 10 of the Goods and Services Act 1985, which includes the cost of building materials, labour, design costs, siteworks, but excludes furnishings, carpets and appliances.
- The use of external consultants where required will be charged on a full recovery basis. Disbursements will be charged on a full recovery basis.

HOURLY RATES	\$
Building Officer	145.00
Administration	90.00

BUILDING CONSENT NO PIM (Initial Fee)	(No PIM) \$
Estimated Value of Building Work (Incl GST)	
- - 5,000	325.00
5,001 - 20,000	715.00
20,001 - 180,000 Unlined Accessory Building	1,155.00
20,001 - 180,000	1,750.00
180,001 - 500,000 Single Residential	2,850.00
180,001 - 500,000 Commercial	3,100.00
500,001 - 1,000,000 Single Residential	4,350.00
500,001 - 1,000,000 Commercial	4,800.00
Over 1,000,000 *	5,300.00
* for every \$50,000 or part thereof over \$1,000,000 an additional initial fee of \$55.00	

BUILDING CONSENT INCL PIM (Initial Fee)	(Incl PIM) \$
- - 5,000	365.00
5,001 - 20,000	755.00
20,001 - 180,000 Unlined Accessory Building	1,180.00
20,001 - 180,000	1,775.00
180,001 - 500,000 Single Residential	2,875.00
180,001 - 500,000 Commercial	3,125.00
500,001 - 1,000,000 Single Residential	4,375.00
500,001 - 1,000,000 Commercial	4,825.00
Over 1,000,000 *	5,325.00
* for every \$50,000 or part thereof over \$1,000,000 an additional initial fee of \$55.00	

Appendix A

SPECIFIC BUILDING TYPE (Initial Fee)	\$
Heating Appliances	295.00
Demolition - Residential	230.00
Demolition - Commercial	335.00
Demolition - Minor	115.00

GOVERNMENT LEVIES (for all building work of value \$20,000 and over)	
Building Research Levy BRANZ	\$1.00 per \$1,000 of building work
Department of Building and Housing Levy	\$2.01 per \$1,000 of building work

BUILDING ADMINISTRATION (Initial Fee)	\$
Minor Plan Variation (No additional processing work and very simple changes)	110.00
Relodged / Split Building Consent Application (no change in value of work)	420.00
PIM only - Residential (cost is later deducted from subsequent full Building Consent Initial Fee)	230.00
PIM only - Commercial (cost is later deducted from subsequent full Building Consent Initial Fee)	390.00
PIM Amendment Assessment	70.00
Certificate of Public Use (sect 363)	235.00
Certificate of Public Use amendment (sect 363)	115.00
Change of Use Consideration (if no building work required)	80.00
Exempted Building Work consideration	110.00
Certificate of Acceptance	Full Building Initial Fee based on value of work
Relocation assessment and report	235.00
Notice to Fix (where no building consent active)	235.00
Building Across 2 allotments (sect 75)	hourly rate plus legal disbursements
Natural Hazards (sect 72 certificate)	hourly rate plus legal disbursements
Alternative Solution Approval	hourly rate
Pre-Application meetings	hourly rate
Cancellation of Building Consent	unused initial fee returned
Application to extend time for which Building Consent is valid	70.00
Monthly BC Issue information report - per annum (or \$35 per month)	360.00

Appendix A

RELATED APPROVALS (Fixed Fee)		\$
Building Certification - Sale of Liquor Act		140.00
Utility Services - admin fee only (new connection Water, Sewer, Stormwater, Crossing) - each		60.00
Utility Services - Approval and inspections of physical works - each		130.00

FOOTPATH BONDS	
Footpath bonds	per separate schedule

BUILDING WARRANT OF FITNESS CHARGES (Fixed Fees)		\$
Compliance Schedule (issue and register)		235.00
Amended Compliance Schedule		115.00
Annual BWOFF certificate		90.00
BWOFF audit on-site (approx 3 year intervals)		hourly rate

FENCING OF SWIMMING POOLS (Fixed Fee)		\$
Initial Pool Inspection or Application for Exemption		220.00
Annual Inspection for Exemptions granted (Additional fee required if failure, and re-inspection necessary)		130.00

NEW ZEALAND FIRE SERVICE - DESIGN REVIEW UNIT (Fixed Fee)		\$
Some plans will require assessment by the NZ Fire Service. This assessment will incur a charge from the Fire Service, based on the time required, which will be passed on to the applicant, and an administration fee of \$60 will also be charged to cover costs incurred by Queenstown Lakes District Council.		65.00

LAND INFORMATION MEMORANDUM (Fixed Fee)		\$
Residential - standard 10 working days		200.00
Commercial - Standard 10 working days		305.00
Residential - Speedy 3 working days		315.00
Commercial - Speedy 3 working days		420.00

Proposed Resource Consent and Engineering Fees and Other Charges

Charges for processing resource consents and undertaking related activities have been set by the Queenstown Lakes District Council in accordance with section 36(1) of the Resource Management Act 1991. Council has fixed a formula for charges as provided by section 36(1). The charges are comprised of an administrative fee of \$225.00 including GST per consent, plus an amount calculated as the reasonable time spent processing the application by the staff involved at the hourly rates scheduled below. The initial fees and charges are set out below.

