



Report 12.303
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File B/05/02/01

Committee Council
Author Murray Ruddell, Group Accountant
Water Supply

Wholesale water levy for 2012/13 and end of year adjustment for levy 2011/12

1. Purpose

To set the wholesale water levy for 2012/13 year and adjust the 2011/12 year levy apportionment.

2. Significance of the decision

The Council's proposed Annual Plan 2012/13 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. Officers recommend that the matter be considered to have low significance.

3. Background

The Council has consulted with its water supply customers (the four metropolitan city councils) and the community about the water supply levy for 2012/13. The proposed Annual Plan outlined that the levy for the 2012/13 financial year will increase by 3 percent from that set for the current year.

4. Submissions

There were no significant issues raised in relation to the proposed wholesale water levy for 2012/13 as a result of the consulting process undertaken with the Proposed Annual 2012/13 Plan.

5. Proposed 2012/13 wholesale water levies

The proposed levy for 2012/13, as detailed in the Council's Proposed Annual Plan 2012/13 (incorporated in the draft Long-term Plan 2012-22) provides for a 3 percent increase to the current year's levy. If this position is approved, the levy for the 2012/13 financial year will be \$24,888,467 (GST exclusive).

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

Table 1

	2012/13 Levy \$ (GST exclusive)
Hutt City Council	6,362,615
Porirua City Council	2,843,154
Upper Hutt City Council	2,344,125
Wellington City Council	13,338,573
Total	24,888,467

6. Proposed end of year adjustment levies for 2011/12

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 2011/12 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 2011/12 \$ (GST exclusive)	Charge or refund
Hutt City Council	38,266	to pay
Porirua City Council	52,276	to pay
Upper Hutt City Council	12,340	to pay
Wellington City Council	(102,882)	refund due
Total	Nil	-

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 2012, a refund will be sent to Wellington City Council and invoices will be raised for Hutt City Council, Upper Hutt City Council and Porirua City Council for payment on the same day.

7. Communications

On 27 June 2012, after the Council has considered Greater Wellington's rates and levies for the 2012/13 financial year, a media statement will announce that the wholesale water levy for 2012/13 had been increased. Each of the four city councils will be advised directly of the contributions payable for 2012/13 and adjustments to the levies charges for 2011/12.

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 2012/13 be as follows:*

	2012/13 Levy \$ (GST exclusive)
<i>Hutt City Council</i>	6,362,615
<i>Porirua City Council</i>	2,843,154
<i>Upper Hutt City Council</i>	2,344,125
<i>Wellington City Council</i>	13,338,573
Total	24,888,467

4. *Approves the end of year adjustment levies for 2011/12 be as follows:*

	2011/12 Adjustments \$ (GST exclusive)	
<i>Hutt City Council</i>	38,266	<i>Debit</i>
<i>Porirua City Council</i>	52,276	<i>Debit</i>
<i>Upper Hutt City Council</i>	12,340	<i>Debit</i>
<i>Wellington City Council</i>	(102,882)	<i>Credit</i>

5. *Notes that settlement takes place on 20 July 2012.*

Report prepared by:

Report approved by:

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