



Agenda

SOUTH WAIRARAPA DISTRICT COUNCIL

**19 KITCHENER STREET
MARTINBOROUGH**

ORDER PAPER FOR AN EXTRAORDINARY MEETING (HEARING)

TO BE HELD IN

**Supper Room, Texas Street, Waihinga Centre,
MARTINBOROUGH**

ON

27 March 2019

MEMBERSHIP OF COMMITTEE

HER WORSHIP THE MAYOR

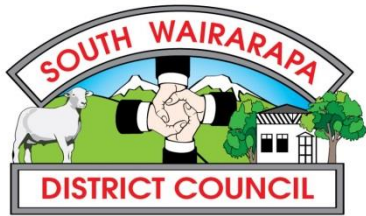
Mrs Viv Napier

(Deputy Mayor Brian Jephson)

Cr L Carter
Cr P Colenso
Cr M Craig
Cr M Gray

Cr P Maynard
Cr C Olds
Cr C Wright
Cr R Vickery

**RECOMMENDATIONS IN REPORTS ARE NOT TO BE CONSTRUED AS
COUNCIL POLICY UNTIL ADOPTED BY COUNCIL**



SOUTH WAIRARAPA DISTRICT COUNCIL EXTRAORDINARY MEETING (HEARINGS COMMITTEE)

AGENDA 27 March 2019

EXTRAORDINARY MEETING (HEARING):

The meeting will be held in the Supper Room, Waihinga Centre, Texas Street, Martinborough and will commence at 2:00pm. The meeting will be held in public with the express purpose of hearing and deliberating on submissions to the Wellington Waste Water Proposal.

SWDC Affirmation

We pledge that we will faithfully and impartially use our skill, wisdom and judgement throughout discussions and deliberations ahead of us today in order to make responsible and appropriate decisions for the benefit of the South Wairarapa district at large.

We commit individually and as a Council to the principals of integrity and respect, and to upholding the vision and values we have adopted in our Long Term Plan strategic document in order to energise, unify and enrich our district.

1. **Karakia**
2. **Apologies**
3. **Conflicts of Interest**
4. **Submissions Hearings as per Schedule**

Schedule of Submissions Hearings 27 March 2019				
No.	Submitter	Start Time	Presenting	Submission Pages
04	Perry Cameron	2:05pm	yes	11
13, 15	Michael Perry (also representing Susan Perry)	2:15pm	yes	23,27
12	Warren Woodgyer	2:25pm	yes	21-22
17	Richard Rudman	2:35pm	yes	31-32

Schedule of Submissions Hearings 27 March 2019				
No.	Submitter	Start Time	Presenting	Submission Pages
18	Ron Shaw, Wairarapa Voice	2:45pm	yes	33-39
14,16	Ellen Ward, Ted Ward	2:55pm	TBC	25,29

Barry Kempton (apologies)

5. Officers Summary of Wellington Water Proposals Report

SOUTH WAIRARAPA DISTRICT COUNCIL (HEARINGS COMMITTEE)

27 MARCH 2019

AGENDA ITEM 5

WELLINGTON WATER SHAREHOLDING HEARING

Purpose of Report

To present for consideration the results of the public consultation in regards to becoming a shareholder of Wellington Water Limited.

Recommendations

Officers recommend that the Committee:

1. *Receive the Wellington Water Shareholding Report.*
2. *Note the feedback from the public consultation*
3. *Recommend to Council that South Wairarapa District Council either:*
 - A. *Become a shareholder of Wellington Water Limited, or*
 - B. *Retain the status quo or*
 - C. *Investigate a Wairarapa three waters delivery model*

1. Executive Summary

Council resolution DC2019/09 stated:

COUNCIL RESOLVED (DC2019/09):

1. To receive the Wellington Water Statement of Proposal Report.
(Moved Cr Colenso/Seconded Cr Maynard)
2. To note the 'in principle support' from Wellington City Council; Porirua City Council; Hutt City Council; Upper Hutt City Council; and Greater Wellington City Council.
3. To adopt the Wellington Water Statement of Proposal Appendix 1.
4. To delegate to the Chief Executive the authority to make minor editorial changes to the Statement of Proposal.
(Moved Cr Vickery/Seconded Cr Olds)

Carried

Carried

The requisite consultation period has concluded with 18 submissions received.

2. Consultation

The consultation period, set by resolution DC 2019/09, was for a period of three weeks.

The Statement of Proposal was advertised in the newspaper, on our website and Facebook, and available at our four offices.

The consultation process meets the requirements under the Local Government Act 2002.

3. Results

A limited number of submissions were received, 18 in total.