In accordance with section 36(3) the applicant is also required to pay an additional charge to cover the actual and reasonable cost of items such as printing, advertising, postage, additional reports and commissioners that may be required in the processing of their application.

At the time of lodging an application the applicant is required to pay the applicable initial fee set out below. They will then be invoiced monthly for other amounts payable under the fixed formula and for any additional charges payable under section 36(3).

Where the cost of processing an application is less than the initial charges refund will be given.

Applications will not be received and processing will not continue while charges remain unpaid or overdue.

The following schedule of initial fees and charges is effective from 1st July 2016.

- All charges and initial fees are inclusive of GST and are payable on application.
- The initial fees are minimum charges based on the expected reasonable costs relative to the work. Further costs will be invoiced on a time basis and are payable before further work is completed.
- The use of external consultants where required will be charged on a full recovery basis. Disbursements will be charged on a full recovery basis.

HOURLY RATES	\$
Senior Planner	165.00
Planner	145.00
Monitoring	145.00
Compliance	145.00
Development Contributions Officer	145.00
Engineering	165.00
Environmental Health	125.00
Administration Support	90.00

INFRASTRUCTURE - HOURLY RATES SET ANNUALLY	\$
Senior Infrastructure Engineer	Hourly rate
Infrastructure Engineer/ Logistics	Hourly rate
Infrastructure Other	Hourly rate
Parks & Reserves Planner	Hourly rate

Proposed Resource Consent and Engineering Fees and Other Charges

MONITORING (Initial Fees)		\$
Land Use Monitoring		145.00
Earthworks Monitoring		290.00

ADMINISTRATIVE CHARGE (Fixed fee)		\$
Administrative charge per consent		225.00

PRE-APPLICATION MEETINGS (Initial Fees)		\$
Pre-Application Meeting (Minor) - first hour free, after which at the applicable hourly rate.	hourly rate	
Pre-Application Meeting – complex applications requiring input from multiple Council departments		1,500.00

LAND USE CONSENTS (Initial fees)		
Breach of site standard other than earthworks (all zones except Town Centre, Business and Industrial)		825.00
Breach of site standard other than earthworks, Town Centre, Business and Industrial zones		1,025.00
Breach of zone standard (all zones except Town Centre, Business and Industrial)		1,300.00
Breach of zone standard Town Centre, Business and Industrial zones		1,950.00
Comprehensive residential development Low Density Residential zone		5,650.00
Controlled Activity		980.00
Design control minor (e.g. building in Town Centre, Business or Industrial zones or dwelling in any special zone)		980.00
Design control other (e.g. dwelling in Rural Residential zone or dwelling on a platform in Rural Lifestyle zone)		1,280.00
Earthworks minor (e.g. single dwelling or similar)		1,025.00
Earthworks other		3,125.00
Establish residential building platform in Rural General		3,850.00
Extensions or alterations to existing Rural General dwelling		1,300.00
Heritage Orders		1,950.00
Minor alterations to heritage building		515.00
New Rural General dwelling not on building platform		3,850.00
Non-residential activity in residential or special zones		3,200.00
Signs		640.00
Visitor accommodation 1-2 units Low Density Residential zone		1,025.00
Visitor accommodation multi-units Low Density Residential zone		6,400.00
Visitor accommodation 1-2 units High Density Residential zone		640.00

Proposed Resource Consent and Engineering Fees and Other Charges

Visitor accommodation or residential multi-units High Density Residential zone	5,125.00
Other applications	1,025.00

SUBDIVISION CONSENTS (Initial fees)	\$
Amalgamation Certificate - fixed fee	102.00
Boundary adjustment	1,025.00
Controlled activity up to two lots	1,300.00
Controlled activity more than two lots	1,950.00
Engineering Review & Acceptances, Inspections and Road Naming (Initial Fee)	412.50
Other subdivision (e.g. Rural Residential, Rural Lifestyle)	3,200.00
Rural General subdivision	3,850.00
Registered Bond / release of Registered Bond (each)	102.00
Right of Way consent	512.00
Section 223 Certificate	140.00
Section 224(c) Certificate	250.00
Signing and Sealing other plan or certificate	102.00
Development Contribution Assessment and Estimates - residential	145.00
Development Contribution Assessment and Estimates - commercial	290.00

MULTIPLE ACTIVITIES

Where an application includes both land-use and subdivision activities or multiple activities, only the higher or highest relevant charge is payable

OTHER APPLICATIONS / PROCESSES (Initial Fees)	
Notice of Requirement for a Designation	3,850.00
Alteration of Designation	640.00
Removal of Designation or Heritage Order	195.00
Certificate of Compliance	640.00
Existing Use Certificate	640.00
Extension of lapse period of a resource consent	640.00
Outline Plan Approval Section 176A	640.00
Outline Plan Waivers Section 176A(2)(c)	300.00

Proposed Resource Consent and Engineering Fees and Other Charges

Overseas Investment Certificate	640.00
Surrender of consent	195.00
Trees e.g. <i>trimming or removal of protected or heritage tree</i> Residential Arrowtown Historic Management zone (with supporting Arboriculturist's report)	195.00
Variation to resource consent conditions	640.00
Traffic Management Plans	125.00
Licence to Occupy	600.00
Temporary Road Closures	500.00

