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## **Report 02.351**

17 June 2002

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Report to Policy, Finance and Strategy Committee  
from Ted Maguire, Council Secretary

### **Rating of Utilities' Distribution Networks**

#### **1. Purpose**

To further consider the question of levying WRC rates on Utilities' Distribution Networks.

#### **2. Background**

- (1) On Thursday, 13 June, the Committee considered Report 02.336, which recommended that the Council not remit its rates on Local Government owned or other utilities' distribution networks with effect from 1 July 2002.
- (2) The Policy, Finance and Strategy Committee agreed to defer consideration of the recommendation until after the meeting of local authority Chief Executive Officers being convened by Mr Garry Poole of the Wellington City Council. This meeting took place on Friday, 14 June. Mr Stone and I attended. The outcome of the meeting was that officers of each council (representing Wellington City Council, Hutt City Council, Upper Hutt City Council, Porirua City Council and Wellington Regional Council) agreed they would recommend that each Council rate utilities' networks from both local government and private sectors.

Each Council's approach is slightly different. The position of the Wellington Regional Council, which has more limited rating powers than territorial authorities and the legal advice it had received, was acknowledged.

- (3) Kapiti Coast District Council was also represented at the meeting but that Council, being on land value rating, cannot rate utilities' networks. Kapiti Coast District Council's networks for water and wastewater will be liable for WRC rates. KCDC has been aware of this possibility for some time.

- (4) There was a general accord that treating networks owned by local government in a way that is different to other networks would expose the sector to actions by other ratepayers.
- (5) Over the coming year, it was agreed that the Councils would work together to review the way in which utilities' rates would be levied when the Local Government (Rating) Act takes effect on 1 July 2003. This gives wider rating powers to all Councils and in particular, gives regional councils the same rating powers as territorial authorities.

### 3. **Conclusion**

On the basis of the above, I do not consider there is any reason or matter arising from the meeting which would provide sound grounds to vary the recommendation in Report 02.336.

### 4. **Recommendation**

*That the Policy, Finance and Strategy Committee recommend that Council not remit rates for local government owned or other utilities' distribution networks with effect from July 2002.*

TED MAGUIRE  
Council Secretary