

Report 2015.297
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Committee Council
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Wholesale water levy for 2015/16 and end of year adjustment for levy 2014/15

1. Purpose

To set the wholesale water levy for 2015/16 year and adjust the 2014/15 year levy apportionment.

2. Background

The Council has consulted with its water supply customers (the four metropolitan city councils) and the community about the water supply levy for 2015/16. The proposed 10 Year Plan 2015-25 outlined that the levy for the 2015/16 financial year will increase by 5.0 percent from that set for the current year.

3. Submissions

There were no significant issues raised in relation to the proposed wholesale water levy for 2015/16 as a result of the consulting process undertaken with the Proposed 2015/16 Annual Plan.

4. Proposed 2015/16 wholesale water levies

The proposed levy for 2015/16, as detailed in the Council's proposed 10 Year Plan 2015-25 provides for a 5.0 per cent increase to the current year's levy. If this position is approved, the levy for the 2015/16 financial year will be \$27,604,128 (GST exclusive).

The Levy applicable to each city council would be as follows:

Table 1

	2015/16 Levy \$ (GST exclusive)
Hutt City Council	6,837,889
Porirua City Council	3,287,483
Upper Hutt City Council	2,701,803
Wellington City Council	14,776,953
Total	27,604,128

5. Proposed end of year adjustment levies for 2014/15

At the beginning of each year an estimate of each city's water consumption is calculated, and charges are raised based on the amount of water supplied in the previous year. Once the amounts of water actually supplied during the 2014/15 year are known an adjustment is made at year end. The metering year ends on the last Wednesday of March and the volumes recorded are used to determine an end of year adjustment. Table 3 shows the end of year adjustments. Consumption figures are reported to all metropolitan council's weekly.

Table 3

Council	Adjustment for 2014/15 \$ (GST exclusive)	Charge or refund
Hutt City Council	(208,435)	Refund
Porirua City Council	127,651	To pay
Upper Hutt City Council	97,000	To pay
Wellington City Council	(16,216)	Refund
Total	Nil	-

Although Greater Wellington Regional Council's overall financial position does not change, some accounting adjustments are needed to reflect the amount of water actually consumed by each city. Accordingly, charges raised to the cities previously are to be revised. On 20 July 2015, a refund will be sent to Hutt City and Wellington City Councils. On the same day invoices raised for Upper Hutt and Porirua City Councils will be due for payment.

6. Communications

On 30 June 2015, after the Council has considered Greater Wellington Regional Council's rates and levies for the 2015/16 financial year, a media statement will announce that the wholesale water levy for 2015/16 has been increased.

Each of the four city councils will be advised directly of the contributions payable for 2015/16 and adjustments to the levies charges for 2014/15.

7. The decision-making process and significance

Officers recognise that the matters referenced in this report may have a high degree of importance to affected or interested parties.

The matter requiring decision in this report has been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act). Part 6 sets out the obligations of local authorities in relation to the making of decisions.

7.1 Significance of the decision

Part 6 requires Greater Wellington Regional Council to consider the significance of the decision. The term ‘significance’ has a statutory definition set out in the Act.

Officers have considered the significance of the matter, taking the Council's significance and engagement policy and decision-making guidelines into account. Officers recommend that the matter be considered to have low significance.

The Council's proposed 10 Year Plan 2015-25 has been developed in accordance with the special consultative procedure and contains details of the proposed water levy.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

7.2 Engagement

The consultation and engagement on the development of the 10 Year Plan was designed taking into account the Greater Wellington Regional Council Significance and Engagement Policy and requirements in the LGA.

8. Recommendations

That the Council:

1. *Receives the report.*
2. *Notes its contents.*
3. *Approves pursuant to section 91 of the Wellington Regional Water Board Act 1972, the wholesale water contributions payable by constituent authorities for 2015/16 be as follows:*

	2015/16 Levy \$ (GST exclusive)
<i>Hutt City Council</i>	6,837,889
<i>Porirua City Council</i>	3,287,483
<i>Upper Hutt City Council</i>	2,701,803
<i>Wellington City Council</i>	14,776,953
Total	27,604,128

4. *Approves the end of year adjustment levies for 2013/14 be as follows:*

	2014/15 Adjustments \$ (GST exclusive)
<i>Hutt City Council</i>	(208,435) Credit

<i>Porirua City Council</i>	<i>127,651</i>	<i>Debit</i>
<i>Upper Hutt City Council</i>	<i>97,000</i>	<i>Debit</i>
<i>Wellington City Council</i>	<i>(16,216)</i>	<i>Credit</i>

5. *Notes that settlement takes place on 20 July 2015.*

Report prepared by:

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Report approved by:

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Report approved by:

Greg Campbell
Chief Executive