OTHER APPLICATIONS / PROCESSES (Fixed Fees)		
Urban Design Panel (prior to lodging resource consent)		250.00
Urban Design Panel (post lodging resource consent)		500.00
Corridor Access (Road Opening Permits)	< 20 m	187.50
	20-100 m	375.00
	100-500 m	562.50
	500-2000 m	750.00
	> 2000 m	1,875.00
Engineering Connection to Council Services (one connection)		250.00
Engineering Connection to Council Services (for each additional connection)		120.00

NOTIFIED AND LIMITED NOTIFIED APPLICATIONS (Initial Fees)		
Limited Notification / Service (Section 95B)		
The charges fixed by council under section 36(1) include the following extra charge if limited notification of an application is required. The extra limited notification charge is also payable at the time of lodgement. However, where the need for notification / service is not apparent at the time of lodgement, the extra \$1,300 is payable as soon as it becomes apparent that limited notification is required.		1,300.00
Notified Applications (Section 95A or 95C) (Initial Fees)		
The charges fixed by council under section 36(1) include the following extra charge if full notification of a resource consent or designation is required. The extra notification charge is payable at the time of lodgement or as soon as it becomes apparent that notification is required and is to proceed. Public notification will not occur before payment is made.		4,500.00
INITIAL CHARGES FOR HEARINGS (Initial Fees)		
Where a hearing is required the applicant is liable to pay the costs for Commissioners attending hearings, undertaking site inspections and writing decisions as well as the cost of attendance of professional and secretarial staff.	Half Day	6,000.00
	Full Day	11,000.00

Prior to a hearing date being confirmed, an estimate of the hearing time (including site visit) will be made and the applicant will be required to pay the appropriate hearing initial fee. If the cost of the hearing and decision writing exceeds the hearing initial fee, the additional amounts will be invoiced. If actual charges are less than the initial fee, a refund will be issued.	Each additional day	9,700.00
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RESOURCE CONSENTS & ENGINEERING FEE SCHEDULE

As at April 2016

NOTE: ALL FEES INCLUDE GST

	CURRENT	PROPOSED	INCREASE	
	\$	\$	\$	%
HOURLY RATES				
Senior Planner	134.90	165.00	30.11	22.3%
Planner	134.90	145.00	10.10	7.5%
Monitoring	134.90	145.00	10.11	7.5%
Compliance	134.90	145.00	10.11	7.5%
Development Contributions Officer		145.00		
Engineering	137.54	165.00	27.46	20.0%
Environmental Health	102.81	125.00	22.19	21.6%
Administration Support	74.75	90.00	15.25	20.4%
INFRASTRUCTURE - HOURLY RATES SET ANNUALLY				
Senior Infrastructure Engineer		hourly rate		
Infrastructure Engineer/ Logistics		hourly rate		
Infrastructure Other		hourly rate		
Parks & Reserves Planner		hourly rate		
MONITORING (Initial Fees)	\$	\$	\$	%
Land Use Monitoring	100.00	145.00	45.00	45.0%
Earthworks Monitoring	240.00	290.00	50.00	20.8%
ADMINISTRATIVE CHARGE (Fixed fee)	180.00	225.00	45.00	25.0%
PRE-APPLICATION MEETINGS (Initial Fees)	\$	\$	\$	%
Pre-Application Meeting (Minor) - first hour free, after which at the applicable hourly rate.	hourly rate	hourly rate		
Pre-Application Meeting – complex application requiring input from multiple Council departments		1,500.00		
LAND USE CONSENTS (Initial fees)	\$	\$	\$	%
Breach of site standard other than earthworks (all zones except Town Centre, Business and Industrial)	512.50	825.00	312.50	61.0%
Breach of site standard other than earthworks, Town Centre, Business and Industrial zones	820.00	1,025.00	205.00	25.0%
Breach of zone standard (all zones except Town Centre, Business and Industrial)	1,025.00	1,300.00	275.00	26.8%
Breach of zone standard Town Centre, Business and Industrial zones	1,537.50	1,950.00	412.50	26.8%
Comprehensive residential development Low Density	5,125.00	5,650.00	525.00	10.2%

Residential zone				
Controlled Activity	768.75	980.00	211.25	27.5%
	CURRENT	PROPOSED	INCREASE	
	\$	\$	\$	%
Design control minor (e.g. building in Town Centre, Business or Industrial zones or dwelling in any special zone)	768.75	980.00	211.25	27.5%
Design control other (e.g. dwelling in Rural Residential zone or dwelling on a platform in Rural Lifestyle zone)	1,025.00	1,280.00	255.00	24.9%
Earthworks minor (e.g. single dwelling or similar)	820.00	1,025.00	205.00	25.0%
Earthworks other	2,500.00	3,125.00	625.00	25.0%
Establish residential building platform in Rural General	3,075.00	3,850.00	775.00	25.2%
Extensions or alterations to existing Rural General dwelling	1,025.00	1,300.00	275.00	26.8%
Heritage Orders	1,537.50	1,950.00	412.50	26.8%
Minor alterations to heritage building	410.00	515.00	105.00	25.6%
New Rural General dwelling not on building platform	3,075.00	3,850.00	775.00	25.2%
Non-residential activity in residential or special zones	2,562.50	3,200.00	637.50	24.9%
Signs	820.00	640.00	(180.00)	(22.0%)
Visitor accommodation 1-2 units Low Density Residential zone	820.00	1,025.00	205.00	25.0%
Visitor accommodation multi-units Low Density Residential zone	5,125.00	6,400.00	1,275.00	24.9%
Visitor accommodation 1-2 units High Density Residential zone	512.50	640.00	127.50	24.9%
Visitor accommodation or residential multi-units High Density Residential zone	4,100.00	5,125.00	1,025.00	25.0%
Other applications	820.00	1,025.00	205.00	25.0%

