

Chair, Wellington Water Committee
C/- Hutt City Council
Private Bag 31912
LOWER HUTT

16 December 2022

Lynda Carroll
Chair
Wellington Water Limited
Private Bag 39804
Wellington Mail Centre

Dear Lynda

This letter sets out the priorities and expectations of the six owner councils and iwi mana whenua to inform the development of Wellington Water Limited's (WWL) draft Statement of Intent (SOI) for 2023-2026. These priorities were developed at a Wellington Water Committee workshop in September 2022 and have been informed by discussions with councils and mana whenua.

Context

All councils acknowledge the progress of water reform and the potential impacts on the company. However, the provision of services up until the 1st of July 2024 is our focus and during this time we need to create the momentum so that what we commit to now and plan for the future can be easily transferred to the new Entity C for implementation. It is imperative for our customers that they experience a smooth and successful transition of core services.

Te Mana o te Wai

Te Mana o te Wai prioritises the health and well-being of water first. The second priority is the health needs of people (such as drinking water) and the third is the ability of people and communities to provide for their social, economic and cultural well-being. We expect Wellington Water to give effect to Te Mana o te Wai and commence its integration into planning and regulatory processes, working in partnership with mana whenua and recognising that it will take time to develop a shared understanding.

Facilitating the input of mana whenua to improve water service delivery

In the eighteen remaining months until the water services entities go live we expect Wellington Water to continue to work with mana whenua to:

- Optimise the contribution of mana whenua members on the Wellington Water Committee through ongoing briefings and support;
- Work with mana whenua entities to identify programmes and projects of significance and facilitate input to these; and

- Continue to grow the cultural competence of the company through governance, management and workforce.

Whaitua outcomes

Greater Wellington Regional Council's whaitua programme is an important reference point in the management of water services.

Wellington Water role

Wellington Water has a crucial role in providing water services to customers within the Wellington metropolitan and South Wairarapa area and therefore its actions have a direct impact on the wellbeing of customers, as well as the health of the broader environment and resilience of the community.

Wellington Water's next SOI aligns to the third year of the councils' long-term plans, and to the last year of the company before its functions are transferred to the new Water Services Entity. Therefore, we expect that in addition to key priorities of looking after infrastructure; growth; reducing water consumption; reducing carbon emissions and improving environmental water quality, the SOI will also have a significant focus on ensuring a smooth and successful transition of people, operations and planning.

Priorities for 2023/24

We have a number of priorities for the upcoming year which we would like to see reflected in the SOI.

Ensuring a smooth transition through water reform to the new entity in 2024

Three Waters Reform will lead to the disestablishment of Wellington Water and transfer of staff and functions to the new Water Services Entity in July 2024. We expect WWL to prepare for this change through a robust change process and the management of risks during the transition process. Recognising the shared nature of assets, data and services, this process needs to be undertaken collaboratively with the shareholder councils to ensure that change is undertaken efficiently and effectively.

This transition process needs to include a focus on robust asset management planning. This needs to be undertaken working with councils and with the National Transition Unit to ensure that the councils' future investment needs are understood and prioritised by the WSE and work programmes in the next 3-10 years are not disrupted.

Planning should be undertaken informed by ongoing asset condition assessment investigations, completion of growth planning investigations, and guided by the principles of the journey to Te Ika rō Wai and restoring the balance of te ao wai, te ao taiao, and te ao tangata; and te mana o te wai.

We expect you to focus on retaining WWL staff and whanau suppliers to ensure no loss of productivity through transition and that we continue to look after existing infrastructure.

The Wellington region is facing significant growth and demands on infrastructure. We expect WWL to provide timely advice (including capacity and condition assessments) in regulatory development and policy processes.

We expect you to ensure that, as far as funding allows, customer service levels are maintained throughout the transition. This includes ongoing delivery of the current CAPEX and OPEX programmes.

Three waters investment planning for 2024-34

The draft Water Services Entities Bill includes provisions for the National Transition Unit to complete three waters investment planning for 2024-34 and for this not to be a requirement for councils' 2024-34 Long Term Plans. The shareholding councils would like to ensure that the NTU's investment plan for Entity C reflects their investment needs and the strategic investment direction for the region established for the current LTPs and endorsed in our September 2021 workshop, and as reflected in Wellington Water's recent Statements of Intent. Accordingly, we require Wellington Water to undertake and present investment planning advice for each council to allow them to engage in the NTU's process and ensure the best outcomes for our communities and environment. This advice should include consideration of the investment priorities identified by mana whenua and information on how different funding levels and allocations would impact on strategic outcomes. In doing so, Wellington Water should keep the Water Committee updated on those items that would benefit from a regional overview.

Sustainable water supply and reducing consumption

The councils have taken a 'conserve' rather than 'construct' approach to water supply. We acknowledge that the continual growth in demand now requires multiple solutions, including identification of new water sources.

We expect Wellington Water to advise us on options to ensure the supply of drinking water is sustainable now and into the future, including the setting out a compelling case for new water storage for the region so that this can be considered and prioritised as part of the AMP of the new WSE.

We wish to see an increased focus on detecting and fixing leaks within the network to minimise water loss. This means prioritising high volume leaks first followed by those in highly trafficked areas and a more responsive approach to leaks and complaints identified by the community. This is needed to both reduce the time taken to resolve these leaks and therefore to help build our social licence for water conservation efforts.

Regulatory performance

The regulatory landscape has changed in recent years and continues to evolve. We expect Wellington Water to continue to respond to the new regulatory environment and to continue to improve its rigour and transparency of assurance reporting to councils and to Taumata Arowai.

I look forward to receiving a draft of Wellington Water's Statement of Intent by 1 March 2023.

Yours sincerely

Chair, Wellington Water Committee

