

## By email

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## Submission on the Water Services Entities Bill

Attached is a submission on the Water Services Entities Bill (the Bill) on behalf of Greater Wellington Regional Council.

Greater Wellington generally support the Three Waters reform and the role Greater Wellington will play in the future once the Water Services Entities (WSE) are up and running.

Greater Wellington Regional Council:

- Supports the principles of the Bill
- Requests specific clarification in the Bill that Greater Wellington Regional Council will not be a shareholder or voting member of the new entities.
- Requests that the Bill specifically acknowledge the need to repeal specific legislation that provides obligations and duties on Greater Wellington Regional Council as a provider of bulk water.
- Requests that the Bill be amended to provide for specific requirements for WSE's to consult regional councils in developing key planning documents.
- Requests that consideration be given in this Bill (or subsequent legislation) on how best to manage stormwater and to ensure coordinated planning with flood protection responsibilities held by regional councils and territorial authorities.

- Requests that this Bill (or subsequent legislation) provides for regional council owned land assets to remain with the regional council to be managed for their conservation, recreation and cultural values alongside drinking water catchment functions.
- Requests clarification on how the process for council and iwi membership of the regional representative group will be undertaken and how those councils and iwi will ensure equity and transparency through such a process and democratic representation.

This Bill is being presented while the water sector and local government in particular is undergoing substantial reform discussions (the Three Waters Reform), alongside broader legislative changes to the Resource Management Act 1991, and the requirement to implement the National Policy Statement for Freshwater Management 2020. The implications of all these reforms must be considered in an integrated way.

We wish to appear before the select committee.

The officer for contact purposes will be [Kyn.Drake@gw.govt.nz](mailto:Kyn.Drake@gw.govt.nz)

Ngā mihi

A handwritten signature in blue ink that reads "Daran Ponter". The signature is written in a cursive, flowing style.

**Daran Ponter**  
Chair  
Greater Wellington Regional Council

## **Submission on the Water Services Entities Bill**

**From: Greater Wellington Regional Council**

**To: Finance and Expenditure Committee**

### **Background**

1. Greater Wellington Regional Council (GWRC) is unique in being the only regional council who own assets to source, provide and treat bulk drinking water. The operational bulk supply function includes the provision of bulk water to the four cities of Upper Hutt, Lower Hutt, Porirua and Wellington under the Wellington Regional Water Board Act 1972 (WRWB Act) and the Wellington Regional Council (Water Board Functions) Act 2005. This role has seen the investment of significant resources in infrastructure and land assets to provide an environmentally secure water supply.
2. The bulk water supply service is managed through Wellington Water Limited (WWL) a council-controlled organisation of which GWRC is one of six shareholders. GWRC has a management services agreement with WWL and, in keeping with the other shareholder councils, remains the owner of our bulk water assets currently valued at \$565.8 million
3. GWRC has been supportive of the broad water reform programme and is supportive of the introduction of the new WSE subject to resolution of the following areas of concern.

### **The impact of establishing the WSE on GWRC**

4. The WRWB Act gives GWRC the power to take water and carry out works necessary to supply water to Territorial Authorities (TA's) in the Wellington region's metropolitan areas. The Act also gives GWRC the power to set aside land for water collection and future water supply purposes.
5. The Bill provides a shareholding for all TA's (S16), appoints members to regional representative groups (s32), and provides opportunities for TA's to appoint members to a regional advisory panel (as owners) (S50). However, there are no equivalent provisions for regional councils.
6. The wording of the Bill raises uncertainty over how the assets and role of GWRC within the water system will be managed as part of the overall three waters reform process
7. The WRWB Act (or parts of it) will need to be repealed and clarification provided for how assets currently managed by GWRC and land management services to support water quality, supply and public access will be dealt with to provide certainty for GWRC. While GWRC is not opposed to remaining outside of the shareholding and ownership structure of the new entities, we would like clarification that the functions it currently provides under the WRWB Act, and associated legislation will be brought into the

scope of the new entities and the obligations and debt currently held by GWRC will be removed and/or transferred to the WSE when the WRWB Act is repealed.

**Recommendation 1. The Bill should be revised to acknowledge and clarify the decision to not include Wellington Regional Council as a shareholder or entity with voting rights.**

**Recommendation 2. The Bill should be revised to acknowledge that the obligations of the Wellington Regional Water Board Act 1972 and the Wellington Regional Council (Water Board Functions) Act 2005 will be repealed (Subpart 5)**

### **Planning**

8. Schedule 3 – Preparation of planning documents. This schedule sets out planning documents to be prepared including a Statement of Intent, Asset Management Plans, Funding and Pricing Plan and an Infrastructure Strategy.
9. Alignment with related provisions of the Local Government Act 2002 (LGA) and future Resource Management Act (RMA) changes such as spatial planning, are essential and should be more clearly articulated, with reference to the vital roles that Regional Councils will provide as regulators to the entities, key contributors to the preparation of regional spatial plans and as providers and managers of regional infrastructure. It is unclear how input for these strategic elements will be sought from Regional Councils (in addition to TA's) and this needs to be rectified.

