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**Committee** Rural Services and Wairarapa  
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## **Future Collection of Rural Water Supply Annual Charges**

### **1. Purpose**

To seek the Committee's approval to continue to collect the annual charges for the Opaki and Fernridge Water Supply Associations.

### **2. Background**

Greater Wellington currently collects the annual rate for both the Fernridge and the Opaki Water Supply Associations. These rates are levied and collected under the Ratings Powers Act 1988, on an annual basis in conjunction with the Council's river management, catchment, drainage scheme and bovine Tb vector control rates. All of these rates are administered and collected through the Wairarapa Division's Masterton office.

Both water schemes are set up as incorporated societies and are managed by an elected committee of subscriber representatives independent of Council. The schemes were initially set up as rating districts under the Rating Powers Act and the Council acts in the role of a collection agency. The Council played a major part in the original design and setting up of these rural water schemes that were subsequently passed over to the Associations to manage. The Water Supply Associations own all scheme assets and manage their own funds.

### **3. Change in Legislation**

As from 1 July 2003 the Ratings Powers Act 1988 is being replaced with new legislation, the Local Government (Rating) Act 2002. There are significant changes within this Act that give Regional Councils a greater rating ability, however the Act clearly states that rates must fund Local Government activities. The operation of these two rural water supply schemes is clearly not a Local Government activity and therefore cannot continue to be collected by Council as a rate.

#### **4. Future Collection Options**

Greater Wellington has had a long history in providing assistance to the management of these water supply schemes and it would be desirable to continue assisting these rural water supply groups in this manner.

There are presently two options available to the Associations for the collection of their annual charges:

- Either the Association's collect the subscription charges themselves, or contract another agency to collect them on their behalf. This may cause some difficulties, as the Associations have limited administration facilities and are made up of elected subscribers (largely voluntary labour).
- Or Greater Wellington continues to collect the charges by way of annual invoice through the debtors ledger system. If this were to happen, a collection fee would be charged that recovers all costs to Council. Currently Council is limited to charging a 2% rate collection fee.

#### **5. Preferred Option**

Meetings have been held with both of the Water Supply Association Committees to discuss the options and related issues. Both Associations have clearly indicated that they would prefer to continue with Greater Wellington collecting their annual subscriber charges on their behalf. Any increase in collection cost has been accepted as being fair and reasonable. Council's costs will be recovered by way of an annual collection fee to the Associations. Hence the Committees approval is sought to proceed with these changed arrangements.

#### **6. Communications**

The decision on the Council's preferred approach for collection will be communicated back to the Associations and acted upon accordingly.

#### **7. Recommendations**

*That the Committee agrees to the continuation of the collection of the Fernridge and Opaki Water Supply Association annual charges, but through the Council's debtor ledger system instead of as a targeted rate, as in the past.*

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