SUBDIVISION CONSENTS (Initial fees)	\$	\$	\$	%
Amalgamation Certificate - fixed fee	82.00	102.00	20.00	24.4%
Boundary adjustment	820.00	1,025.00	205.00	25.0%
Controlled activity up to two lots	1,025.00	1,300.00	275.00	26.8%
Controlled activity more than two lots	1,537.50	1,950.00	412.50	26.8%
Engineering Review & Acceptances, Inspections and Road Naming (Initial Fee)	307.50	412.50	105.00	34.1%
Other subdivision (e.g. Rural Residential, Rural Lifestyle)	2,562.50	3,200.00	637.50	24.9%
Rural General subdivision	3,075.00	3,850.00	775.00	25.2%
Registered Bond / release of Registered Bond (each)	82.00	102.00	20.00	24.4%
Right of Way consent	410.00	512.00	102.00	24.9%
Section 223 Certificate	112.75	140.00	27.25	24.2%
Section 224(c) Certificate	205.00	250.00	45.00	22.0%
Signing and Sealing other plan or certificate	82.00	102.00	20.00	24.4%
Development Contribution Assessments and Estimates - residential		145.00		
Development Contribution Assessment and Estimates - commercial		290.00		

	CURRENT	PROPOSED	INCREASE	
MULTIPLE ACTIVITIES	\$	\$	\$	%
<i>Where an application includes both land-use and subdivision activities or multiple activities, only the higher or highest relevant charge is payable</i>				

OTHER APPLICATIONS / PROCESSES (Initial Fees)	\$	\$	\$	%
Notice of Requirement for a Designation	3,075.00	3,850.00	775.00	25.2%
Alteration of Designation	512.50	640.00	127.50	24.9%
Removal of Designation or Heritage Order	153.75	195.00	41.25	26.8%
Certificate of Compliance	512.50	640.00	127.50	24.9%
Existing Use Certificate	512.50	640.00	127.50	24.9%
Extension of lapse period of a resource consent	512.50	640.00	127.50	24.9%
Outline Plan Approval Section 176A	512.50	640.00	127.50	24.9%
Outline Plan Waivers Section 176A(2)(c)		300.00		
Overseas Investment Certificate	512.50	640.00	127.50	24.9%
Surrender of consent	153.75	195.00	41.25	26.8%
Trees e.g. <i>trimming or removal of protected or heritage tree</i> Residential Arrowtown Historic Management zone (with supporting Arboriculturist's report)	153.75	195.00	41.25	26.8%
Variation to resource consent conditions	512.50	640.00	127.50	24.9%
Traffic Management Plans		125.00		
Licence to Occupy	562.50	600.00	37.50	6.7%
Temporary Road Closures		500.00		

OTHER APPLICATIONS / PROCESSES (Fixed Fees)	\$	\$	\$	%
Urban Design Panel (prior to lodging resource consent)		250.00	250.00	100%
Urban Design Panel (post lodging resource consent)	500.00	500.00		
Corridor Access Request (Road Opening Permits)				
< 20 m	150.00	187.50	37.50	25.0%
20-100 m	300.00	375.00	75.00	25.0%
100-500 m	450.00	562.50	112.50	25.0%
500-2000 m	600.00	750.00	150.00	25.0%
>2000 m	1,500.00	1,875.00	375.00	25.0%
Engineering Connection to Council Services				
One Connection	175.00	250.00	75.00	42.9%
Each Additional Connection	120.00	120.00		

	CURRENT	PROPOSED	INCREASE	
NOTIFIED AND LIMITED NOTIFIED APPLICATIONS (Initial Fees)	\$	\$	\$	%
Limited Notification / Service (Section 95B)				
The charges fixed by council under section 36(1) include the following extra charge if limited notification of an application is required. The extra limited notification charge is also payable at the time of lodgement. However, where the need for notification / service is not apparent at the time of lodgement, the extra \$1,300 is payable as soon as it becomes apparent that limited notification is required.	1,025.00	1,300.00	275.00	26.8%

Notified Applications (Section 95A or 95C) (Initial Fees)	\$	\$	\$	%
The charges fixed by council under section 36(1) include the following extra charge if full notification of a resource consent or designation is required. The extra notification charge is payable at the time of lodgement or as soon as it becomes apparent that notification is required and is to proceed. Public notification will not occur before payment is made.	3,587.50	4,500.00	912.50	25.4%

