



3. ADDITIONAL CHARGE FOR PROPERTY WITHIN THE CHRISTCHURCH DISTRICT SERVED BY THE PAPARUA WATER RACE SYSTEM: RATING METHOD

Officer responsible Water Services Manager	Author Allan Watson
Corporate Plan Output: None	

The purpose of this report is to advise the committee of a new property charge of \$20.00 per annum being levied by the Selwyn District Council on property within the Paparua Water Race Area but not paying water race charges and to seek a decision on how the City Council wishes to obtain this revenue for such city property.

BACKGROUND

Councillors will be aware that the Selwyn District Council provides an across-boundary water race stockwater supply to properties lying within the City Council area. Water race users are charged directly by the Selwyn District Council. The scheme is administered by the Selwyn District Council Water Race Committee where city interests are represented by Riccarton/Wigram Community Board member Mike Mora, supported by Water Services Unit staff.

In 1999 we were advised that the Selwyn District Council had adopted a recommendation of the Water Race Committee that all property situated in the vicinity of the water race system, but not paying water race charges, would be required to pay an annual charge of \$20 (GST included) per property to reflect the benefits offered by the system whether or not the property utilised race water. These benefits include fire fighting potential, amenity and recreation opportunities.

Within the City Council area there are approximately 850 rural properties lying within the Paparua Water Race District, which currently do not pay water race charges but which would be required to pay the \$20 (GST included) general benefit charge. Inclusive of GST the total income sought is \$17,000 per annum. This list excludes the townships in the area (e.g. Templeton) where a high pressure water supply covers the firefighting need.

When this notification was received in April 1999 it was too late to include it in the Annual Plan process and the Annual Plan Working Party decided as an interim measure for the 1999/00 year to pay the Selwyn District Council a lump sum to cover the affected properties. This amount was to be found from the Water Services Unit budget without additional funding.

OPTIONS

The question still arises as to how the Council wishes to obtain this revenue. The options for the Council include:

- (a) To request the Selwyn District Council to collect this charge across the 850 Christchurch properties not currently paying water race charges
- (b) To levy each property for the charge and pass this revenue to the Selwyn District Council less a collection fee
- (c) To continue to provide the Selwyn District Council with a \$17,000 (including GST) annual payment to cover the affected properties as a charge against the general rate.

If (a) is favoured notification to the Selwyn District Council is required to allow it to include notice of this charge in its draft Annual Plan. For (b) the City Council will need to notify its intention in its own draft Annual Plan and provide for the revenue and payment in the Plan documentation. The option (c) requires the Council to provide for a \$17,000 (including GST) expenditure in the Water Services Unit budget.

Option (c) is favoured and it is recommended that this be adopted. It avoids the inefficiency implicit in collecting a special rate from a relatively small number of properties and also recognises the significant city-wide benefits that accrue from the presence of the water race system, notably in aquifer recharge and through water race discharge into the headwaters of city waterways.

- Recommendation:**
1. That the City Council continue to provide the Selwyn District Council with a lump sum annual payment (\$17,000 inclusive of GST in 2000/01) to cover those properties affected by the new \$20 amenity charge being levied by the Selwyn District Council.
 2. That this payment be a charge against the general rate recovered from the rural sector.
 3. That an amount of \$15,100 (\$17,000 less GST) be added to the Water Services Unit's budget for 2000/01 to cover this payment.