



Report 11.244
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Committee Council
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Utilities and Services

Wholesale water levy for 2011/12 and end of year adjustment for levy 2010/11

1. Purpose

To set the wholesale water levy for 2011/12 year and adjust the 2010/11 year levy apportionment.

2. Significance of the decision

The Council's proposed Annual Plan 2011/12 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 2011/12. The proposed Annual Plan outlined that the levy for the 2011/12 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 2011/12 as a result of the consulting process undertaken with the Proposed Annual 2011/12 Plan.

5. Proposed 2011/12 wholesale water levies

The proposed levy for 2011/12, as detailed in the Council's Proposed Annual Plan 2011/12 provides for a 3 percent increase to the current year's levy. If

this position is approved, the levy for the 2011/12 financial year will be \$24,163,560 (GST exclusive).

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

Table 1

	2011/12 Levy \$ (GST exclusive)
Hutt City Council	6,139,030
Porirua City Council	2,708,068
Upper Hutt City Council	2,263,510
Wellington City Council	13,052,952
Total	24,163,560

6. Proposed end of year adjustment levies for 2010/11

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 2010/11 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 2010/11 \$ (GST exclusive)	Charge or refund
Hutt City Council	31,942	to pay
Porirua City Council	(96,833)	refund due
Upper Hutt City Council	27,554	to pay
Wellington City Council	37,337	to pay
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 2011, a refund will be sent to Porirua City Council and invoices will be raised for Hutt City Council, Upper Hutt City Council and Wellington City Council for payment on the same day.

7. Communications

On 29 June 2011, after the Council has considered Greater Wellington's rates and levies for the 2011/12 financial year, a media statement will announce that the wholesale water levy for 2011/12 had been increased. Each of the four city councils will be advised directly of the contributions payable for 2011/12 and adjustments to the levies charges for 2010/11.

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 2011/12 be as follows:*

	2011/12 Levy \$ (GST exclusive)
<i>Hutt City Council</i>	6,139,030
<i>Porirua City Council</i>	2,708,068
<i>Upper Hutt City Council</i>	2,263,510
<i>Wellington City Council</i>	13,052,952
Total	24,163,560

4. *Approves the end of year adjustment levies for 2010/11 be as follows:*

	2010/11 Adjustments \$ (GST exclusive)	
<i>Hutt City Council</i>	31,942	<i>Debit</i>
<i>Porirua City Council</i>	(96,833)	<i>Credit</i>
<i>Upper Hutt City Council</i>	27,554	<i>Debit</i>
<i>Wellington City Council</i>	37,337	<i>Debit</i>

5. *Notes that settlement takes place on 20 July 2011.*

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Report approved by:

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