INITIAL CHARGES FOR HEARINGS (Initial Fees)		\$	\$	\$	%
Where a hearing is required the applicant is liable to pay the costs for Commissioners attending hearings, undertaking site inspections and writing decisions as well as the cost of attendance of professional and secretarial staff.	Half day	4,817.50	6,000.00	1,182.50	24.5%
	Full day	8,917.50	11,000.00	2,082.50	23.4%
Prior to a hearing date being confirmed, an estimate of the hearing time (including site visit) will be made and the applicant will be required to pay the appropriate hearing deposit. If the cost of the hearing and decision writing exceeds the hearing deposit, the additional amounts will be invoiced. If actual charges are less than the deposit, a refund will be issued.	Each additional day	7,687.50	9,700.00	2,012.50	26.2%

BUILDING CONTROL FEE SCHEDULE

As at April 2016

NOTE: ALL FEES INCLUDE GST

	CURRENT	PROPOSED	INCREASE	
HOURLY RATES	\$	\$	\$	%
Building Officer	123.97	145.00	21.03	17.0%
Administration	74.75	90.00	15.25	20.4%

BUILDING CONSENT NO PIM (Initial Fee)	\$	\$	\$	%
Estimated Value of Building Work (Incl GST)				
0 - 5,000	310.00	325.00	15.00	4.8%
5,001 - 20,000	675.00	715.00	40.00	5.9%
20,001 - 180,000 Unlined Accessory Building	1,100.00	1,155.00	55.00	5.0%
20,001 - 180,000	1,670.00	1,750.00	80.00	4.8%
180,001 - 500,000 Single Residential	2,710.00	2,850.00	140.00	5.2%
180,001 - 500,000 Commercial	2,950.00	3,100.00	150.00	5.1%
500,001 - 1,000,000 Single Residential	4,130.00	4,350.00	220.00	5.3%
500,001 - 1,000,000 Commercial	4,575.00	4,800.00	225.00	4.9%
Over 1,000,000 *	5,050.00	5,300.00	250.00	5.0%
* for every \$50,000 or part thereof over \$1,000,000 an additional initial fee of \$55.00				

BUILDING CONSENT INCL PIM (Initial Fee)	\$	\$	\$	%
0 - 5,000	350.00	365.00	15.00	4.3%
5,001 - 20,000	715.00	755.00	40.00	5.6%
20,001 - 180,000 Unlined Accessory Building	1,125.00	1,180.00	55.00	4.9%
20,001 - 180,000	1,695.00	1,775.00	80.00	4.7%
180,001 - 500,000 Single Residential	2,735.00	2,875.00	140.00	5.1%
180,001 - 500,000 Commercial	2,975.00	3,125.00	150.00	5.0%
500,001 - 1,000,000 Single Residential	4,155.00	4,375.00	220.00	5.3%
500,001 - 1,000,000 Commercial	4,600.00	4,825.00	225.00	4.9%
Over 1,000,000 *	5,075.00	5,325.00	250.00	4.9%
* for every \$50,000 or part thereof over \$1,000,000 an additional initial fee of \$55.00				

SPECIFIC BUILDING TYPE (Initial Fee)	\$	\$	\$	%
Heating Appliances	280.00	295.00	15.00	5.4%
Demolition - Residential	220.00	230.00	10.00	4.5%
Demolition - Commercial	320.00	335.00	15.00	4.7%
Demolition - Minor	110.00	115.00	5.00	4.5%

	CURRENT	PROPOSED	INCREASE	
GOVERNMENT LEVIES (for all building work of value \$20,000 and over)	\$	\$	\$	%
Building Research Levy BRANZ	\$1.00 per \$1,000 of building work			
Department of Building and Housing Levy	\$2.01 per \$1,000 of building work			

BUILDING ADMINISTRATION (Initial Fee)	\$	\$	\$	%
Minor Plan Variation (No additional processing work and very simple changes)	105.00	110.00	5.00	4.8%
Relodged / Split Building Consent Application (no change in value of work)	400.00	420.00	20.00	5.0%
PIM only - Residential (cost is later deducted from subsequent full Building Consent Initial Fee)	220.00	230.00	10.00	4.5%
PIM only - Commercial (cost is later deducted from subsequent full Building Consent Initial Fee)	370.00	390.00	20.00	5.4%
PIM Amendment Assessment	65.00	70.00	5.00	7.7%
Certificate of Public Use (sect 363)	225.00	235.00	10.00	4.4%
Certificate of Public Use amendment (sect 363)	110.00	115.00	5.00	4.5%
Change of Use Consideration (if no building work required)	75.00	80.00	5.00	6.7%
Exempted Building Work consideration	105.00	110.00	5.00	4.8%
Certificate of Acceptance	Full Building Initial Fee based on value of work			
Relocation assessment and report	225.00	235.00	10.00	4.4%
Notice to Fix (where no building consent active)	225.00	235.00	10.00	4.4%
Building Across 2 allotments (sect 75)	hourly rate plus legal disbursements			
Natural Hazards (sect 72 certificate)	hourly rate plus legal disbursements			
Alternative Solution Approval	hourly rate	hourly rate		
Pre-Application meetings	hourly rate	hourly rate		
Cancellation of Building Consent	unused initial fee returned			
Application to extend time for which Building Consent is valid	65.00	70.00	5.00	7.7%
Monthly BC Issue information report - per annum (or \$35 per month)	340.00	360.00	20.00	5.9%

