

STAFF REPORT

TO: Chairman and Members, Engineering Services Committee
FROM: Jeff Cuthbertson, Utilities Asset Manager
REFERENCE: E551
DATE: 6 July 2006
SUBJECT: **DRINKING WATER ASSISTANCE PROGRAMME**

1 PURPOSE

The purpose of this report is to inform the Committee that the Ministry of Health is offering funding through an assistance programme for drinking water standards.

2 COMMENT

Prior to this assistance funding becoming available, the Ministry of Health (MoH) has requested submissions on how the subsidy fund (approximately \$13.7 million (excluding GST) per annum for ten years) is to be allocated.

It appears that the MoH prefers a funding system relating to the respective Deprivation Index. From our recent experience with the sewerage subsidy scheme, the use of the Depreciation Index is not a fair means of funding allocation if it is to be based on a District as a whole, rather than the community in need.

3 SUBMISSION

Council staff intend to make a submission to the MoH (see attached) highlighting the pitfalls of the process but accepting that if the Depreciation Index was to be used then it must not relate to the Tasman District as a whole, but directly to the community in need of assistance.

4 RECOMMENDATION

THAT the submission as attached be sent to the Ministry of Health Assistance Programme for consideration.

Jeff Cuthbertson
Utilities Asset Manager