

# STAFF REPORT

**TO:** Chairman and Members Engineering Services

**FROM:** Development Engineer, Dugald Ley

**DATE:** 11 May 2010

**SUBJECT:** **LICENCES TO OCCUPY ROAD RESERVE – RESC10-05-07**  
Report prepared for meeting of 27 May 2010

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## 1 PURPOSE

The purpose of this report is to update the Council on Licences to Occupy Road Reserve and to recommend an increase in charges for these licences.

## 2 BACKGROUND

Councillors may be aware that Council allows private services such as gravity sewers, pressured water supplies and wastewater pipes to be laid within road reserve.

These licences are for practical reasons allowing the installation of private services to get to the other side of the road or services along the road, for example private water reticulation. Examples of this are the Galeo Estate on Maiseys Road where they have a sewer gravity and pressure main within the road. The Hallertau Heights development also has a sewer gravity main crossing the road.

These licences to occupy contain specific requirements such as:

- a) Bond agreement usually to an amount of \$20,000 either as a cash sum or bank bond.
- b) Public liability insurance taken out by the applicant, usually between \$1 to \$2 million.
- c) An annual licence fee to cover administration of the documents and a “lease” for the land that the private structure occupies.

In the past (2005) Council imposed a token licence fee of \$1 (one dollar) and more recently staff suggested this increase to \$200 plus GST plus the current Consumers Price Index.

The licence to occupy documents are processed by Council’s legal advisers and their costs are also passed on to the applicant. Council staff are now aware of the true value of the land “taken out of use” within the road reserve by private pipelines and also the administration costs involved in keeping track of these licences.

## 3 DISCUSSION

It is considered that the more realistic cost of \$400 plus GST per year plus the Consumers Price Index for each following year with a review every three years would be in line with the Ten Year Planning process.

It is my view that in 2012 there should be a line item in the Schedule of Charges for Engineering for “annual licence fee for licence to occupy agreements” with an appropriate charge at that time.

In the interim Council needs to consider the current fee of \$200 plus GST plus Consumers Price Index and my recommendation is that for any new agreements the fee be set at \$400 plus GST and Consumers Price Index for each subsequent year. For existing agreements they should be increased to the above amount on the next anniversary of the agreement.

#### **4 RECOMMENDATION**

- 4.1 THAT any new licences to occupy have a yearly licence fee imposed of \$400 plus GST plus Consumers Price Index for each subsequent year.**
- 4.2 THAT existing licence to occupy agreements be increased in line with the above recommendation at the next review date.**
- 4.3 THAT the annual fee be reassessed at the next review of the Ten Year Plan in 2012.**

Dugald Ley  
**Development Engineer**