Of those:

- Eight supported the status quo
- Five supported a local Wairarapa three waters delivery model
- Three were in support of becoming a shareholder in Wellington Water

Attached as Appendix 1 are the summary of submissions. Attached as Appendix 2 are copies of the submissions.

Six submitters have indicated they wish to speak.

4. Process

The following timeline was proposed in the council report:

- Decision on whether to adopt Statement of Proposal 20 February 2019
- Consultation commences 22 February 2019
- Consultation finishes 15 March 2019 (3 weeks)
- Hearing (if required) 20 or 27 March 2019
- Council Meeting 4 April 2019

The Council meeting of 3 April 2019 will receive and consider the recommendation from the hearing.

Standing order 14.15 provides that the Chair can exclude from public participation where the matter has been the subject of a hearing:

14.15 Restrictions

"The Chairperson has the discretion to decline to hear a speaker or to terminate presentation at any time where:

- ...
- The matter is subject to a hearing, including the hearing of submissions where the local authority or committee sits in a quasi-judicial capacity."

5. Appendices

Appendix 1 – Summary of Submissions

Appendix 2 – Submissions

Contact Officer: Paul Crimp, Chief Executive Officer

Appendix 1 – Summary of Submissions

Submission No.	Name of Submitter	Speaking	Status Quo	Wairarapa 3 waters delivery	Shareholder Wgtn Water	Comments in support of choice	Officer Comments
1	Peter Roberts	N	0	1	0	No comment	The SOP provides commenatry on this option
2	Tracey R Yandle	N	1	0	0	No comment	The SOP provides commenatry on this option
3	Tony Pritchard	N	1	0	0	Not adequately costed. Self governance being exported to Wellington	Paragraph 1 of the SOP indicated SWDC retains ownership of infrastructural assets. Para 4.3 of the SOP indicates SWDC would retain asset ownership, budgetary control, and service level setting. The impact of [becoming a shareholder] this option in relation to that forecast in the 2018/28 LTP would be minimal
4	Perry Cameron	Y	0	1	0	Loss of control	Para 4.3 of the SOP indicates SWDC would retain asset ownership, budgetary control, and service level setting. The impact of [becoming a shareholder] this option in relation to that forecast in the 2018/28 LTP would be minimal
5	Jack Sheppard	N	0	0	1	SWDC has lack of capacity to adequately manage the assests.	
6	Adam Mattsen	N	0	0	1	Good oportunity. Specialist in the area.	
7	Dan Neemia	N	1	0	0	Cost increases. Loss of assests.	Paragraph 1 of the SOP indicated SWDC retains ownership of infrastructural assets. Para 4.3 of the SOP indicates SWDC would retain asset ownership, budgetary control, and service level setting. The impact of [becoming a shareholder] this option in relation to that forecast in the 2018/28 LTP would be minimal
8	Barry Kempton	Y	1	0	0	No problem with current operation or cost.	The SOP outlines the benefits of becoming a shareholder, against the risks of retaining the status quo
9	Joanne Kempton	N	1	0	0	Does not seee any advantages to changing. Moroa Race should be operated by locals	The SOP outlines the benefits of becoming a shareholder, against the risks of retaining the status quo. The Water Race committees will be retained.
10	Penny Taylor	N	0	0	0	Does not want flouride in water	The decision to fluoridate water, or not will not be transferred to Wellington Water. Curently this sits with the local authority, though the decision may transfer to the Wairarapa DHB
11	Regional Public Health	Y	0	0	1	Protection of infrastructure. Consistency. Strengthen ability of Council to meet standards.	

Submission No.	Name of Submitter	Speaking	Status Quo	Wairarapa 3 waters delivery	Shareholder Wgtn Water	Comments in support of choice	Officer Comments
12	Warren Woodgyer	Y	0	1	0	Poor design of Martinborough water supply.	The three waters output will still be lead and managed by SWDC. The current SWDC staff will be located in SWDC offices, so knowledge will be retained. One of the key benefits of joining WW will be resilience during an event. The recent change in service delivery provider had as a key plank the ability to mobilise a large workforce in the event of an emergency. This service delivery provider already has a presence in the Wairarapa.
13	Micheal Dennis Perry	Y	0	1	0	No comment	The SOP provides commenatry on this option
14	Eileen Ward	Y	1	0	0	No comment	The SOP provides commenatry on this option
15	Susan Perry	Y	0	1	0	No comment	The SOP provides commenatry on this option
16	Ted Ward	Y	1	0	0	No comment	The SOP provides commenatry on this option
17	Richard Rudman	Y			0	Insufficient evidence to support Wellington Water	The SOP outlines the benefits of becoming a shareholder, against the risks of retaining the status quo. The Water Race committees will be retained.
18	Wairarapa Voice Inc	Y	1	0	0	Existing issues will transfer to Wellington Water. Revise current delivery model.	Paragraph 1 of the SOP indicated SWDC retains ownership of infrastructural assets. Para 4.3 of the SOP indicates SWDC would retain asset ownership, budgetary control, and service level setting. The impact of [becoming a shareholder] this option in relation to that forecast in the 2018/28 LTP would be minimal. Responsibility for addressing issues will still lie with SWDC, through service level setting and the LTP processes.
TOTALS			8	5	3		

