

# Planning & Miscellaneous Service Fees

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**From:** Les Fugle <> Saturday, 22 March  
**Sent:** 2025 9:13 pm Submission  
**To:** Submission  
**Subject:**

## Submission - Planning and Miscellaneous Service Fee

1. I strongly oppose the introduction of Council's propose increases in fees, as well as the current charges. These charges are exorbitant, unjustified, and detrimental to the business sector.
2. Fees should not be disproportionate to officer remuneration, acknowledging adjustment for administrative margin. For example, charging \$285 per hour for a planning officer and claiming this represents 88% of the actual cost implies cost to manage that service is \$325 per hour. This equates to Council receiving from that person annual workload generating around \$600,000, based on a 40-hour/46 week year, which is indefensible when measured against a person's salary.
3. The relevant provision to set charges is regulated and emphasised by section 150 of the Local Government Act 2002. The core principle encircles Council must not recover more than the reasonable costs incurred encircling that on hand.
4. Reasonable is one of fairness and fact. My submission Council charges exceed the actual cost of the service(s) albeit unable to quantify degree without further information from Council.
5. It is illogical and unacceptable that Council processing fees often exceed the cost incurred by applicants and consultants in preparing comprehensive applications. The Council's role is primarily one of peer review of the application, which should not necessitate such inflated fees. The Council's substantial expenditure on external consultants and legal counsel further underscores staff ability to manage matter.
6. The Council's methodology of bundling operating and outsourcing costs to justify an 88% recovery target is flawed. These inflated fees are a significant deterrent to development and employment. A dramatic reduction in charges would stimulate growth, thereby increasing the Council's rate intake.

I wish to make an oral submission to further articulate my concerns.

### Request for Information:

To further analyse the Council's fee structure; pursuant to the Local Government Official Information and Meetings Act 1987 (LGOIMA) please provide the following information:

- \* Detailed supporting documentation that used to calculate each proposed fee increase charge under the category "Indicative Charges" for planning matters.
- \* Actual revenue received for each sub-category listed in above schedule of charges.
- \* The amounts paid to external consultants, separately, that to outsourced legal services.
- \* All the above information for the 12 months preceding the proposed fee increases.

Please do not hesitate to contact me should additional information required.  
Les Fugle.

### **Council fees & charges:**

1. My name is Les Fugle. I am a local ratepayer and business owner; therefore, I have cause to interact with council staff, who frequently charge for that service.
2. My unease on this topic stems from the Council's underlying policy of charging an hourly rate for staff time and recovering 100% of the provided planning services. In a nutshell, I assert that the fees & charges are unfair, exceed market rates, are overly inflated, and obstruct growth.
3. The function of Council staff is not to profiteer but to proactively facilitate business and well-being services not dissimilar from a range of other community and social organisations; entities that typically operate on a non-profit basis, limiting, if not voluntary, to their actual overhead costs. I therefore question the rationale behind the Council's practice to charge for staff time at a rate significantly higher than their remuneration. To illustrate my point, a staff member working a standard 40-hour week and being charged out under the listed schedule rate for a planning officer at \$235p/h would bring in some \$460,000 in revenue for the Council annually.
4. Enlarging on the above, a fundamental purpose behind the collection of Rates is to avail that income towards the Council's operational costs, including that of staff salaries, thus raising concern why additional charges are imposed for staff time when their day-to-day work is paid from that source.
5. Further, a key component behind any charge is that elected members must be satisfied that staff are producing value-for-money service. There is a strong sentiment within the community that some staff, at times, are floundering, a view supported by the high level of complaints the Council receives. E.g. applications are regularly subject to requests for further information, which is often perceived by the applicant as not related to the matter and or the information has already been provided. There is also concern that processing staff constantly need to consult with colleagues and/or external consultants due to not having the necessary qualifications or experience, which causes process delay & escalation in costs. To highlight this point, it is noted that between July 2024 - March 2025 (a mere 8 months), staff expended \$921,000 on external consultants seeking assistance over planning matters.
6. Council staff are paid from out of the administration account, bankrolled from Rates that once including other income revenues, amount to approximately. \$196m – Council puts aside .47% of that intake (beckons why so little) towards operating the planning division, i.e. \$921k. I have no knowledge of staff numbers engaged under the planning umbrella, but say, unlikely those salaries collectively would match \$921k; however, if there is a shortfall in operating the planning division, then the put side percentage be increased.

