



Report **13.688**
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File B/05/02/01

Committee **Council**
Author **Murray Ruddell, Group Accountant**
 Water Supply

Wholesale water levy for 2013/14 and end of year adjustment for levy 2012/13

1. Purpose

To set the wholesale water levy for 2013/14 year and adjust the 2012/13 year levy apportionment.

2. Significance of the decision

The Council's proposed Annual Plan 2013/14 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 2013/14. The proposed Annual Plan outlined that the levy for the 2013/14 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 2013/14 as a result of the consulting process undertaken with the Proposed 2013/14 Annual Plan.

5. Proposed 2013/14 wholesale water levies

The proposed levy for 2013/14, as detailed in the Council's proposed Annual Plan 2013/14 provides for a 3 per cent increase to the current year's levy. If this position is approved, the levy for the 2013/14 financial year will be \$25,635,121 (GST exclusive).

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

Table 1

	2013/14 Levy \$ (GST exclusive)
Hutt City Council	6,526,702
Porirua City Council	2,945,475
Upper Hutt City Council	2,432,773
Wellington City Council	13,730,171
Total	25,635,121

6. Proposed end of year adjustment levies for 2012/13

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 2012/13 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 2012/13 \$ (GST exclusive)	Charge or refund
Hutt City Council	(25,508)	refund due
Porirua City Council	16,387	to pay
Upper Hutt City Council	17,839	to pay
Wellington City Council	(8,718)	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 2013, a refund will be sent to Wellington City Council and Hutt City Council. Invoices will be raised for, Upper Hutt City Council and Porirua City Council for payment on the same day.

7. Communications

On 27 June 2013, after the Council has considered Greater Wellington's rates and levies for the 2013/14 financial year, a media statement will announce that the wholesale water levy for 2013/14 had been increased.

Each of the four city councils will be advised directly of the contributions payable for 2013/14 and adjustments to the levies charges for 2012/13.

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 2013/14 be as follows:

	2013/14 Levy \$ (GST exclusive)
<i>Hutt City Council</i>	6,526,702
<i>Porirua City Council</i>	2,945,475
<i>Upper Hutt City Council</i>	2,432,773
<i>Wellington City Council</i>	13,730,171
Total	25,635,121

4. **Approves** the end of year adjustment levies for 2012/13 be as follows:

	2011/12 Adjustments \$ (GST exclusive)	
<i>Hutt City Council</i>	(25,508)	<i>Credit</i>
<i>Porirua City Council</i>	16,387	<i>Debit</i>
<i>Upper Hutt City Council</i>	17,839	<i>Debit</i>
<i>Wellington City Council</i>	(8,718)	<i>Credit</i>

5. **Notes** that settlement takes place on 20 July 2013.

Report prepared by:

Murray Ruddell
Group Accountant, Water
Supply

Report approved by:

Chris Laidlow
General Manager
Water Supply

Report approved by:

Mike Timmer
Acting Chief Financial Officer

Report approved by:

David Benham
Chief Executive