

Hon Simon Watts

Minister of Climate Change
Minister for Energy
Minister of Local Government
Minister of Revenue



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Mayor Campbell Barry, Hutt City Council
Mayor Anita Baker, Porirua City Council
Mayor Tory Whanau, Wellington City Council
Mayor Wayne Guppy, Upper Hutt City Council
Mayor Martin Connolly, South Wairarapa District Council
Daran Ponter, Council Chair, Greater Wellington

Dear Mayor/Chair

We are writing to you in your capacity as a shareholding council of Wellington Water.

Following the recently published reports on Wellington Water's operational performance and management, we are concerned that ratepayers who fund Wellington Water are not getting good value for money.

Under Subpart 3 of Part 2 of the Local Government (Water Services Preliminary Arrangements) Act 2024 (the Act), foundational information disclosure (FID) can be applied to any local government water services provider, including council-controlled organisations (CCOs) such as Wellington Water, on the recommendation of the Minister of Local Government and the Minister of Commerce and Consumer Affairs.

FID is a type of economic regulation that requires certain water service providers to share information to the public and the Commerce Commission about their operations. The Commission sets the precise disclosure requirements, which can include publishing information about water services providers' planning, investment, and performance.

There have been known challenges for Wellington Water for some time, resulting in publicly expressed frustration from some of Wellington Water's shareholding councils.

Recently published reports highlight key concerns with Wellington Water's operational performance and management, including in relation to contract management processes and systematic weaknesses in financial systems.

On this basis, Local Water Done Well is being accelerated for the Wellington region, by imposing early economic regulation on Wellington Water. The Commerce Commission will set foundational information disclosure requirements for Wellington Water and begin its role as an economic regulator early.

We have written to Wellington Water directly, to advise them of this intervention.

Cabinet has agreed to designate Wellington Water Limited as a specified entity under Subpart 3 of Part 2 of the Act. The application of FID to Wellington Water will be made via Order in Council, as provided for under section 39 of the Act. We expect this to happen over the coming weeks.

After an Order in Council is made, the Commission will determine the information to be disclosed by Wellington Water, and by when.

We anticipate it will include indicators that provide a view of how Wellington Water will ensure value for money for consumers (including through better procurement practices) and plans to address the shortcomings outlined in the published reports.

The information being disclosed to the Commission will also be useful for Wellington councils, to support a smooth transition to financially sustainable water services under Local Water Done Well.

Part 2 of the Act also stipulates the Commission must consult with interested parties during the process of setting the information disclosure requirements. You may wish to engage with the Commission on this.

FID will apply to Wellington Water only, as the provider of asset management and service delivery on behalf of its six shareholding councils.

Wellington Water will be subject to FID until it is replaced by the enduring information disclosure requirements under the Commerce Commission's permanent economic regulation regime from mid-2026.


The Government will be making a public announcement about the FID intervention for Wellington Water, later today.

Any queries, please contact Minister Watts' office via email S.Watts@ministers.govt.nz.

Yours sincerely



Hon Simon Watts
Minister of Local Government



Hon Scott Simpson
Minister of Commerce and Consumer Affairs