



Report 09.374
Date 18 June 2009
File B/05/02/01

Committee Council
Author Andrew Samuel, Marketing Analysis Manager
Water Supply, Parks and Forests

Wholesale water levy 2009/10 and end of year adjustment levy 2008/09

1. Purpose

To set the wholesale water levy for 2009/10 and the end of year adjustment levies for 2008/09.

2. Significance of the decision

Because the setting of the water levies implements the provisions of the Council's 2009/10 Annual Plan the decision does not trigger the Council's significance policy or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

3. 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 2009/10. The proposed Annual Plan outlined that the levy for the 2009/10 financial year would not increase from that for the current year.

4. Submissions

There were no significant issues raised in relation to the proposed wholesale water levy for 2009/10 through the consultation process on the Proposed 10-Year Plan 2009-19.

5. Proposed 2009/10 wholesale water levies

The proposed levy for 2009/10, as contained in the Council's Proposed 10-Year Plan 2009-19, incorporating the Proposed Annual Plan 2009/10, is unchanged from the current year's levy. If adopted, as recommended, the 2009/10 year would represent the twelfth time in the last 13 years that the levy has been held or reduced.

If this position is approved, the levy for the 2009/10 financial year will remain at \$26,392,238 GST inclusive.

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

Table 1

	2009/10 Levy (GST inclusive) \$	2009/10 Levy (GST exclusive) \$
Hutt City Council	6,694,549	5,950,710
Porirua City Council	3,071,850	2,730,533
Upper Hutt City Council	2,438,633	2,167,674
Wellington City Council	14,187,206	12,610,850
Total	26,392,238	23,459,767

For comparative purposes, the 2008/09 and 2009/10 levies, as calculated at the beginning of each respective year, are as follows:

Table 2

Council	2008/09 Levy \$(GST inclusive)	2009/10 Levy \$(GST inclusive)	Change +/- %	Change \$ GST inclusive
Hutt City Council	6,721,702	6,694,549	(0.4)	(27,153)
Porirua City Council	3,035,334	3,071,850	1.2	36,516
Upper Hutt City Council	2,430,601	2,438,633	0.3	8,032
Wellington City Council	14,204,601	14,187,206	(0.1)	(17,395)
	26,392,238	26,392,238	-	-

6. Proposed end of year adjustment levies for 2008/09

Because the percentage consumption assumed for each city in setting the 2008/09 levies a year ago differed from the actual consumption during 2008/09, year end adjustments are required. Actual consumption is based on the metering year that finished at the end of March 2009. Table 3 shows the end of year adjustments.

Table 3

Council	Adjustment for 2008/09 \$ (GST inclusive)	Charge or refund
Hutt City Council	(27,153)	Refund from GW
Porirua City Council	36,516	To pay GW
Upper Hutt City Council	8,032	To pay GW
Wellington City Council	(17,395)	Refund from GW

Although Greater Wellington'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 2009, we plan to process a refund for Hutt City Council and Wellington City Council and similarly, an invoice will be raised for Porirua City Council and Upper Hutt City Council for payment on the same date.

7. Communications

The nil increase to the total bulk water levy for 2009/10 was announced by media statement on 9 June 2009, followed the Council meeting to consider Greater Wellington's rates and levies for the 2009/10 financial year. It is suggested that no further statement is required unless Council amends the total levy amount for 2009/10 included in the recommendations (1) below. Each of the four city councils will be advised directly of the contributions payable for 2009/10 and adjustment levies for 2008/09.

8. Recommendations

That the Council:

(1) *Approves:*

- *Pursuant to section 91 of the Wellington Regional Water Board Act 1972, the wholesale water contributions payable by constituent authorities for 2009/10 be as follows:*

	2009/10 Levy \$ (GST inclusive)
<i>Hutt City Council</i>	6,694,549
<i>Porirua City Council</i>	3,071,850
<i>Upper Hutt City Council</i>	2,438,633
<i>Wellington City Council</i>	14,187,206
<i>Total</i>	26,392,238

- *The end of year adjustment levies for 2008/09 be as follows:*

***2008/09 Adjustments
\$ (GST inclusive)***

<i>Hutt City Council</i>	<i>(27,153)</i>	<i>Credit</i>
<i>Porirua City Council</i>	<i>36,516</i>	<i>Debit</i>
<i>Upper Hutt City Council</i>	<i>8,032</i>	<i>Debit</i>
<i>Wellington City Council</i>	<i>(17,395)</i>	<i>Credit</i>

- *Settlement takes place on 20 July 2009.*

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

Report prepared by:

Report approved by:

Report approved by:

Andrew Samuel
Marketing Analysis Manager
Water Supply, Parks and
Forests

Murray Waititi
Acting Divisional Manager
Water Supply, Parks and
Forests

Barry Turfrey
Chief Financial Officer

Report approved by:

David Benham
Chief Executive