Appendix 2 – Submissions

RECEIVED
08 MAR 2019
BY:

**SUBMISSION TO THE SOUTH WAIRARAPA DISTRICT COUNCIL
WELLINGTON WATER PROPOSAL**



To: Wellington Water Proposal
South Wairarapa District Council
PO Box 6
Martinborough 5741
info@swdc.govt.nz

Name of Submitter:	PETER ROBERTS
Organisation (if on behalf)	[Redacted]
Postal Address:	[Redacted]
Email:	[Redacted]
Daytime contact no:	[Redacted]

I wish to speak to my submission: YES NO

A hearing will be held (if required) on the 27 March 2019; we will contact you to arrange a time to speak.

Please read the Wellington Water Statement of Proposal before completing your submission

Which option do you prefer?

Which of the three options do you support and believe is the 'best entity' to manage South Wairarapa District Councils three waters function (including water races).

	YES	NO
Become a shareholder in Wellington Water; or	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Creation of a new local Wairarapa three waters delivery organisation; or	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Status quo	<input type="checkbox"/>	<input checked="" type="checkbox"/>

SUBMISSION TO THE SOUTH WAIRARAPA DISTRICT COUNCIL WELLINGTON WATER PROPOSAL

To: Wellington Water Proposal
South Wairarapa District Council
PO Box 6
Martinborough 5741
info@swdc.govt.nz



Name of Submitter:	TRACEY R YANDLE
Organisation (if on behalf)	[Redacted]
Postal Address:	
Email:	
Daytime contact no:	
I wish to speak to my submission:	
A hearing will be held (if required) on the 27 March 2019; we will contact you to arrange a time to speak.	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

Please read the Wellington Water Statement of Proposal before completing your submission

Which option do you prefer?

Which of the three options do you support and believe is the 'best entity' to manage South Wairarapa District Councils three waters function (including water races).

	YES	NO
Become a shareholder in Wellington Water; or	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Creation of a new local Wairarapa three waters delivery organisation; or	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Status quo	<input checked="" type="checkbox"/>	<input type="checkbox"/>

--Submitter Details--

Submitter Name: Tony Pritchard

--Sharing your views--

I wish to speak to my submission: No

--Which option do you prefer?--

Become a shareholder in Wellington Water; or: No

Status quo; or: Yes

Creation of a new local Wairarapa three waters delivery organisation: No

Comments in support of choice:

Nation wide water review and it's management is still being discussed by Central Government, this proposal appears to prematurely delegate away SWDC's responsibilities.

Transfer of management to the CCO 'Wellington Water' has not been adequately costed, with special reference to the effects this proposal may have on changes to property rating.

The costing of the option for a Wairarapa delivery service has not been presented with this proposal.

The agreed levels of service as defined in SWDC's annual and long term plans are not items to be changed using this proposal between SWDC and the CCO 'Wellington Water'.

We are also concerned that this proposes another piece of Wairarapa's self governance be exported over the hill to Wellington.

The results of this submission may be viewed at:

<http://www.swdc.govt.nz/node/1200/submission/1243>

--Submitter Details--

Submitter Name: perry cameron

Organisation: persona; and Wairarapa Voice Inc

--Sharing your views--

I wish to speak to my submission: Yes

--Which option do you prefer?--

Become a shareholder in Wellington Water; or: No

Status quo; or: No

Creation of a new local Wairarapa three waters delivery organisation: Yes

Comments in support of choice:

While Wellington Water seem to be a competent organisation, capable at some stage of delivering truly fit for purpose three water services, the relinquishment of control to WW will lead to several adverse outcomes:

- Adverse impacts on catchment management by disintegrating the approach in Wairarapa
- Adverse impact on ratepayers and users, in particular rural users, by the lack of responsiveness baked into the structure of all CCOs such as Wellington Water
- Adverse impact on ratepayers and users by the reduction in political Influence on Wellington Water
- Adverse economic impacts on South Wairarapa by substituting a rigid, geographically removed entity for local control
- Adverse impacts on emergency resilience, particularly when Wellington Water will be distracted by needs it will see as more pressing