RELATED APPROVALS (Fixed Fee)	\$	\$	\$	%
Building Certification - Sale of Liquor Act	135.00	140.00	5.00	3.7%
Utility Services - admin fee only (new connection Water, Sewer, Stormwater, Crossing) - each	55.00	60.00	5.00	9.1%
Utility Services - Approval and inspections of physical works - each	120.00	130.00	10.00	8.3%

	CURRENT	PROPOSED	INCREASE	
FOOTPATH BONDS	\$	\$	\$	%
Footpath bonds	per separate schedule			

BUILDING WARRANT OF FITNESS CHARGES (Fixed Fees)	\$	\$	\$	%
Compliance Schedule (issue and register)	225.00	235.00	10.00	4.4%
Amended Compliance Schedule	110.00	115.00	5.00	4.5%
Annual BWOFF certificate	75.00	90.00	15.00	20.0%
BWOFF audit on-site (approx 3 year intervals)	hourly rate	hourly rate		

FENCING OF SWIMMING POOLS (Fixed Fee)	\$	\$	\$	%
Initial Pool Inspection or Application for Exemption	210.00	220.00	10.00	4.8%
Annual Inspection for Exemptions granted (Additional fee required if failure, and re-inspection necessary)	125.00	130.00	5.00	4.0%

NEW ZEALAND FIRE SERVICE - DESIGN REVIEW UNIT (Fixed Fee)	\$	\$	\$	%
Some plans will require assessment by the NZ Fire Service. This assessment will incur a charge from the Fire Service, based on the time required, which will be passed on to the applicant, and an administration fee of \$60 will also be charged to cover costs incurred by Queenstown Lakes District Council.	60.00	65.00	5.00	8.3%

LAND INFORMATION MEMORANDUM (Fixed Fee)	\$	\$	\$	%
Residential - standard 10 working days	190.00	200.00	10.00	5.3%
Commercial - Standard 10 working days	290.00	305.00	15.00	5.2%
Residential - Speedy 3 working days	300.00	315.00	15.00	5.0%
Commercial - Speedy 3 working days	400.00	420.00	20.00	5.0%

ATTACHMENT 3

Tattico Review

Queenstown Lakes District Council

Report to Chief Executive and General Manager Planning and Development

Resource Consent Fees and Charges

3 June 2016

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1.0 EXECUTIVE SUMMARY

- 1.1 This is one of two reports commissioned by Chief Executive and General Manager Planning and Development Queenstown Lakes District Council (QLDC) on the Council's resource consent operation. This report deals with the fees and charges relating to resource consents. The second report is a review of operational and process aspects of the resource consents team.
- 1.2 In undertaking this fees and charges review, I spoke to the Mayor, Chief Executives and senior management at QLDC about the Council's approach to fees and charges and the issues, I reviewed the documentation and rationale associated with the proposed new fee structure, and I compared the fees between QLDC and Auckland, Hamilton, Tauranga, and Christchurch. I chose these councils as a range of relevant councils also dealing with high consent loads, and within territorial authorities experiencing growth pressure. In my view these circumstances are reflective of the context in which QLDC must set its fees.
- 1.3 My conclusions as set out in this report are:
- (a) The Council's principle of seeking to recover 80% of resource consent fees and fund 20% of activity through the rating base; is fair and reasonable and consistent with the approach used by other territorial authorities.
 - (b) The proposal to have an initial fee, but essentially manage resource consent charges based on an hourly rate; is reasonable given the wide variety of complexity and planning issues across a range of resource consents. All the councils surveyed drove their resource consent fee structure off an hourly rate basis.
 - (c) The hourly rate itself is reasonable. It is consistent with the other councils surveyed, and in fact in each case was the lowest or near lowest hourly rate charge. QLDC needs to retain quality staff and therefore needs to pay normal market rates for professional planners in the public/private sector. The salary component and other related costs of managing the department are in my view reasonable and appropriate.
- 1.4 I then was asked to review whether the rates charged were "value for money". On average QLDC planning officers spend just under ten hours on a non-notified consent, at a cost to the applicant of under \$1,400 (GST exclusive). These consents are processed on average within 15 statutory working days.

- 1.5 This is a very credible level of service compared to other operations.
- 1.6 What I did find, which is addressed in the second report, is that there are a number of areas where enhancements to the Council services can be made which will speed up overall timeliness (elapsed time) to customers as they make their application. A number of these initiatives have been identified by the planning staff themselves and others through feedback from high use customers and professionals working for applicants in the Queenstown Lakes District area, and others through the analysis of the department. These improvements in my view are important and cumulatively will make a difference. However, because the fee structure is based on an hourly time allocation, the implementation of these enhancements will not affect the hourly rate based fee structure proposed by QLDC. It will result in quicker consents and hence a lower cost. But the hourly rate will be unaffected.
- 1.7 In my view the QLDC fees and charges are appropriate.

