

The Wellington Regional Council is the bulk supplier of water to the four cities in Metropolitan Wellington hence our responses are in that context. We have not expressed a view on water supply outside Metropolitan Wellington.

1. *Does your Council agree with the scope of the review as outlined in this document?*

Yes.

2. *What priority should be given to stormwater or environmental or private water service issues – relative to community-based water supply and wastewater matters?*

We had some difficulty understanding what you were seeking here but if we have interpreted the question correctly we believe the priority should be given that the review should give priority to community-based water supply and wastewater matters: ahead of stormwater and stock water. Environmental impacts of water supply and wastewater are dealt with by the Resource Management Act and policies and plans prepared under the Act.

3. *Does your Council agree with these principles, and if not – how would you amend them?*

Yes – no amendment necessary.

4. *What issues have we overlooked?*

We believe all issues have been covered.

5. *What is the priority that should be placed on each of the listed issues?*

We did have considerable difficulty prioritising here and consider the broad areas were very much of equal importance. However, we have attempted to answer the question and the rationale is as follows. We would give have given priority to governance or structural change as this then will enable the others to follow. We would then see consumer protection, efficiency and investment, and funding and pricing following in that order. Legislation is a little difficult to prioritise in the sense it may be required for some or all of the above. Within those areas we would suggest the following priorities, as pertaining to us – but not necessarily New Zealand in general.

#### **Governance – Priority 1**

*Governance arrangements need to be established that will promote the efficient and effective delivery of water services and allow communities to have ongoing input to those decisions that are in the interest of the public/citizens.*

*Consumer Protection – Priority 2*

We probably see this more as consumer rights which would logically incorporate consumer protection.

**Priority**

- (1) *Water supply regulations exist but they are only ‘guidelines’ with no legislative backing – safe, mandatory, transparent and fit for purpose drinking water standards are required.*
- (2) *The responsibilities of consumers and suppliers are not clearly defined within the current framework.*
- (3=) *Water service suppliers have no obligation to advise their customers of the quality of the drinking water they are supplying and the service levels that will be provided.*
- (3=) *Water service providers are not required by law to disclose information on the performance of their operations. This means that consumers are not able to evaluate whether they are receiving value for money from their water service provider.*

*Efficiency and Investment – Priority 3*

**Priority**

- (1) *In some areas economic efficiency gains may be achieved from the creation of larger service delivery organisations. There appears to be little progress toward the achievement of economies of scale in large urban areas.*
- (2) *The Local Government Amendment (No. 3) Act provides a useful framework to manage assets, but councils still face competing demands for expenditure on a range of services. There is a risk that some water service providers will not make investment decisions that will sustain services into the future, in a way that protects and meets consumer demands, and sustains the environment.*
- (3) *Water service suppliers have insufficient information to make investment decisions that are optimal and which encourage the management of the demand for services, on a whole system basis, in their area.*

*Funding and Pricing – Priority 4*

**Priority**

- (1) *Many consumers do not currently pay for services on the basis of how much water they use or discharge. Where water service charges are bundled into*

*rates, customers have no understanding of the value of the services they are consuming, and have little incentive to make choices about how much they consume.*

- (2) *Many consumers are demanding higher standards and sewerage/stormwater discharge standards are rising. This is putting pressure on water service providers to upgrade existing facilities – significant long-term capital will be required. Some local authorities are having trouble raising this capital.*

#### **Legislation – No Priority Allocated**

*The current legislative/regulatory framework is confused, outmoded and predates the range of service delivery arrangements now available to councils. There are currently 36 Acts and Regulations of direct application to drinking water and sewerage networks. The requirements of these Acts are often difficult to interpret and have different application depending on whether a council or another entity is the service provider.*

6. *Which of the identified issues apply in your area and what local action will you take to overcome them?*

#### *Governance*

This Council has actively promoted the integrated management of water delivery in Wellington over the past two years. We strongly believe that our proposals would more efficiently and effectively deliver water services in this area. There are five councils involved and getting agreement is very difficult.

#### *Consumer Protection*

Within our integration proposal we have suggested that a customer charter be developed which would cover all these areas. We continue to believe this needs to be done.

#### *Funding and Pricing*

Once again we believe that all these issues could be appropriately addressed in the integrated water operation. Generally speaking though Metropolitan Wellington's water infrastructure is in good shape. ~~Once the Hutt Valley's new sewage system is in place the same would apply to wastewater.~~

#### *Legislation*

We agree with the comments on the legislative framework. We would support the development of a 'Water Act'.

7. *Does your Council support the listed outcomes/outputs?*

*Yes*

8. *What other outcomes/outputs should we seek to achieve?*

We do not seek any further outcomes.

9. *Does your Council support the process outlined in this document?*

*Yes.*

10. *What other aspects of process would you include?*

None.

11. *What thoughts do you have on the risks that we may face in taking up this challenge?*

- Ending up with the lowest common denominator consensus to suit the wide range of views that exist in Local Government.
- Deviating from the fundamental principle of “Local choice”.
- Setting a base line from which Central Government then negotiates you towards its agenda.
- Allowing efficiency and effectiveness to subsume or dominate the fundamentals of equity and universal access through community ownership and operation.
- Not being assertive enough in deciding unequivocally that the outcomes are a matter for Local not Central Government.