The results of this submission may be viewed at:

<http://www.swdc.govt.nz/node/1200/submission/1247>

--Submitter Details--

Submitter Name: Jack Sheppard

--Sharing your views--

I wish to speak to my submission: No

--Which option do you prefer?--

Become a shareholder in Wellington Water; or: Yes

Status quo; or: No

Creation of a new local Wairarapa three waters delivery organisation: No

Comments in support of choice: There is no stormwater plan for the Wairarapa region. Featherston gets hammered in rain and damage from the December 8 2018 flooding has still not been fully repaired. Meanwhile, Martinborough has e coli contamination in their water. Frankly speaking, it seems like SWDC lack the capacity, resources or wherewithal to manage this important resource and, if as promised, we retain sovereignty and control over our assets.

The results of this submission may be viewed at:

<http://www.swdc.govt.nz/node/1200/submission/1246>

--Submitter Details--

Submitter Name: Adam Mattsen

--Sharing your views--

I wish to speak to my submission: No

--Which option do you prefer?--

Become a shareholder in Wellington Water; or: Yes

Status quo; or: No

Creation of a new local Wairarapa three waters delivery organisation: No

Comments in support of choice: I fully support becoming a shareholder in Wellington Water. It makes complete sense to have a dedicated 3 waters organisation who specialises in providing first class services as their first priority rather than having my water rates being siphoned off to non related council projects. Central government is currently undertaking a national 3 waters review where recommendations are likely to be forced upon local council's water departments to merge into larger organisations (Wellington Water being one), so why not take this opportunity to take control of the process and outline exactly how we would like Wellington Water to manage our assets for us.

The results of this submission may be viewed at:

<http://www.swdc.govt.nz/node/1200/submission/1249>

--Submitter Details--

Submitter Name: Dan Neemia

Organisation:

Address:

Email:

Daytime contact no.:

--Sharing your views--

I wish to speak to my submission: No

--Which option do you prefer?--

Become a shareholder in Wellington Water; or: No

Status quo; or: Yes

Creation of a new local Wairarapa three waters delivery organisation: No

Comments in support of choice:

1) People of South Wairarapa will lose control of the 3 waters assets. For example- if 100% of South Wairarapa people vote against a decision/ procedure of Wellington Water then our 1 class A vote at the 'Water Committee' can be easily out voted by the other councils. In addition our Class B vote/share could not compete with other more financially backed councils.

2) "While our three waters assets and operations are managed well, and operate as designed, we have an opportunity to take the operational aspects to the next level, and provide ratepayers, residents, and visitors with a management structure that is world class. "

Our assets are 'Managed well and operate as designed' why would we want glorified 'World Class?!' As a rate payer I am not interested in a management structure that is world class! How do I tell the difference when I'm flushing the toilet?! All I see is unnecessary layers of bureaucracy.

3) "In addition, environmental standards are continually rising, community expectations are increasing, and costs are increasing" - these are speculative- what are the increased environmental standards? What are my increasing expectations? Costs go up anyway regardless. Why employ the extra cost of a water company to try and manage costs down?

4) "The status quo option has no transactional/establishment costs or uncertainty associated with change" NO COST INCREASES are all that matters to most rate payers! I find the reasons against this speculative again, how many people are going to live in Featherston in the next 10 years? Where are the large land developments preparing for this massive increase in people?

5) "Wellington Water would manage both operational expenditure and capital projects on behalf of SWDC." This statement alone should ring alarm bells for most rate payers! This goes back to point number 1: the people lose control of the 3 water assets!

This proposal is nothing but taking control of the South Wairarapa 3 water assets by stealth!

The results of this submission may be viewed at:
<http://www.swdc.govt.nz/node/1200/submission/1250>

--Submitter Details--

Submitter Name: Barry Kempton

--Sharing your views--

I wish to speak to my submission: Yes

--Which option do you prefer?--

Become a shareholder in Wellington Water; or: No

Status quo; or: Yes

Creation of a new local Wairarapa three waters delivery organisation: No

Comments in support of choice: I want to know what the advantages are financially and for water safety. How much more will rate payers be spending to have a supply of safe water which we have had with no problem until the Martinborough hiccup. I suspect this is a panic reaction following the Martinborough issue. What concerns me is the Moroa Water RAcE system has not been adequately administered since the local committee was disbanded. City Care was awarded a contract and couldn't provide the service so they had to sub contract back to Pope and Gray who were already doing the job, not efficiency in my mind.