2.0 CONTEXT

- 2.1 QLDC has proposed a fee increase across its regulatory services. I have been asked to review the resource consent component of these fees to form a view whether the proposed fee increases are reasonable and will deliver “value for money” to ratepayers and customers of QLDC.
- 2.2 The Council at both political and executive level is wanting confidence that in reviewing these fees they are both fair and reasonable in terms of what is happening across the industry, and represent “appropriate value” to applicants.
- 2.3 I have broken the issue down into key elements which I analyse below.

3.0 COST RECOVERY

- 3.1 The Council has set its cost recovery model in the planning area at 80% recovery and 20% ratepayer funded.
- 3.2 The 80% recovery reflects the fact that the significant majority of the work of the resource consents department relates to individual applicants who incur a consenting cost for the

Queenstown Lakes District ratepayers, and who achieve a benefit from the consent in terms of the rights and opportunities to develop their property.

3.3 The 20% ratepayer funded component recognises there are some services delivered by the department that should be 'generally funded'. These relate to benefits more broadly across the Queenstown Lakes District community. This would include:

- Free advice in those initial contacts with the Council to either find out about the person's own property or what is happening in their neighbourhood.
- A series of information material to help people understand the system and process.
- The information and IT systems which provide public service.
- Managing of public enquiries.

3.4 An 80/20 split is common across TLAs and is in my view an appropriate level. Much lower than 80% then effectively ratepayers are subsidising the development industry or applicants. Equally much higher than 80% and the development industry and individuals undertaking work on their property are part funding the public initiated component of the resource consent operation.

4.0 HOURLY RATE VERSUS FIXED RATE

4.1 QLDC is proposing that the primary resource consent fees are based on an hourly rate rather than fixed rates.

4.2 All the councils I surveyed adopt an hourly rate basis.

4.3 The nature of the planning operation and the significant variability of applications, makes it difficult to pre-determine and fix an average price. The difficulty with an average price is that it tends to penalise minor quick applications and major developments which put a lot of effort into ensuring high quality applications. Because these take relatively shorter timeframes, the averaging approach penalises the quality applications and assists the more deficient applications. This is contrary to a principle of rewarding quality developments / applications.

4.4 If the process is managed well, the hourly rate approach best reflects the actual cost to the Council and applicant. Applicants who put a lot of effort in to making sure their applications high quality, benefit because the Council can process these quicker and are therefore cheaper.

- 4.5 In my view QLDC has adopted the right approach of adopting an hourly rate basis for fees and charges.

5.0 ACTUAL RATE

- 5.1 The table below sets out my analysis across Auckland, Hamilton, Tauranga, Christchurch and QLDC (both existing and proposed fee structure)

Fees and Charges Comparison (hourly rates).

	AUCKLAND	TAURANGA	CHRISTCHURCH	HAMILTON	QUEENSTOWN EXISTING	QUEENSTOWN PROPOSED
Duty Planner		\$135				
Planner	\$153	\$137	\$150	\$175	\$134.90	\$145
Senior Planner	\$170	\$164	\$200	\$190	\$134.90	\$165
Manager Planning	\$185	\$201	\$200	\$215		
Planning Technician / Administration	\$103	\$97	\$100	\$84.50	\$74.75	\$90
Intermediate Planner		\$143	\$180			
Team Leader: Planning	\$170	\$173	\$200	\$205		

- 5.2 I elected these councils because they all have the common characteristic of having high volume consent workloads across a wide variety of different types of applications from the very simple to the very complex and from rural, urban, subdivision, environmental and heritage. All also have significant areas of outstanding natural landscape.
- 5.3 I recognise that the QLDC rate, in terms of percentage increase, is quite high. However I note that effectively this is because the rates have been held at historic levels since 2009. The majority of other councils have had an annual review approach in their fee structure and regularly increased them at least keeping pace with the cost of inflation.
- 5.4 As I have compared the five councils across the spectrum (and taking the QLDC proposed rate) in each case the QLDC rate is either still the lowest or second lowest by comparison. However the rates are similar.
- 5.5 I also looked at the ratio of the cost of salaries versus the other operational aspects within the department and the Council.

- 5.6 I found that the ratio of salary to other costs is standard to what happens across the public sector and indeed compares favourably to what is happening in the private sector.
- 5.7 For the Council to offer a high quality service, which is what the vast majority of applicants seek, the Council needs to ensure it recruits and retains quality staff. To do this it must offer remuneration rates which are relative in the market. In a Council with very high work volumes and the need to be able to quickly and efficiently process all applications, this notion of having a remuneration strategy which is market relative is essential. This in turn drives the department's salary budget which in turn drives its fee structure.
- 5.8 In my view, the proposed new fees are relative and appropriate.

6.0 EFFICIENCY

- 6.1 I was also asked to look at the efficiency of the resource consent operation and to determine whether or not efficiency improvements would actually drive down cost.
- 6.2 At the request of the Chief Executive and General Manager : Planning, I have prepared a further detailed report on department strengths and potential enhancements. This has followed extensive discussion at a political, executive, staff, applicant and property owner level. This work is reported on separately. It has identified a number of strengths within the Department's operation and also a number of enhancements which cumulatively would make, in my view, a difference to the efficient operation of the team.
- 6.3 However, these relate to the efficiency in the overall time it takes from when an applicant first approaches the Council to when they receive their approvals. It is about ensuring the process and mechanisms the Council uses, and the level of reviews it triggers, are efficiently managed and appropriate to the form and type of development. Staff and customers have identified some areas where improvements can definitely be made. However, because the fee structure is based on an hourly rate, rather than a flat fee, as these efficiencies come to bear they will automatically reflect in reduced cost to the applicant, albeit the hourly rate remains constant.
- 6.4 I found that at a political, executive and staffing level within the resource consents department, a quiet determination to identify and drive these efficiencies and improvements through the process. Nothing I identified would cause me to recommend that the Council defer, slow or modify its fee structure.

