

Building Information Sheet: Demolition Inspection Fees

The Local Government Act 1995 provides for Councils to charge an inspection fee for the carrying out kerb/footpath/verge/crossover inspections as part of a Demolition Application. This service fee has been established to cover the costs of both a pre and post inspection of the City's verge area to ensure any damage that occurs as a result of the demolition process is identified and rectified.

What is the inspection fee applied to Demolition Applications?

\$157.30* This fee replaces the use of a bond and applies to each demolition application,

What is the legal basis for charging inspection service fees?

The Local Government Act 1995, section 6.16 enables the City to cover costs by imposing a service fee for inspections. The Act provides that fees and charges be imposed when adopting the annual budget, which the City does around July each year. The City introduced this fee, through adoption at the August 2020 Council Meeting, through the budget amendment process.

Does GST Apply to the Inspection service?

Where the inspection is levied and performed by the City, it will be exempt from GST as the fee does not constitute consideration for GST purposes. This position is confirmed in Class Ruling 2013/41 where the Commissioner sets out the GST treatment of inspection fees.

What does the \$157.30 inspection fee cover?

Two inspections by a City officer, one prior to the demolition occurring, and one after. The fee was established taking into account the time it takes to complete the inspection, travel time, staff costs, vehicle costs etc.

What can the demolition contractor do to ensure they are not rectifying damage that they aren't responsible for?

Some contractors will photograph any damage that exists to the kerb, footpath, crossover, street tree etc. before commencing work. This is a record for the contractor in the case of a dispute with the City.

Why does the City complete the inspections?

Any damage needs to be rectified, to ensure footpaths, kerbs and crossovers are left in a safe condition and do not present trip hazards for pedestrians, which may lead to an insurance claim against the City.

What are the legal provisions related to damage to the City's verge?

The City has in the past used a bond payment, to ensure that if damage wasn't rectified, that the City could use the bond money to complete the works. This however requires the City to hold and manage significant bond amounts and in an effort to streamline the City's processes, an inspection fee of \$157.30 has been introduced to replace the bond payment. Damage to the City's verge and infrastructure such as a street tree, kerb, footpath or cross over, is a breach of the Local Government (Uniform Local Provisions) Regulations 1996 and the City's Consolidated Local Laws.

What is the City's approach in the case of damage being identified?

Once the City has established that the damage has occurred as a result of the demolition process, a verbal and written request will be made to the contractor/applicant, to rectify the damage within 28 days.

If damage that occurs by the demolition contractor is not rectified, the contractor may be issued with a \$500 infringement notice; a formal notice (which provides the City with the legal right to complete the works, and charge the contractor, proceeding to the Magistrates Court to recover costs); or legal action. This enforcement approach replaces the use of a bond.

Where to go for further information?

Please contact the City's Building Services on 1300 422 664.

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