

File Number:	RA-BFC-019
Date:	10-Jan-19
Officer:	Michele Rogers



File Note

BFAC Item Number:	Item 7.3
Date:	10-Jan-19
Subject:	Burning Permit Fees

1.0 Background

The Bush Fire Brigade (BFB) provides a service to City residents, undertaking fire hazard reduction burns upon request. The BFB charge a nominal fee to residents for this service. The amount charged is dependent on the size of the burn being undertaken. The BFB use the funds raised at burns to fund equipment and day to day operations not covered by the Local Government Grants Scheme.

The City assists the BFB with the collection of the fee, invoicing residents and then reimbursing the BFB once the fee is paid. The City charge an administration fee being 10% of the burn, to a maximum of \$50. In the 12 months leading to the November 2018 BFAC meeting, the City has collected a total of \$380 in administration fees.

At the time of the November 2018 meeting, the City was holding approximately \$19,000 in funds, while inconsistencies in the GST calculations were being resolved. These inconsistencies occurred due to GST being calculated on a non-GST component of the service being the City administration fee.

In the interest of simplicity, the BFB has requested the removal of the City administration charge. This will simplify the quoting and invoicing of the burns undertaken by the BFB and mitigate the risk of fee quoting errors occurring.

2.0 Issues

Can Council approve the removal of the administration fee for permits to burn, where the BFB are undertaking burns at the bequest of a third party?

3.0 Rules

The fee as described in the background information provided is for services administered by the City on behalf of the BFB and is generated under Section 6.16 of the *Local Government Act 1995*.

Section 6.16 of the *Local Government Act 1995* allows the local government to charge a fee for services it provides. Specifically, section 6.16(2)(b) of the *Local Government Act 1995* allows local government to charge a fee for supplying a service or carrying out work at the request of a person. The charging or not charging of the fee is discretionary, requiring an absolute majority to approve the establishment or abolishment of the fee.

The fee is not for the permit to burn as defined under regulation 19 of the *Bush Fire Regulations 1954*.

4.0 Analysis

The administration fee being charged by the City is nominal in nature and historically does not reflect the cost incurred for assisting the BFB in recovering the costs. The service fee is not subject to GST as such should not include GST components. Confusion has occurred with the BFB including service fee in their GST calculations, causing delays in reimbursing them while the errors were rectified. The cost to the City for correcting the errors can be approximated at \$100 per error, being more than the maximum \$50 fee set for the service. This figure was calculated using the costed rate of staff time consumed correcting the clerical error.

5.0 Conclusion and Recommendations

There is no material benefit to the City by having the fee. Correcting the errors is increasing the operational costs of administering the service for the BFB. It can be concluded there will be operational savings made through the removal of the fee.

Therefore, it is recommended that Council approve the abolishment of the service fee for the administration of the invoicing service being provided to the BFB for their fire hazard reduction burns.



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