7.0 SUBMISSIONS

- 7.1 I have been provided with a copy of the two submissions to the fee structure and requested to offer any comments on these submissions.
- 7.2 One submission has no specifics and so I am unable to comment.
- 7.3 One submission suggests that the Council should move to a fixed fee structure and in the interim maintain its current fee levels while the appropriate fixed fees are determined.
- 7.4 For the reasons I have outlined above, I do not support the fixed fee approach.
- 7.5 I think the flexibility of the hourly rate will ultimately benefit the applicant and the Council. The Council has in place a review process for fees so that if there are any issues these can be debated. Presumably if somebody wants to contest these matter then they will ultimately be determined by an independent Council commissioner. That provides the safeguard for the applicant.
- 7.6 The Council will get far more benefit, and the applicants will be better assisted by the Council , focusing on the , efficiency and having the funding to implement these. Failure to have fees relevant to the Department costs will just constrain the ability of the Department to manage the workload and implement the efficiencies.

SUBMISSIONS

Sub #	Date Received	Name	Email Add	⁵⁷ Telephone	Support Oppose	Wishes to speak @ Hearing
1	13/05/2016	André Freixo			Oppose	Yes
2	31/05/2016	Willowridge Developments Ltd			Oppose	Yes

<u>POSITION:</u>	
Oppose	2
Support	0
	2
<u>WISHES TO SPEAK AT HEARING:</u>	
Yes	2
No	0
	2



SUBMISSION FORM FEES & CHARGES REVIEW

(PLANNING & DEVELOPMENT)



TO // Queenstown Lakes District Council



YOUR DETAILS

Your Name: Andre Freixo

Email Address: *[preferred method of contact]* [REDACTED]

Postal Address: *[if no email is provided]*

Telephone Number: [REDACTED]

Mobile Number: [REDACTED]



SUBMISSION

☐ I Support / ☒ **Oppose** the application

☒ **I Do** / ☐ **Do not** wish to be heard in support of my submission

SIGNATURE

Signature **

Andre Freixo Digitally signed by Andre Freixo
Date: 2016.05.13 14:30:08 +12'00'

Date

** If this form is being completed on-line you may not be able, or required, to sign this form.



Private Bag 50072, Queenstown 9348
10 Gorge Road, Queenstown 9300
47 Ardmore Street, Wanaka

P: QUEENSTOWN 03 441 0499
P: WANAKA 03 443 0024
E: feesandcharges@qldc.govt.nz W: www.qldc.govt.nz



MY SUBMISSION IS // The particular parts of the application I support or object to are:



MY SUBMISSION WOULD BE MET BY THE QUEENSTOWN LAKES DISTRICT COUNCIL MAKING THE FOLLOWING DECISION // Include any conditions sought:



SUBMISSION FORM FEES & CHARGES REVIEW

(PLANNING & DEVELOPMENT)



TO // Queenstown Lakes District Council



YOUR DETAILS

Your Name: Willowridge Developments Limited

Email Address: *[preferred method of contact]* [REDACTED]

Postal Address: *[if no email is provided]*

PO Box 170, Dunedin, 9054

Telephone Number: [REDACTED]

Mobile Number: [REDACTED]



SUBMISSION

☐ I Support / ☒ **Oppose** the application

☒ **I Do** / ☐ **Do not** wish to be heard in support of my submission

SIGNATURE

Signature **

Date

** If this form is being completed on-line you may not be able, or required, to sign this form.



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MY SUBMISSION IS // The particular parts of the application I support or object to are:

Willowridge objects to the increase in hourly rates proposed for resource consents and engineering. Willowridge considers the fee's for processing applications are already excessive and any increase is not justifiable.

The Review of Fee's and Charges states that the funding policy requires 80% of funding the various planning activities to be met privately and 20% publicly funded. Willowridge believes the proposed charges will result in a revenue well in excess of 80% of the private funding required. The proposed fee's are on a par with fee's charged by private consultants and do not reflect 80% of the actual cost of the public service.

In 2012 QLDC consulted on a proposal to introduce fixed resource consent fee's. The model proposed at the time contained certain flaws but the principle was positive in that it would provide clarity for the applicant as well as ensuring efficient, cost-effective processing of applications by QLDC. Willowridge requests that QLDC give further consideration to a fixed-fee regime and retains the current charge-out rates until a fixed fee system has been investigated.



MY SUBMISSION WOULD BE MET BY THE QUEENSTOWN LAKES DISTRICT COUNCIL MAKING THE FOLLOWING DECISION // Include any conditions sought:

Willowridge requests that the proposed fee increases are not accepted and Council retain the existing fee structure in conjunction with a fixed fee-regime for certain consent types.