The results of this submission may be viewed at:

<http://www.swdc.govt.nz/node/1200/submission/1251>

--Submitter Details--

Submitter Name: Joanne Kempton

--Sharing your views--

I wish to speak to my submission: No

--Which option do you prefer?--

Become a shareholder in Wellington Water; or: No

Status quo; or: Yes

Creation of a new local Wairarapa three waters delivery organisation: No

Comments in support of choice: I wish to know the advantages of becoming part of Wellington Water. I cannot see any advantages to the rate payer from a financial or water safety perspective. I feel this is a knee jerk reaction to the Martinborough situation. I am also concerned that the Moroa Water Race system needs to be run effectively by locals. Taking decision making out of the hands of locals is not an advantage in my opinion. Thank you for this opportunity.

The results of this submission may be viewed at:

<http://www.swdc.govt.nz/node/1200/submission/1252>

--Submitter Details--

Submitter Name: Penny Taylor

--Sharing your views--

I wish to speak to my submission: No

--Which option do you prefer?--

Become a shareholder in Wellington Water; or: No

Status quo; or: No

Creation of a new local Wairarapa three waters delivery
organisation: No

Comments in support of choice: I'm voting NO as I do not want poison fluoride in my water supply!!

The results of this submission may be viewed at:

<http://www.swdc.govt.nz/node/1200/submission/1253>

15 March 2019

South Wairarapa District Council
PO Box 6
Martinborough 5741
info@swdc.govt.nz

Tēnā koe

Re: Submission on Wellington Water Proposal

Thank you for the opportunity to provide a written submission on this consultation document.

Regional Public Health serves the greater Wellington region, through its three district health boards (DHBs): Capital & Coast, Hutt Valley and Wairarapa and as a service is part of the Hutt Valley District Health Board.

We work with our community to make it a healthier, safer place to live. We promote good health, prevent disease, and improve the quality of life for our population, with a particular focus on children, Māori and working with primary care organisations. Our staff includes a range of occupations such as: medical officers of health, public health advisors, health protection officers, public health nurses, and public health analysts.

Our organisations already work together on drinking water, wastewater and stormwater and we look forward to continued collaboration.

Regional Public Health **supports** South Wairarapa District Council becoming a shareholder in Wellington Water.

In our [submission on your draft long term plan \(April 2018\)](#) we encouraged increased collaboration and resource (expertise and asset) sharing between the greater Wellington region's councils. South Wairarapa District Council with an estimated resident population for 2018 of 10 450, represents a small rating base. The area has significant challenges associated with operation, maintenance and improvement of existing infrastructure (in particular drinking water and wastewater). Furthermore the infrastructure is required for three separate townships, each with their own unique challenges requiring a significant level of technical and operational expertise. This is combined with increasing regulatory and community expectations of improvements in existing water quality.

The recent challenges in managing a contamination event within the Martinborough township drinking water supply highlight the value and need for access to a wider pool of resources and

technical expertise. Access to the additional resource is necessary not only for managing the response to an incident, but also to prevent future incidents with a potential risk to public health.

We believe partnering with Wellington Water is the option likely to bring the greatest benefit in terms of protecting core infrastructure, improving resilience via economies of scale, support for region-wide consistency, and strengthening the ability of the Council to meet public health standards and improve the well-being of the community.

We are happy to provide further advice or clarification on any of the points raised in our written submission. The contact point for this submission is:

Dr Jill McKenzie, Medical Officer of Health
Jill.McKenzie@huttvalleydhb.org.nz ; 04 570 9002

Ngā mihi



Dr Jill McKenzie
Medical Officer of Health



Peter Gush
Service Manager

--Submitter Details--

Submitter Name: Warren Woodgyer

--Sharing your views--

I wish to speak to my submission: Yes

--Which option do you prefer?--

Become a shareholder in Wellington Water; or: No

Status quo; or: No

Creation of a new local Wairarapa three waters delivery organisation: Yes

Comments in support of choice:

To begin with I take issue with the statement within the executive statement that the shared service approach delivers benefits to our shareholders and communities through cost savings. etc.

Where in the report is the evidence/proof of this.

Much of the report talks about the E-Coli problem and current staff not being able to cope. I believe the Martinborough Water supply is poorly designed, has shallow supply bores, not enough storage for the daily water use and not supplying the town exclusively. Wood stave storage tanks failed badly in the Christchurch earthquake for example.

Many improvements could be made with a dedicated water group and good technical leadership.

The report takes no consideration of service delivery during a disaster response situation such as an earthquake or severe storm that closes the hill and inflicts serious damage on us and other Wellington Water stake holders.

