



Report 10.112
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Committee Regional Sustainability Committee
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Water Regionalisation

1. Purpose

A report on water regionalisation has recently been completed at the request of the Greater Wellington Regional Council and Porirua City Council.

2. Significance of the decision

The matters for decision in this report **do not** trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

3. Background

In 2001, the four metropolitan cities and Greater Wellington investigated forming a new entity to carry out the water, waste water and potentially storm water functions within metropolitan Wellington. This Council decided at the time, after taking into account all the factors, not to support a combined water entity. However, Wellington City and Hutt City Councils decided to proceed with forming a water entity for the management of water and waste water services. Hence in 2004, Capacity Infrastructure Services Ltd (Capacity) was formed. More recently, Upper Hutt City Council has contracted Capacity for the management of its water and waste water services.

Last year, following shared services discussions between the councils in the region, Porirua City Council and Greater Wellington decided to engage PricewaterhouseCoopers (PwC) to look at the issues and merits surrounding joining Capacity, or forming a similar entity. PwC has now finished its report and attachment 1 is the executive summary.

4. Comment

PwC has concluded there are benefits in integrating the management and operation of the water networks and activities, however, this is different from managing various water entities side by side as happens in Capacity.

The key conclusion of the report is the need to be “able to make decisions about efficient deployment and utilisation of assets over and between networks,

irrespective of council boundaries. This requires control of the networks in the first instance". This does not happen under the Capacity model.

The Chief Executive has discussed the report with the Chief Executive of Porirua City Council and with the Chief Executives of the region through the Chief Executives' Forum. The views of the Chief Executive of Porirua City Council and Greater Wellington are the same. That is, we need to address the issues of "efficient deployment and utilisation of assets over and beyond networks irrespective of council boundaries" before going further.

5. Next steps

It is proposed to advance the issue on two fronts. Firstly, for economic reasons there are benefits if some aspects of the water and waste water businesses across the region are harmonised. For example:

- Similar water and waste water supply standards for new subdivisions
- Commonality in the telemetry systems
- Standardisation in design for pumping stations
- Capture and storage of asset data in a common form and using common software systems
- Asset bylaws
- District Plan provisions.

Secondly, the issue of regionalisation of water services is one that will be considered in the context of the review of governance issues for the Wellington Region, that has been initiated by the Wellington Mayoral Forum. The conclusions of the PwC report will provide input into that process.

6. Communication

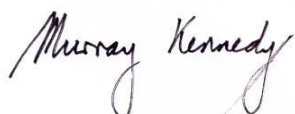
No communication is necessary as a result of this report.

7. Recommendations

That the Committee:

1. *Receives the report.*
2. *Notes the content of the report*

Report prepared by:



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Attachment 1: Water Regionalisation: Summary of the PwC report, March 2010