

Report 16.249
Date 23 May 2016
File CCAB-8-597

Committee Council
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Wholesale water levy for 2016/17 and end of year adjustment for levy 2015/16

1. Purpose

To set the wholesale water levy for 2016/17 year and adjust the 2015/16 year levy apportionment.

2. Background

Greater Wellington Regional Council (GWRC) has consulted with its water supply customers (the four metropolitan city councils) and the community about the water supply levy for 2016/17. The supporting information to the Consultation Document, which contained the proposed Annual Plan, outlined that the levy for the 2016/17 financial year will increase by 5.4 percent from that set for the current year.

3. Submissions

There were no significant issues raised in relation to the proposed wholesale water levy for 2016/17 as a result of the consultation process undertaken for the proposed 2016/17 Annual Plan.

4. Proposed 2016/17 wholesale water levies

The proposed levy for 2016/17, as detailed in GWRC's proposed Annual Plan 2016/17 provides for a 5.4 per cent increase to the current year's levy. If this position is approved, the levy for the 2016/17 financial year will be \$29,097,546 (GST exclusive).

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

Table 1

	2016/17 Levy \$ (GST exclusive)
Hutt City Council	7,312,213
Porirua City Council	3,331,669
Upper Hutt City Council	2,772,996

Wellington City Council	15,680,668
Total	29,097,546

5. Proposed end of year adjustment levies for 2015/16

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 2015/16 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 2 shows the end of year adjustments. Consumption figures are reported to all metropolitan council's weekly.

Table 2

Council	Adjustment for 2015/16 \$ (GST exclusive)	Charge or refund
Hutt City Council	99,029	To pay
Porirua City Council	(126,814)	Refund
Upper Hutt City Council	(71,131)	Refund
Wellington City Council	98,916	To pay
Total	Nil	-

Although GWRC'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 2016, a refund will be sent to Porirua and Upper Hutt City Councils. On the same day invoices raised for Hutt and Wellington City Councils will be due for payment.

6. Communications

On 29 June 2016, after the Council has considered GWRC's rates and levies for the 2016/17 financial year, a media statement will announce that the wholesale water levy for 2016/17 has been set.

Each of the four city councils will be advised directly of the contributions payable for 2016/17 and adjustments to the levies charges for 2015/16.

7. Decision-making process and significance

Officers recognise that the matters referenced in this report may have a high degree of importance to affected or interested parties.

The matters requiring decision in this report has been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act). Part 6 sets out the obligations of local authorities in relation to the making of decisions.

7.1 Significance of the decision

Part 6 requires GWRC to consider the significance of the decision. The term ‘significance’ has a statutory definition set out in the Act.

Officers have considered the significance of the matter, taking the Council's significance and engagement policy and decision-making guidelines into account. Officers recommend that the matter be considered to have low significance.

The consultation process undertaken for the proposed 2016/17 Annual Plan was conducted in accordance with section 95 of the Act

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

7.2 Engagement

The consultation and engagement on the development of the proposed 2016/17 Annual Plan was designed taking into account the Greater Wellington Regional Council Significance and Engagement Policy and legislative requirements.

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 2016/17 be as follows:

	2016/17 Levy \$ (GST exclusive)
<i>Hutt City Council</i>	7,312,213
<i>Porirua City Council</i>	3,331,669
<i>Upper Hutt City Council</i>	2,772,996
<i>Wellington City Council</i>	15,680,668
Total	29,097,546

4. *Approves the end of year adjustment levies for 2015/16 be as follows:*

	2015/16 Adjustments	
	\$ (GST exclusive)	
<i>Hutt City Council</i>	99,029	<i>Debit</i>
<i>Porirua City Council</i>	(126,814)	<i>Credit</i>
<i>Upper Hutt City Council</i>	(71,131)	<i>Credit</i>
<i>Wellington City Council</i>	98,916	<i>Debit</i>

5. *Notes that settlement takes place on 20 July 2016.*

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Report approved by:

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GM Corporate Services/Chief
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Report approved by:

Greg Campbell

Chief Executive