We will still have our team Wellington Water but no leadership. Resources will be required in the Wellington region.

Within the report it states "becoming a shareholding member of Wellington Water would be relatively cheap in terms of cost of entry," The best solution is to retain our own assets and staff with their local knowledge. If any organisation wants this they should pay for it. Why should this knowledge and assets paid for by the ratepayers suddenly end up, that we are paying Wellington Water to have.

As I understand we have a good team, a base to build a three water group but what we require is more specialised knowledge and leadership. Perhaps we need a new approach to the treatment of waste water, a dedicated water group for example could link with ESR to provide this.

In terms of a willing and committed participant, Carterton should be included in any three water organisation discussion.

These ideas all compliment and fall within the Local Government Act 2002.

Points 5.1,(assessment of status quo) 5.2 (assessment of another three waters delivery option)and 5.3 (assessment of becoming a shareholder in Wellington Water) convey mixed messages. 5.1 and 5.2 emphasis is placed on the status quo being sub-optimal; will not realise any long term cost efficiencies from scaling up management of water infrastructure

and services. Conjecture as well in 5.2 “unlikely to create new opportunities for improving the existing.....”.Where is the proof/evidence.

5.3 the authors of the paper go on to say that “ being part of a larger three waters focused entity may also enable some long term cost efficiencies to be achieved resulting from scaling up the management of infrastructure under a single management company.

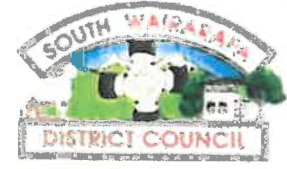
In my opinion this paper asks more questions than it provides answers, it a good starting point for Councillors and ratepayers. Such an important proposal/commitment requires more investigation and work than this paper provides. An example is the statement at the end of section 4 “while we have good capability to think about many of these initiatives we do not have the capability to analyse them in a manner that we can actually do”

In summary I oppose this proposal and therefore wish to be heard.

The results of this submission may be viewed at:

<http://www.swdc.govt.nz/node/1200/submission/1254>

SUBMISSION TO THE SOUTH WAIRARAPA DISTRICT COUNCIL WELLINGTON WATER PROPOSAL



To: Wellington Water Proposal
South Wairarapa District Council
PO Box 6
Martinborough 5741
info@swdc.govt.nz

Name of Submitter:	MICHAEL DENNIS PERRY
Organisation (if on behalf)	
PO:	
En:	4
Daytime contact no.:	mail.com

I wish to speak to my submission:

A hearing will be held (if required) on the 27 March 2019; we will contact you to arrange a time to speak.

Yes No

Please read the Wellington Water Statement of Proposal before completing your submission

Which option do you prefer?

Which of the three options do you support and believe is the 'best entity' to manage South Wairarapa District Councils three waters function (including water races).

	YES	NO
Become a shareholder in Wellington Water; or	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Creation of a new local Wairarapa three waters delivery organisation; or	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Status quo	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Comments in support of choice

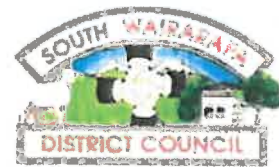
Please note submissions must be received by 4.00pm, 15 March 2019

An online submission is available on our website www.swdc.govt.nz. You may deliver your written submission to the Council Office, 19 Kitchener Street, Martinborough, email it to info@swdc.govt.nz, post it to Wellington Water Proposal, South Wairarapa District Council, P.O. Box 6 Martinborough 5741, or deliver it to one of the South Wairarapa libraries.

Please note:

- In accordance with the Privacy Act 1993, your name and feedback will be public documents, all other personal details will remain private.
- Submissions will not be returned, so please keep a copy.
- A Council hearing will be held on 27 March 2019 (if required) for submitters who wish to speak in support of their submission. The meeting will be open to the public, except as otherwise provided in the Local Government Official Information and Meetings Act 1987.

SUBMISSION TO THE SOUTH WAIRARAPA DISTRICT COUNCIL WELLINGTON WATER PROPOSAL



To: Wellington Water Proposal
South Wairarapa District Council
PO Box 6
Martinborough 5741
info@swdc.govt.nz

Name of Submitter:	Eileen Ward
Organisation (if on behalf)	
Postal A:	
Email:	
Daytime	

I wish to speak to my submission:

A hearing will be held (if required) on the 27 March 2019; we will contact you to arrange a time to speak.

Yes No

Please read the Wellington Water Statement of Proposal before completing your submission

Which option do you prefer?

Which of the three options do you support and believe is the 'best entity' to manage South Wairarapa District Councils three waters function (including water races).

