



**Report** 04.322  
**Date** 9 June 2004  
**File** B/05/02/01

**Committee** Policy, Finance and Strategy Committee  
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## **Wholesale Water Levy 2004/5 and End of Year Adjustment Levy 2003/4**

### **1. Purpose**

To set the wholesale water levy for 2004/5 and the end of year adjustment levies for 2003/4.

### **2. Background**

As is normal practice, the Council consulted with its water supply customers (the four metropolitan city councils) and the community about the water supply levy for 2004/5. The proposed Annual Plan outlined that the levy for the 2004/5 financial year would be the same as the levy for the current year.

Presentations on the proposed levy have been made to Upper Hutt and Wellington City Councils. The presentation to Porirua City Council is scheduled for Wednesday 18 June. Hutt City Council decided a presentation was unnecessary.

### **3. Events Occurring Since the Proposed Annual Plan was Approved**

#### **3.1 Financial projections**

Since finalisation of the Proposed Annual Plan, no changes have been made other than a minor change to the methodology for calculating the debt balances in the out years of the nine year programme.

This has the effect of increasing the debt balance in 2012/13 by \$400,000 to \$56M. **Attachment 1** shows the extended debt projections and impact on debt of various alternate levy reductions/increases given current projections.

### 3.2 Submissions

It is pleasing to record that no issues have resulted from consultation with our customers or the public.

## 4. Proposed 2004/5 Wholesale Water Levies

The proposed levy for 2004/5, as contained in the Council's proposed Annual Plan is the same as the current year's levy.

If this position is approved, the levy for the 2004/5 financial year will be \$25,623,531 GST inclusive, the same as for 2003/4.

Levies for individual city councils would be as follows:

	<b>2004/5 Levy (GST Inclusive)</b>
	<b>\$</b>
Hutt City Council	6,570,318
Porirua City Council	2,747,563
Upper Hutt City Council	2,483,256
Wellington City Council	13,822,394
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Total	25,623,531

For comparison purposes, the 2003/4 and 2004/5 levies are as follows:

**Table 1**

<b>Council</b>	<b>2003/4 Levy \$(GST inclusive)</b>	<b>2004/5 Levy \$(GST inclusive)</b>	<b>Change +/(-) %</b>	<b>Change \$ GST inclusive</b>
Hutt City Council	6,718,442	6,570,318	(2.5)	(148,123)
Porirua City Council	2,812,258	2,747,563	(2.6)	(64,695)
Upper Hutt City Council	2,443,037	2,483,256	1.9	40,219
Wellington City Council	13,649,794	13,822,394	1.4	172,600
	<b>25,623,531</b>	<b>25,623,531</b>	-	-

## 5. Proposed End of Year Adjustment Levies for 2003/4

Because the percentage consumption assumed for each city in setting the 2003/4 levies a year ago differed from the actual consumption, year end adjustments are required. Consumption is based on the metering year that finished at the end of March 2004. Table 2 is the end of year adjustments.

**Table 2**

<b>Council</b>	<b>Adjustment for 2003/4 \$ (GST inclusive)</b>	
Hutt City Council	(148,123)	Refund from GW
Porirua City Council	(64,695)	Refund from GW
Upper Hutt City Council	40,219	To pay GW
Wellington City Council	172,600	To pay GW

The adjustments are between the cities and do not affect Greater Wellington's total revenue. Refund cheques will be sent to Hutt City and Upper Hutt City on 20 July 2004. Likewise, invoices will be sent to the other cities for payment on 20 July 2004.

## **6. Communications**

It is suggested that a media release is made after the Council meeting highlighting the number of years the levy has either remained static or been reduced.

## **7. Recommendations**

*That the Committee:*

(1) *recommend to Council that:*

- *Pursuant to section 91 of the Wellington Regional Water Board Act 1972, the wholesale water contributions payable by constituent authorities for 2004/5 be as follows:*

	<b>2004/5 Levy \$ (GST inclusive)</b>
<i>Hutt City Council</i>	<i>6,570,318</i>
<i>Porirua City Council</i>	<i>2,747,563</i>
<i>Upper Hutt City Council</i>	<i>2,483,256</i>
<i>Wellington City Council</i>	<i>13,822,394</i>
<b><i>Total</i></b>	<b><i>25,623,531</i></b>

- *The end of year adjustment levies for 2003/4 be as follows:*

***2003/4 Adjustments  
\$ (GST inclusive)***

<i>Hutt City Council</i>	<i>(148,123)</i>	<i>Credit</i>
<i>Porirua City Council</i>	<i>(64,695)</i>	<i>Credit</i>
<i>Upper Hutt City Council</i>	<i>40,219</i>	<i>Debit</i>
<i>Wellington City Council</i>	<i>172,600</i>	<i>Debit</i>

- *Settlement takes place on 20 July 2004.*

- (2) ***forward*** the Council resolution to each of the city councils under the Common Seal of the Wellington Regional Council.

Report prepared by:

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**Attachment 1:** Debt Scenarios