



15 April 2026

You Zhou

s7(2)(a)

Tēnā koe Zhou,

**Request for Information – Local Government Official Information and Meetings Act (LGOIMA) 1987**

We refer to your official information request dated 27 March 2026, seeking information about Council's statements regarding the proportion of rates attributable to water services and the impact on rates following the transfer of water service delivery to Tiaki Wai.

We have responded to each of your questions below:

1. *Basis of the "60% water cost" statement*
  - a) *The underlying calculations, assumptions, and financial data used to support the claim that approximately 60% of rates were attributable to water services*

**ANSWER:** The statement you refer to appears on the introductory page to the "Where your rates go" section of the [Annual Plan 2025–26](#) and accompanies the "\$100 of rates spend" graphic. The explanatory text on that page states: "This is how we plan to spend every \$100 of rates on average over the next nine years." The graphic shows that Council planned to spend around 60 percent of each \$100 of rates expenditure on water services over that period.

This graphic does not represent the proportion of total rates revenue collected for water services. On average, approximately 40 percent of total rates revenue collected was attributable to water services.

This difference arises because Council uses borrowing to fund a portion of water-related operating and capital costs. As a result, planned expenditure on water services represents a higher proportion of rates spend than the proportion of rates revenue collected for water services.

This distinction is reflected in average residential rates. In 2025–26, average residential rates including water services were approximately \$4,400. Following the transfer of water services, average residential rates in 2026–27 are proposed to reduce to approximately \$2,500. This represents a reduction of around 43 percent, which is broadly consistent with the average reduction in water-related rates revenue at a Council-wide level.

b) *A breakdown of this percentage across drinking water, wastewater, and stormwater*

**ANSWER:**

<b>Water services rates spend</b>	<b>2025-26</b>
Water Supply	\$23.14
Wastewater	\$27.67
Stormwater	\$9.95
<b>Total water services</b>	<b>\$60.76</b>

c) *The financial year(s) to which this estimate relates.*

**ANSWER:** As stated in the explanatory text in the Annual Plan, this is an average calculation across the nine-year period of the Annual Plan 2025/26 to 2033/34, rather than a single financial year.

2. *Pre- and post-transition expenditure comparison*

a) *Annual operating expenditure on water services prior to the transition (for at least the last two financial years available)*

**ANSWER:** Operating expenditure for water services for the 2024 and 2025 financial years is presented in the activity statements in Council’s published **Annual Reports** for those years.

The 2026 financial year is the year immediately preceding the transition. Final financial results for that year will only be available once the Annual Report is published after the end of the financial year on 30 June 2026. Forecast results for the 2026 financial year have been reported to Council through quarterly performance reporting, including in the [Quarter 1 performance results](#).

- b) *The corresponding reduction (budgeted) in council operating expenditure following the transfer of water services to Tiaki Wai for the coming two financial years;*

**ANSWER:** The budgeted reduction in Council's operating expenditure following the transfer of water services is outlined in the report to Council that considered the operational and financial impacts of the transition, including the table on page 105 of that [report](#).

A limited portion of budget remains within Council for subdivision and engineering services. These budgets relate to non-water-related works and are not expenditure on water service delivery.

- c) *Identification of any water-related operating costs that remain within council expenditure post-transition.*

**ANSWER:** Council does not retain responsibility for water service delivery following the transition and there are no ongoing water-related operating costs within Council. Transitional costs associated with billing services remain for a limited period, however these costs are fully recovered from Tiaki Wai and therefore have a net nil financial impact on Council.

### 3. *Rates-setting methodology and adjustments*

- a) *The methodology used to determine rates following the removal of direct water service delivery responsibilities;*
- b) *Any modelling, analysis, or assumptions used to assess whether rates should be reduced as a result of the transfer of water services;*
- c) *Given prior statements indicating that approximately 60% of rates were attributable to water services, whether the council considered a corresponding reduction in rates of a similar percentage;*

**ANSWER:** The Funding Impact Statements in the Annual Plan 2025–26 outline the rates revenue that was allocated to water services under Council’s previous service delivery model. For the post-transition position, Council reduced its total rates revenue requirement by the amount previously allocated to water services and redistributed the remaining revenue requirement across Council’s other activities.

Through the Draft Annual Plan 2026–27 process, additional budget changes unrelated to water services have also contributed to the proposed overall rates increase of 9.5 percent after growth. Further detail on these changes, including supporting graphs, is contained on page 100 in the relevant [report](#) to Council.

The same report also sets out the review of Council’s Revenue and Financing Policy. That review included Council reconsidering and reconfirming its approach to rating following the transfer of water services and is [currently open for public feedback](#).

*d) If such a reduction was not implemented, please provide:*

- I. The reasons for this decision;*
- II. Any quantitative analysis or modelling supporting a different level of rate adjustment;*
- III. A clear reconciliation between the previously stated proportion of water-related costs and the actual rate changes applied.*

**ANSWER:** Not applicable, as a rates reduction was implemented. The reduction reflects the removal of rates revenue previously allocated to water services and aligns with the proportion of total rates revenue attributable to water services.

4. *Reconciliation of ratepayer impact*

- a) *Any internal reports, briefings, or analysis provided to elected members regarding the expected financial impact on ratepayers arising from:*
- I. the removal of water services from council operations; and*
  - II. the introduction of separate water charges by Tiaki Wai;*
- b) *Any comparison or reconciliation prepared by the council showing the net effect on households (i.e., rates plus water charges), before and after the transition.*

**ANSWER:** The report to Council that considered the water services transition includes information on the expected impacts on Council and on ratepayers, including the removal of water services from Council activities and high-level information on Tiaki Wai's proposed pricing and impacts.

This material was provided to elected members and is publicly available, including through [Council's website](#) and through published information relating to Tiaki Wai's [pricing update dated 24 March](#).

5. *Public communication and consultation*

- a) *Copies of any public-facing documents, consultation materials, or communications explaining how rates would be affected by the transfer of water services;*
- b) *Any analysis supporting statements made to the public regarding affordability or cost neutrality.*

**ANSWER:** Council's views on the impact of the water services transition on Lower Hutt ratepayers are set out in the [relevant report](#) to Council and referenced in [Draft Annual Plan 2026–27](#) engagement material and frequently asked questions. While Council is not the entity consulting on water charges, these materials reference the transition and include links to Tiaki Wai's consultation and pricing information.

Council's website also contains information on the [water services transition](#) for Lower Hutt, including Changes to water services – what you need to know. Tiaki Wai is separately [seeking public feedback](#) on proposed water charges through its own consultation processes.

You have the right to seek an investigation and review by the Ombudsman of this response. Information about how to make a complaint is available at: [Office of the Ombudsman - Complaints](#), or freephone 0800 802 602.

Please note that this response to your information request may be published on Hutt City Council's website: [Proactive releases - Hutt City Council](#).

Ngā mihi nui

A handwritten signature in black ink, appearing to read 'R. van der Splinter', written in a cursive style.

Rebekah van der Splinter

**Senior Advisor, Official Information and Privacy**