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Report to the Policy and Finance Committee
from Greg Schollum, Chief Financial Officer and
Murray Kennedy, Strategy and Asset Manager

Bulk Water Levy 1999/2000

1 Purpose

To set the bulk water levy for 1999/2000.

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 1999/2000. The proposed Annual Plan outlined that the levy for the 1999/2000 financial year would be the same as for the current year. This would have been the fourth consecutive year without a change.

At the Annual Plan hearings on 10 and 11 June our four water supply customers made strong representations for a reduction in the levy and the issue was then considered at some length at the Utility Services Committee on 15 June. The Utility Services Committee was able to consider financial information for the current year which is more complete than when the Proposed Annual Plan was published together with debt projections based on various levy reduction scenarios.

On the basis of all the information put before the Utility Services Committee it was resolved to recommend to Council that the bulk water levy should decrease by four percent for the 1999/2000 financial year.

3 Proposed 1999/2000 Bulk Water Levies

The proportion of the levy that each City Council pays is directly proportional to their relative consumption for the year to the end of March previous. As each City Council's percentage varies from year to year there will not be a four percent uniform reduction across all customers compared with the previous year's levy. However, each City Council will be better off than the position if the levy had not reduced.

For comparison purposes the final levy figures are as follows, based on the consumption for the year ended March.

	1998/99 Levy GST Incl (\$)	1999/2000 Levy GST Incl (\$)	Change %	Change \$
Hutt City Council	7,820,898	7,509,521	- 4.0	-311,377
Porirua City Council	2,971,305	3,012,180	+ 1.4	+40,875
Upper Hutt City Council	2,624,687	2,944,248	+ 12.2	+319,561
Wellington City Council	14,953,836	13,769,948	- 7.9	-1,183,888
Total	28,370,726	27,235,897	- 4.0	-1,134,829

4 Recommendations

(i) *That the Policy and Finance Committee recommends to Council that:*

Pursuant to section 91 of the Wellington Regional Water Board Act 1972 the Bulk Water contributions payable by constituent authorities for 1999/2000 be as follows:

	1999/2000 Levy GST Incl (\$)
<i>Hutt City Council</i>	<i>7,509,521</i>
<i>Porirua City Council</i>	<i>3,012,180</i>
<i>Upper Hutt City Council</i>	<i>2,944,248</i>
<i>Wellington City Council</i>	<i>13,769,948</i>
Total	27,235,897

(ii) *That Council Resolution be forwarded to each of the City Councils under the Common Seal of the Regional Council.*

Report prepared by:

GREG SCHOLLUM
Chief Financial Officer

Report prepared by:

MURRAY KENNEDY
Strategy and Asset Manager
for Divisional Manager, Utility Services

Approved for submission by:

HOWARD STONE

General Manager