

Report 2014.329
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Committee Council
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Water Supply Group

Wholesale water levy for 2014/15 and end of year adjustment for levy 2013/14

1. Purpose

To set the wholesale water levy for 2014/15 year and adjust the 2013/14 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 2014/15. The proposed Annual Plan outlined that the levy for the 2014/15 financial year will increase by 2.5 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 2014/15 as a result of the consulting process undertaken with the Proposed 2014/15 Annual Plan.

4. Proposed 2014/15 wholesale water levies

The proposed levy for 2014/15, as detailed in the Council's proposed Annual Plan 2014/15 provides for a 2.5 per cent increase to the current year's levy. If this position is approved, the levy for the 2014/15 financial year will be \$26,275,999 (GST exclusive).

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

Table 1

	2014/15 Levy \$ (GST exclusive)
Hutt City Council	6,717,330
Porirua City Council	3,001,660

Upper Hutt City Council	2,474,810
Wellington City Council	14,082,199
Total	26,275,999

5. Proposed end of year adjustment levies for 2013/14

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 2013/14 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.

Table 3

Council	Adjustment for 2013/14 \$ (GST exclusive)	Charge or refund
Hutt City Council	(68,823)	Refund
Porirua City Council	30,545	To pay
Upper Hutt City Council	31,253	To pay
Wellington City Council	7,025	To pay
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 2014, a refund will be sent to Hutt City Council. On the same day invoices raised for Upper Hutt City Council, Wellington City Council and Porirua City Council will be due for payment.

6. Communications

On 26 June 2014, after the Council has considered Greater Wellington Regional Council's rates and levies for the 2014/15 financial year, a media statement will announce that the wholesale water levy for 2014/15 has been increased.

Each of the four city councils will be advised directly of the contributions payable for 2014/15 and adjustments to the levies charges for 2013/14.

7. Significance of the decision

The Council's proposed Annual Plan 2014/15 has been developed in accordance with the special consultative procedure and contains details of the proposed water levy. The matters requiring decision in this report have been considered by officers as required under Part 6 of the Local Government Act 2002.

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

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 2014/15 be as follows:*

	2014/15 Levy \$ (GST exclusive)
<i>Hutt City Council</i>	6,717,330
<i>Porirua City Council</i>	3,001,660
<i>Upper Hutt City Council</i>	2,474,810
<i>Wellington City Council</i>	14,082,199
Total	26,275,999

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

	2013/14 Adjustments \$ (GST exclusive)	
<i>Hutt City Council</i>	(68,823)	<i>Credit</i>
<i>Porirua City Council</i>	30,545	<i>Debit</i>
<i>Upper Hutt City Council</i>	31,253	<i>Debit</i>
<i>Wellington City Council</i>	7025	<i>Debit</i>

5. *Notes that settlement takes place on 20 July 2014.*

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Report approved by:
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Report approved by:

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