

3 April 2025

## Representation by Wellington Water for Hearing Stream 2

My name is Julie Alexander and I am the Chief Strategy and Planning Officer at Wellington Water. I am appearing before the Hearings Panel today on behalf of Wellington Water Limited. I am appearing with Katherine Viskovic, who has recently been appointed as Wellington Water's Head of Resource Management and Environment.

For Hearing Stream 2, Wellington Water has filed evidence from the following expert witnesses in support of its submission:

- Liam Foster (Stormwater);
- Stephen John Hutchison (Wastewater); and
- Paula Hunter (Planning).

In this opening representation I will explain Wellington Water's:

- role as a Council Controlled Organisation (including the management relationship it has with its client councils and its funding sources);
- position on the Change 1 provisions being considered through Hearing Stream 2 at a high level.

### WWL's structure, role and funding

#### Role as a Council Controlled Organisation

Wellington Water is a shared-service council-controlled organisation (**CCO**) jointly owned by the Wellington, Lower Hutt, Upper Hutt, and Porirua City Councils, South Wairarapa District Council, and the Greater Wellington Regional Council (collectively the **client councils**).

Wellington Water manages drinking water, wastewater, and stormwater services on behalf of these six councils.

Wellington Water does not own the assets it operates and manages. It is solely reliant on client councils for funding to undertake its functions (i.e. it has no source of funding other than the funding it receives from client councils).



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Taps use around six litres of water per minute, so leaving the tap running for two minutes a day equates to 168 litres a fortnight!



/wellingtonwater



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## Management relationships with client councils

The client councils and Wellington Water have entered into service agreements for the provision of Management Services relating to water services. Water services include:

- The provision of Water Supply and Drainage Services;<sup>1</sup>
- The maintenance and expansion of the networks;<sup>2</sup>
- The planning for and provision of water conservation strategies to the public; and
- Such other deliverables in relation to the supply and maintenance of the sustainable, accessible and high quality provision of three waters services that the client councils determine to provide, as set out in their Long Term Plans (LTP).

Management service includes:

- Carrying out the functions, duties and responsibilities of the client councils for water services work;
- Project managing all contracts relating to water services, including overseeing the provision of all works and services by contractors and consultants;
- Providing expert advice in respect of management services;
- Arranging the provision of water services works in accordance with approved Annual Work Programme, Annual Plans, LTPs and approved Asset Management Plans;
- Providing costing advice to client councils for the purposes of council's charges for the provision of water services and related matters (including water rates);
- Managing, on council's behalf, wastewater and drinking water treatment plants owned by councils;
- Assisting councils with asset valuations;
- Providing Council with timely, accurate and quality data so that Council can keep its information systems up to date in respect of water assets and infrastructure;
- Managing all routine, operational and work programme related communications, marketing and community engagement;
- Providing services to assist meeting Council's community and stakeholder consultation obligations, including with mana whenua, in relation to matters involving water services;
- Providing all strategic and policy advice reasonably necessary to ensure that the Water Services are delivered by Council on an affordable and sustainable basis; and
- Managing the application of resource consents necessary to ensure water services delivery.

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<sup>1</sup> In the context of the service agreements, Drainage Services means "the collection, treatment and disposal of wastewater, and the disposal of stormwater drainage in the jurisdiction of Council".

<sup>2</sup> The networks constitute drinking water, stormwater and wastewater networks.

## Funding

Wellington Water's client councils own the water infrastructure within their jurisdictional boundaries. Councils set the level of funding and investment for these assets and the levels of water service. Wellington Water provides client councils with investment advice on their water assets, and this is fed into individual councils' LTP processes.

Through that process, and in consultation with their communities, councils decide what to fund. This sets the level of service which Wellington Water provides to its customers and communities.

Once funding and investment decisions are made, client councils task Wellington Water to operate, maintain, improve, and develop three waters infrastructure within the budgets provided.

Ultimately, while Wellington Water is responsible for the drinking water, wastewater and stormwater networks (on behalf of client councils), it does not have the same powers held by its client councils, including in relation to allocation of funding or making decisions on what improvements to the network are required.

## Wellington Water's position

Wellington Water's submission on Proposed Change 1 to the Wellington Natural Resources Plan (**Change 1**) addressed a wide range of matters, including the proposed target attribute states (**TAS**) and coastal water objectives (**CWO**) in Change 1, and the timeframes for achieving them.

As Wellington Water advised in Hearing Stream 1, it is not actively pursuing the relief sought regarding timeframes for achieving TAS or CWO. As explained, Wellington Water does not have final decision-making power over its funding, so it will not speak to the feasibility of the investment required to achieve the TAS and CWO in proposed in Change 1. However, Wellington Water is aware that a number of its client councils have commented on affordability in their evidence.

To assist the Independent Hearing Panel with its consideration of the steps required to achieve the proposed TAS and CWO within the timeframes specified, Wellington Water has filed technical stormwater and wastewater evidence setting out the actions that could be taken. As discussed in detail by Messrs Foster and Hutchison, the investment required in the stormwater and wastewater networks will be significant.

More broadly, the assets that Wellington Water operates are essential infrastructure, as stormwater and wastewater discharges cannot be discontinued. Therefore, its involvement

in Change 1 is to ensure that appropriate, clear and workable consenting pathways are provided through Change 1.