### **Planning processing charges:**

7. Section 150(4) of the Local Government Act 2002 explicitly restricts a Council from "recovering more than the reasonable costs incurred for the matter for which the fee is charged", while the RMA 1991 section 36AAA(3) sets out the criteria for fixing charges.
8. Council policy sets out to recover 100% of the planning matter cost, which of course, is predominantly made up of staff time. I say these charges ought to be removed in their entirety as staff are paid out of the administration account, and for hereafter reasons.
9. While acknowledging it may be simpler from an administration perspective to impose a starting charge, that is not what the legislation describes. The law restricts recovery to no more than the reasonable cost of processing the matter. A fixed charge, particularly at the described rates, fails to account that the actual cost can be less than the scheduled starting charge.

10. Below is mere couple examples that highlight concerns with setting a standardize charge, but firstly, one needs to be mindful that an application is predominately prepared by a professional consultant whom retains wealth of expertise in such matters (council staff are effectively the peer reviewer) and that at times there is apprehension whether applications are appropriately managed and within a timely manner.

12. Council has fixed “non-notified” land use consent charge at \$5,000 albeit charge comes with ability to impose additional costs; thus indicates an officer would typically incur over a week processing the application if paid a generous wage of \$100 p/h; whereas, unless the application retains serious shortcomings, am advised by professionals, an application under this category ought to be capable of processing in a day or thereabouts.

13. Council has fixed “limited-notified” subdivision of up to 20 lots at a start charge of \$28,000 and, exceeding 20 lots, a start charge of \$48,000. With the bulk of the work undertaken by professionals outside of Council, the processing time for these applications ought not to exceed a few days; thus, such a charge is beyond the realms of reasonableness. I also question why the a huge difference between the two charges; a larger lot subdivision does not necessitate additional work, certainly to the extent the fee implies. Should it be advanced that a larger lot subdivision is more complex and time-consuming, that would be misleading. While larger lot subdivisions do require additional engineering drawings and more peer-review time, this phase of work is not undertaken at the planning permission stage. Planning approval involves a processing officer checking that the application satisfies the rules, policies and objectives; thus, the extent of work is all but the same regardless of the number of lots. Engineering drawing consideration and approval is a separate step thereafter.

14. While not directly a "planning charge," matter, it is worth noting that at the time of subdivision, the developer bears the entire cost of the subdivision, including road build, cost of installing services, that must strictly adhered to Council's specifications which includes pipes must have a service life of no less than “80-years”. Further, a developer having met that significant cost must also pay development levies (while the sum varies equates to many thousands per section); Thereafter, the developer must “gift” the road and land it sits upon to Council, who then further benefits by receiving ongoing Rates from each section created.

**In summary;**

- Council is empowered to recover 100% of the ‘reasonable cost’ to process the matter; however, a blanket charge approach inevitably exceeds the actual/reasonable cost of doing so.
- The charge out rate set for staff time are beyond reasonable. A fairer and safer recovery model is “charge-up” based on the actual cost (less any offset) thus eliminating the risk of overcharging.
- Planning/process charges, which consist largely of staff time, should be completely removed if for no other reason than the Council receives wider benefits, noted above, and the charges act to stymie development.
- An independent watchdog should be established to ensure staff transparency and restore public confidence.

I thank you for your time, and open to any questions.

Dated: 30 April 2025

218212

17 April 2025

**BRIAN GREEN RESIDENTIAL DEVELOPMENTS LTD - SUBMISSION**

Thanks for the opportunity to provide a submission to the draft annual plan budget 2025/2026.

This submission is made on behalf of Brian Green Residential Developments Limited (BGRDL) and relates to the proposed Fees and Charges for Planning and Miscellaneous Services.

Firstly, we see that Council are endeavoring to recover 100% of their costs to provide planning services. We accept that they can recover a "high" percentage however we believe that 100% recovery is too high. Section 150 of the LG Act 2002 requires that the fees must only recover reasonable costs.

When a subdivision consent is not processed within the timeframes specified by the RMA a discount on fees is required to be issued. If this is applied, does Council wear this cost or are the new fees, being proposed, elevated to cover this? If the fees are being elevated to cover that cost, what penalty is Council paying for not meeting the RMA timeframes?

We would be interested to see what percentage other Councils charge. This point is not covered by Councils report. It is our understanding that other Councils have a recovery rate less than 100%, due to a public good component. We would prefer that Council set their recovery at 80%.

Secondly, we see that "Technical and Professional Staff from all other Council units" are to be charged out at \$245/hour. While this is a reduction from last year's \$268/hour we would like this line item split into Senior, Intermediate and Junior costs so that the fee reflects the seniority of the Council staff member involved. Last year we had a situation where a Junior PNCC staff member was being charged out at \$268/hour while our company's most experienced and fully qualified Chartered engineer was being charged out at a rate significantly less than that.

KB Judd  
Resonant Consulting Ltd

