

12 December 2023

File Ref: OIAPR-1274023063

Tēnā koe [REDACTED]

Request for information 2023-296

I refer to your request for information dated 5 December 2023, which was received by Greater Wellington Regional Council (Greater Wellington) on 5 December 2023. You have requested the following:

“After learning that Hutt City Council provide water to the area they cover Via buying it from your Council. Can you please confirm that, and would it be possible to know how much the water is costing, how its supplied and in who is in charge of its Quality. Any contracts for sales and purchase would be ideal. As currently the water quality in several locations of the mentioned area is Bad, and not safe for Human consumption.”

Greater Wellington’s response follows:

Greater Wellington owns the Bulk Water Supply network which includes the treatment plants, pump stations, pipe network, and the water catchment lands (Kaitoke and Wainuiomata), but it is managed by Wellington Water Limited as a Council Controlled Organisation.

Since 2014, Wellington Water Limited has managed the Bulk Water Supply network for Greater Wellington, supplying drinking water to Wellington City, Hutt City, Upper Hutt City and Porirua City. Each of these councils, including Greater Wellington, are equal shareholders of Wellington Water Limited, and South Wairarapa District Council has a five percent stake in the Council Controlled Organisation.

Greater Wellington is only responsible for treatment and distribution of drinking water. Once the water reaches the Territorial Authorities, it becomes their responsibility, including on-going costs and charging.

Wellington Water Limited monitors the water supply to make sure that there are no bacteria, viruses or protozoa (such as cryptosporidium and giardia) present following the treatment processes, as

they can cause water-borne disease. They also monitor the concentrations of a range of chemicals in the water, to make sure there are no metals or other chemicals at levels that are considered unsafe.

The criteria for determining whether a water supply is safe are contained in Taumata Arowai's **Drinking Water Standards for New Zealand 2022**¹ and their **Drinking Water Quality Assurance Rules 2022**. The monitoring and testing of the water supply is designed to provide assurance that Wellington Water Limited meets the standards and rules.

To understand what's in your water and how it is managed, please visit Wellington Water Limited's website.² If you have identified issues with water in your area, please ring your city council to log the issue - this allows Wellington Water Limited to resolve the issue.

Each year, Wellington Water Limited invest a considerable amount of operational and capital expenditure into the bulk water supply network to ensure consistent, reliable water supply for the four metropolitan areas. To pay for this, Greater Wellington charges a water levy to Wellington City, Hutt City, Upper Hutt City and Porirua City based on volumetric consumption. There is no profit in these charges.

The levy is calculated to recover the annual funded costs based on the bulk water provided to each of the four metropolitan areas in the previous 12 months, with a balancing up for actual use calculated at 31 March each year. Volumetric charging is a requirement of the Local Government (Rating) Act 2002 and also provides an incentive for the territorial authorities to minimise their use and decrease their costs.

Here is the most recent water levy split from Greater Wellington. Each territorial authority then splits the costs to their ratepayers in accordance with their Revenue and Financing Policy.

Bulk Water Supply Levy Allocation				
	Actual Water Consumption %	Water Levy Allocation	Initial Water Consumption %	Water Levy Allocation
	2022/23		2023/24	
HUTT CITY	26.93%	11,327,979	26.93%	14,309,064
PORIRUA CITY	12.00%	5,047,005	12.00%	6,375,180
UPPER HUTT CITY	11.64%	4,898,267	11.64%	6,187,300
WELLINGTON CITY	49.43%	20,795,522	49.43%	26,268,096
Total	100.00%	42,068,773	100.00%	53,139,640

¹ <https://www.legislation.govt.nz/regulation/public/2022/0168/latest/whole.html>

² <https://www.wellingtonwater.co.nz/resources/topic/drinking-water/whats-in-your-water/>

The following information can be found in Water Supply section of Greater Wellington’s Annual Plan, pages 28-31.³ It clearly indicates what the money is spent on, including the major projects being delivered.

Water Supply Prospective Funding Impact Statement

For the year ending 30 June

	2023/24 Plan \$000s	2022/23 Plan \$000s	2023/24 LTP \$000s
Sources of operating funding			
Interest and dividends from investments	2,857	266	-
Local authorities fuel tax, fines, infringement fees, and other receipts ¹	53,455	42,377	46,261
Total operating funding	56,312	42,643	46,261
Applications of operating funding			
Payments to staff and suppliers	35,369	27,568	27,158
Finance costs	11,721	5,749	5,912
Internal charges and overheads applied	2,207	2,526	2,978
Total operating funding	49,297	35,843	36,048
Surplus/(deficit) of operating funding	7,015	6,800	10,213
Sources of capital funding			
Increase (decrease) in debt	70,600	72,661	20,384
Total sources of capital funding	70,600	72,661	20,384
Applications of capital funding			
Capital expenditure:			
- to improve the level of service	38,300	34,505	11,410
- to replace existing assets	36,529	42,090	16,120
Increase (decrease) in reserves	(71)	-	-
Increase (decrease) of investments	2,857	2,866	3,067
Total applications of capital funding	77,615	79,461	30,597
Surplus/(deficit) of capital funding	(7,015)	(6,800)	(10,213)
Surplus/(deficit) of funding	-	-	-
Depreciation on council assets	20,469	16,154	15,977
Water supply levy	53,140	42,069	45,609

¹ This includes the Water supply levy charged to Wellington, Upper Hutt, Hutt, and Porirua city councils

This statement is not an income statement. It excludes all non-cash transactions such as depreciation and valuations.

For more information on the revenue and financing mechanisms applicable to this group of activities, please refer to Greater Wellington’s Revenue and Financing Policy.

All figures on this page exclude GST.

³ https://www.gw.govt.nz/assets/Documents/2023/06/J002168-Annual-Plan-2023_24_2.6_WEB.pdf

Water Supply Prospective Funding Information

For the year ending 30 June

	2023/24 Plan \$000s	2022/23 Plan \$000s	2023/24 LTP \$000s
Operating funding			
Water supply	56,312	42,643	46,261
Total operating funding	56,312	42,643	46,261
Applications of operating funding			
Water supply	49,297	35,843	36,048
Total applications of operating funding	49,297	35,843	36,048
Capital expenditure			
Water treatment plants	30,482	27,081	19,956
Pipelines	42,651	47,255	2,279
Pump Stations	604	918	1,351
Reservoirs	875	204	15
Monitoring and Control	217	1,081	1,627
Other	-	-	2,243
Capital project expenditure	74,829	76,539	27,471
Plant and Equipment	-	56	59
Total Capital Expenditure	74,829	76,595	27,530

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All figures on this page exclude GST.

If you have any concerns with the decision(s) referred to in this letter, you have the right to request an investigation and review by the Ombudsman under section 27(3) of the Local Government Official Information and Meetings Act 1987.

Please note that it is our policy to proactively release our responses to official information requests where possible. Our response to your request will be published shortly on Greater Wellington's website with your personal information removed.

Nāku iti noa, nā

Alison Trustrum-Rainey

Kaiwhakahaere Matua, Pūtea me ngā Tūraru | Group Manager, Finance and Risk