

9. GOVERNORS BAY RATES VALIDATION, EMPOWERING & TRUST REMOVAL ACT 1994

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PURPOSE OF REPORT

1. The purpose of this report is to provide background to the issue of the Governors Bay Rates Validation, Empowering & Trust Removal Act 1994 as referred to in the Local Government Commission's issues for transition.

EXECUTIVE SUMMARY

2. In 1989 a water and sewerage scheme was provided to Governors Bay residents. The sewerage scheme is stand-alone encompassing both treatment plant and infrastructural pipes. An extension of the infrastructural pipes to the Lyttelton Water Scheme was made, at that time for Governors Bay residents.
3. Residents at that time had the option of making a lump sum capital contribution or to fund these works by a uniform annual charge over time.
4. In 1994 the Governors Bay Rates Validation, Empowering & Trust Removal Act was passed. The Act validated the then Council's actions in raising the loan for and at the cost of local users of the scheme. The Act was prescriptive and also defined the loan servicing area.
5. In 1999 the Banks Peninsula District Council proposed and implemented a uniform water charge for all the water users in the Lyttelton Harbour Basin and in 2002 proposed a uniform sewerage charge for all schemes on the Banks Peninsula. The rationale for this policy change is that a similar service is being provided to each user.
6. Under these proposals all operating and loan costs are shared equally by the users.
7. In 1999 when this charge was proposed the Governors Bay community raised concerns that their specific loans were not able to be combined over the district due to the legislation.
8. To this day a separate uniform charge has been levied for Governors Bay residents for both water and sewer and a separate loan uniform charge for those residents (143 water, 138 sewer) who chose to take up the uniform charge.
9. The Local Government Commission has asked that this be addressed as a transition issue. Staff from Banks Peninsula District Council are currently updating Christchurch City Council staff on the issues and legislation. No recommendation is put forward at this stage.