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Creation of a new local Wairarapa three waters delivery organisation; or	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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Comments in support of choice

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SUBMISSION TO THE SOUTH WAIRARAPA DISTRICT COUNCIL WELLINGTON WATER PROPOSAL



To: Wellington Water Proposal
South Wairarapa District Council
PO Box 6
Martinborough 5741
info@swdc.govt.nz

Name of Submitter:	Susan Perry
Organisation (if on behalf)	
Postal Address:	
Email:	
Daytime contact:	

I wish to speak to my submission:

A hearing will be held (if required) on the 27 March 2019; we will contact you to arrange a time to speak.

YES
 NO

Please read the Wellington Water Statement of Proposal before completing your submission

Which option do you prefer?

Which of the three options do you support and believe is the 'best entity' to manage South Wairarapa District Councils three waters function (including water races).

	YES	NO
Become a shareholder in Wellington Water; or	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Creation of a new local Wairarapa three waters delivery organisation; or	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Status quo	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Comments in support of choice

Please note submissions must be received by 4.00pm, 15 March 2019

An online submission is available on our website www.swdc.govt.nz. You may deliver your written submission to the Council Office, 19 Kitchener Street, Martinborough, email it to info@swdc.govt.nz, post it to Wellington Water Proposal, South Wairarapa District Council, P.O. Box 6 Martinborough 5741, or deliver it to one of the South Wairarapa libraries.

Please note:

- In accordance with the Privacy Act 1993, your name and feedback will be public documents, all other personal details will remain private.
- Submissions will not be returned, so please keep a copy.
- A Council hearing will be held on 27 March 2019 (if required) for submitters who wish to speak in support of their submission. The meeting will be open to the public, except as otherwise provided in the Local Government Official Information and Meetings Act 1987.

SUBMISSION TO THE SOUTH WAIRARAPA DISTRICT COUNCIL WELLINGTON WATER PROPOSAL



To: Wellington Water Proposal
South Wairarapa District Council
PO Box 6
Martinborough 5741
info@swdc.govt.nz

Name of Submitter:

*Lee Leach
Greytown Resident*

Organisation (if on behalf)

Postal Ad:

Email:

Daytime :

I wish to speak to my submission:

Yes

No

A hearing will be held (if required) on the 27 March 2019; we will contact you to arrange a time to speak.

Please read the Wellington Water Statement of Proposal before completing your submission

Which option do you prefer?

Which of the three options do you support and believe is the 'best entity' to manage South Wairarapa District Councils three waters function (including water races).

	YES	NO
Become a shareholder in Wellington Water; or	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Creation of a new local Wairarapa three waters delivery organisation; or	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Status quo	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Comments in Support of/Chaos

Please note submissions must be received by 4.00pm, 15 March 2019

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**COMMENT ON THE PROPOSAL
OF THE SOUTH WAIRARAPA DISTRICT COUNCIL
TO BECOME A SHAREHOLDER IN WELLINGTON WATER LIMITED**

1. This proposal is ill-timed and, for the reasons set out here, should be deferred.
 - 1.1 The consultation process and the consultation period were both inadequate. Three weeks is not long enough for the community to understand and consider a matter of this significance and complexity. No explanatory information has been provided for the public, other than the statement of proposal itself, and the Council has not taken specific steps (eg, public meetings) to encourage or facilitate understanding and discussion. It seems the Council is not complying with its own Significance and Engagement policy.
 - 1.2 In Martinborough, the consultation period coincided with the contaminated water crisis which preoccupied most of the community. That coincidence will have led some to assume that this proposal is somehow intended to overcome problems in the Martinborough water supply. Of course, that is not the case.
 - 1.3 Even if it were the case, consideration of the Wellington Water Proposal should be deferred until the outcome of investigations into the Martinborough crisis are known. Only then will the Council and the public be able to make informed decisions as to whether the proposed restructuring will be effective in dealing with any management and/or infrastructure problems.
 - 1.4 Indeed, the Council should adopt a broader approach to the consideration of water-related issues. The Wellington Water Proposal (at paragraph 3.6) argues for “a strategic approach to, and the integrated management of, service delivery” for the waters network. A similar strategic and integrated approach should, surely, be taken to decisions affecting any aspect of waters delivery.
 - 1.5 This is one example of how current decision making compromises a strategic and integrated approach. At its meeting on 20 February 2019 — in response to the Martinborough contamination crisis — the Council decided to bring forward the installation of a manganese extraction plant to allow for possible chlorination of the town’s water. However, there is likely to be significant opposition to the possibility of chlorination. To avoid accusations of predetermination, the Council should defer further consideration of the manganese water treatment plant until it has consulted on the question of chlorination. Apart from issues of democratic participation, it would be embarrassing if the Council spent a significant sum on a treatment plant that it could not use. Decisions of this kind should be taken in a strategic sequence rather than as individual ad hoc responses.
2. Unfortunately, the Wellington Water Proposal statement contains insufficient information to support a decision of this importance and magnitude. The proposal might be a good one, but the case is not made out in this paper to the extent (or in the detail) that would be expected for sound decision-making and competent governance.
3. For example, the reasons given for the proposal (paragraph 3.6) are a series of assertions rather than arguments; they lack supporting information or reasoning. For example, the proposal asserts that “our three waters assets and operations are managed well”: in the case of the Martinborough water supply, for example, that is demonstrably untrue. But if it were true, why is there then a need to pass over the management and operations to a third party?
4. In the same way, paragraph 3.6 claims that the proposal would “provide ratepayers, residents, and visitors with a management structure that is world class”. Yet the proposal does not