**Recommendation 3. The Bill should be amended to clarify the need for the WSEs to consult and engage with Regional Councils in developing key planning documents.**

### **Stormwater Management**

10. GWRC recognises that there are several issues that will be required to be clarified through other pieces of legislation as part of the broader water reforms. We would like to note some issues of concern raised through the publication of this bill.
11. Stormwater functions will transfer to the proposed entities. The assets and scope of responsibility to be transferred will be identified using criteria based on consideration of the predominant use and their criticality for effective functioning of the stormwater system currently managed by TA's. This could create a risk that some TA's are left without sufficient capacity to meet their flood protection mitigation responsibilities.
12. Close relationships to explore and clarify accountabilities will need to be established between WSE, Taumata Arowai, regional councils and TA's with flood risk mitigation / catchment management functions. For GWRC this will require an interface agreement (replacing existing Watercourses

Agreement) to be agreed between GWRC, TA's and the WSE and appropriate reference given to whole of catchment management plans. Consideration needs to be given to which organisation (regional councils, TA's or WSEs) is best placed to prepare wholistic catchment management plans that include key rivers and urban streams that require flood management plans. As many regional councils are already preparing catchment plans we consider regional councils are best placed to lead catchment management and planning for stormwater and flood protection in collaboration/consultation with WSEs and TA's.

**Recommendation 4. That consideration be given in this Bill (or subsequent legislation) on how best to manage stormwater and to ensure coordinated planning with flood protection responsibilities held by regional councils and territorial authorities.**

#### **Land Assets**

13. GWRC's support for the Bill is conditional on satisfactory resolution of asset transfers. It is clear and accepted that physical assets, such as dams, water treatment plants, pump stations etc will transfer to the WSE. However, it is GWRCs position that land assets (i.e. water catchments) should not be transferred.
14. Currently GWRC manages the water catchments as integrated forest bioregions with adjoining regional park (with limited public access to protect water quality). The forests of the catchments are defined as 'key native ecosystems' that are actively managed to maintain and enhance biodiversity and water quality outcomes. We have a service level agreement with WWL which details how these land assets will be managed and provides for appropriate safeguarding of the water catchment functions and access.
15. GWRC strongly maintains that the water catchment land assets should remain as GWRC assets, with an appropriate service level agreement with the WSE to guide their management in order to continue to support their conservation, recreation and cultural heritage values. These land assets have considerable social value for the regional community. They have regionally significant and extensive environmental values providing ecosystem services beyond water supply, that require active management. GWRC is best placed to continue this management going forward.

**Recommendation 5. That this Bill (or subsequent legislation) provides for regional council owned land assets to remain with the regional council to be managed for their conservation, recreation and cultural heritage values alongside water catchment functions.**

#### **Regional representative groups (Subpart 4)**

16. Establishment and membership of regional representative groups. GWRC supports the requirement for the regional representative group to include an equal number of TA's and mana whenua representatives (s24 (3) a, b).
17. However, the provisions state there would be no fewer than six and no more than 12-14 TA owners of the entity in the regional representative group (s24 (2) a, b). If the latter is to enable even numbers of Councils and mana whenua, it is unclear how this would work where the numbers differ. For example, in Entity C there are approximately 28 iwi and 22 councils. It is unlikely that any iwi will waive their water representative rights, nor should they be expected to. Requiring 6 iwi to step away from the group conflicts with giving effect to the principles of the Te Tiriti o Waitangi/the Treaty of Waitangi. The Select Committee is encouraged to consider how best to resolve this.
18. Method of appointing mana whenua representatives to regional representative group (s27). GWRC agrees with the intent that mana whenua must appoint mana whenua representatives to the regional representative group. However, it is unclear how the first group of mana whenua representatives would be appointed in accordance with the regional representative's constitution.
19. Collective capability relating to Te Tiriti o Waitangi/the Treaty of Waitangi and te ao Māori (s57). GWRC supports the requirement that the membership of a Board of a WSE must include members with knowledge of, and experience and expertise.

**Recommendation 6. The bill should provide clarity on how the process for council and iwi membership of the regional representative group will be undertaken and how those councils and iwi will ensure equity and transparency through such a process.**