### **Network Discharge consents**

Wellington Water applied for global discharge consents in mid-2023 from the wastewater networks (for 'wet weather overflows') and stormwater networks across Wellington, Porirua, Upper Hutt and Lower Hutt. Wellington Water's involvement in the Whaitua process (in particular Whaitua Te Whanganui-a-Tara) and the Three Waters Reform shaped the approach taken in the development of the global discharge consents.

The proposed approach in the consent applications was to undertake improvements sub-catchment by sub-catchment, as network improvements cannot be made all at once. This was for a number of reasons including funding, as well as availability and capability of the workforce required to undertake these works. Implementation was proposed to occur across 26 sub-catchments over a 35-year duration. This approach may no longer be fit for purpose given the approach proposed in Change 1.

The global consent applications were lodged before Change 1 were publicly notified and therefore did not consider the amended provisions. Accordingly, Wellington Water is reviewing its consent strategy for network discharges (in conjunction with its client councils), which will be informed by Plan Change 1 requirements and changes to relevant central government direction. This considers a wide range of legislation and planning documents, for example: Local Water Done Well, the Proposed National Wastewater Environmental Performance Standard, and changes to the National Policy Statement for Freshwater Management.

### **Summary of position for Hearing Stream 2**

Wellington Water's evidence sets out practical workability challenges associated with achieving the TAS and CWO. Although it is not seeking changes to the timeframe associated with the TAS and CWO, Wellington Water is seeking amendments to the plan provisions proposed in Change 1 to provide for appropriate recognition of stormwater and wastewater discharges and to enable these activities.

### **Wastewater**

Mr Hutchison's technical evidence for wastewater provides a wide range of project costs to deliver infrastructure improvements in the network. As discussed by Mr Hutchison, the scale of the work required by Wellington Water to meet the TAS and CWO is not well understood. However, it is clear that meeting the requirements would require a major uplift in resourcing, monitoring and focus. The first step would be to undertake investigations to evidence the contribution of the wastewater network to the TAS and CWO. Work could then begin to identify options to address identified issues. This work will take time and will come at significant cost.

### **Stormwater**

Mr Foster's technical evidence explains how Wellington Water provides stormwater services on behalf of the four client councils contained within the relevant Whaitua areas. He comments on the management of stormwater to seek to improve water quality over time. Mr Foster's evidence also assesses the potential costs associated with applying treatments to all urban areas, capturing 100% of the impermeable areas within the relevant Freshwater Management Units. As with wastewater, there is a lack of an evidence-base to quantify how stormwater contributes to water quality, and this is difficult to address given the complexities with identifying the sources of contamination. As discussed by Mr Foster, Wellington Water has limited control over stormwater before it enters the network. Addressing stormwater quality after it enters the network is practically challenging and costly.

### **Cost estimates**

Wellington Water provided cost estimates for improvements to the stormwater and wastewater network through evidence presented to Hearing Stream 2. It has also provided project costs to improve and/or replace infrastructure in the wastewater network that informed the economic evidence presented by Mr David Walker on behalf of Greater Wellington Regional Council. I am aware that the recent reports commissioned by Wellington Water regarding costs for works (including value for money from contractors) and financial management may raise questions for the Panel. However, I note that the cost estimates provided in the evidence presented on behalf of Wellington Water are at a high level and are intended to be indicative only. Messrs Hutchison and Foster are technical experts who provided estimates based on their knowledge of costs in the Wellington Region, and across New Zealand, and are based on their extensive experience.

Wellington Water is aware that its client Councils have commented on affordability in their evidence before this Panel.

### **Need for a workable consenting framework**

Ms Hunter's planning evidence for Hearing Stream 2 is focused on the workability of notified provisions, to ensure a consenting pathway can be achieved for the network discharge consents. As I noted earlier, these discharges are inevitable and cannot be stopped.

Through Change 1, Wellington Water is seeking a workable consenting framework which enables consents to be granted. This could include a series of progressive environmental improvements over the life of the consent, acknowledging that improvements cannot be made contemporaneously across the region.

Wellington Water will continue to consider the proposed Change 1 framework. I note Hearing Stream 4 will consider the stormwater and general discharges to water provisions in more detail (this will include wastewater discharges). It is important for the Panel to consider how the package of provisions will work together for the network discharge consent applications.

### Future uncertainty

I also wish to comment on proposed changes to New Zealand's regulatory framework that are likely to have implications for network discharge consent applications, future consenting of other assets, and Wellington Water's wider environmental obligations.

Proposed changes to New Zealand's regulatory framework includes:

- Local Water Done Well – the region is moving at speed to set up the new water company, with Water Service Delivery plan due to DIA in September 2025;
- Resource Management Act 1991 system reform;
- Revision of national direction (in particular signaled changes to the National Policy Statement for Freshwater Management); and
- Taumata Arowai – Proposed Wastewater Environmental Performance Standards – Discussion Document released in February 2025.

Although these changes do not have any legal effect on this Panel's decision making, Wellington Water is grappling with what these changes will mean for the delivery and operation of three waters services in the Wellington Region (as well as its approach to the global consent applications). I anticipate that some changes will have legal effect before the Panel makes a decision on Change 1. If this does eventuate, Wellington Water would appreciate the opportunity to consider potential implications and provide advice to the Panel.

#### **Julie Alexander and Katherine Viskovic**

Chief Strategy and Planning Officer / Head of Resource Management and Environment  
Wellington Water