

22 March 2024

File Ref: OIAPR-1274023063-25966

Tēnā koe

Request for information 2024-040

I refer to your request for information dated 13 March 2024, which was received by Greater Wellington Regional Council (Greater Wellington) on 13 March 2024. You have requested the following:

1. *“What is your Council's proposed rates increase this year?
 - a. *What proportion of that is for water services and water infrastructure?*
 - b. *What proportion of any proposed rates increase is to service the debt for water infrastructure?*”*
2. *What proportion of any proposed rates is to service debt for water infrastructure?*
3. *How much debt is your Council currently servicing for water infrastructure?
 - a. *What is your Council's current projected costs of servicing this debt over the next 10 years?”*”*

Greater Wellington's response follows:

1. ***What is your Council's proposed rates increase this year?***

Greater Wellington is proposing a draft average rate increase of 19.8% for 2024/25.

a. What proportion of that is for water services and water infrastructure?

Greater Wellington has a separate water levy that pays for our water infrastructure. None of the proposed 19.8% rate's increase is associated with water services or water infrastructure.

Greater Wellington owns the bulk water network which is managed by Wellington Water Limited (WWL) who then supply the drinking water to the shareholding councils: Wellington City, Hutt City, Upper Hutt City and Porirua City. This is funded via the water levy which is on charged to ratepayers through the shareholding councils.

Greater Wellington's increases to the levies are determined by the budget presented to council by WWL. The increases are driven by major capital projects aimed to look after the existing infrastructure, reduction in water consumption activities, key water treatment plant resilience programmes and the extension of the bulk water network aligned with the City Council growth planning.

Funding increases will ensure reduction in service interruptions, lower risk of critical asset failure and maintenance of customer service.

The draft 2024/25 water levy increase is 27.5%.

b. What proportion of any proposed rates increase is to service the debt for water infrastructure?

13.7% of the water levy increase is due to increased debt servicing including interest and principal repayment costs.

2. What proportion of any proposed rates is to service debt for water infrastructure?

Of the draft \$67.7 million water levy \$25 million is to service debt (interest and principal) for water infrastructure.

3. How much debt is your Council currently servicing for water infrastructure?

At the end of the financial year 30 June 2023, Greater Wellington was servicing \$200 million of Water related debt.

a. What is your Council's current projected costs of servicing this debt over the next 10 years?

It is forecast that it will cost \$145 million in interest (\$87 million) and principal (\$58 million) repayments to service this debt over the next 10 years.

If you have any concerns with the decision(s) referred to in this letter, you have the right to request an investigation and review by the Ombudsman under section 27(3) of the Local Government Official Information and Meetings Act 1987.

Please note that it is our policy to proactively release our responses to official information requests where possible. Our response to your request will be published shortly on Greater Wellington's website with your personal information removed.

Nāku iti noa, nā

Alison Trustrum-Rainey

Kaiwhakahaere Matua, Pūtea me ngā Tūraru | Group Manager Finance and Risk