describe how a world class management structure would differ from the present system — which the paper claims is already “managed well” and operates “as designed”. Nor does the proposal seek to explain why the South Wairarapa needs, or would benefit from, a “management structure that is world class”.

5. At the same time that it promises a world-class management structure — whatever that might be — the proposal ignores the possibility that the ratepayers, residents and visitors (ie, the paying customers) might simply be content with a reliable supply of clean water and cost-effective removal of waste waters. That might be achievable without the implied weight and cost of a world class management structure.
6. The four objectives of the proposal set out in paragraph 3.6 are worthy statements of intent, but lack specificity or detail. For example:
 - 6.1 What would be involved in “a strategic approach to, and the integrated management of, service delivery”? How would that be different from the present arrangements? How would that improve the current service delivery? And at what cost?
 - 6.2 What is the identified need for “a higher level of resilience”? In what respects is the present “level of resilience” inadequate?
 - 6.3 How is “cost-effectiveness” currently measured? How will the proposal promote cost-effectiveness over the long term? What is the long term?
7. Unless and until these objectives are given further definition and detail, we cannot know specifically what the proposal is intended to achieve, whether those goals and objectives are appropriate for the South Wairarapa, and whether an arrangement with Wellington Water is an appropriate way to achieve them.
8. Thus, while the proposal asserts — again at paragraph 3.6 — that a “shareholding in Wellington Water will ensure the best possible outcomes”, it does not set out the predicted outcomes in measurable terms, nor how they would be monitored, nor how Wellington Water would (or could) be held to account.
9. Unfortunately, this lack of definition and detail is reflected in the proposal’s assessment of options (section 4). But it reads as if the authors of the paper had decided in advance that becoming a shareholder in Wellington Water would be the preferred option — and that readers would agree, even if the paper lacked the information they needed for informed decision-making. This reader demurs.
10. The proposal also needs considerably more financial information. Section 6 (Financial Implications) is wholly inadequate. It should, at very least, detail the likely costs of implementation, costs of shareholding, transitional costs, and the fees and expenses that would be payable to Wellington Water. The expected “operational efficiencies and other gains” should be quantified. Without detailed financial analysis and projections, it would be a failure of governance to allow the proposal to proceed. It is, in any case, worrying that the Council allowed the proposal out for public consultation without detailed financial information. The proposal cannot be properly assessed without it.
11. I wish to speak in support of these comments.

Richard Rudman

Response to Wellington Water – statement of proposal to become a shareholder in a Council Controlled Organisation

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Executive Summary and Conclusion

South Wairarapa District Council's proposal to become a shareholder in Wellington Water has been analysed by Wairarapa Voice Inc. and found to be lacking in substance, with poor analysis, assertions standing in for evidence, and marked by an unwillingness to face the issues with three water provision square on.

It is clear that South Wairarapa District Council have struggled to deliver an adequate three waters service for some time and it is also clear that the Council has struggled to engage with ratepayers.

The proposal to buy shares in Wellington Water and offload the manifest problems with three water provision in South Wairarapa to them may be a way to avoid the underlying causes of South Wairarapa District Council's failure to provide a fit for purpose three waters service. However, it is likely to cause other problems that will be as intractable.

Handing over control of three waters provision to Wellington Water may solve or partially solve a number of real existing problems. But it will replace them with a number of new problems, all of which will become very real and very negative for ratepayers. All these new problems will be a foreseeable consequence of outsourcing three waters to a Council Controlled Organisation.

There are three options worth considering. While the retention of the uncorrected status quo is an option it is untenable and can be dismissed.

1. Corrected status quo – retain management within SWDC but with a revised delivery model and more competent staff, particularly at the strategic and general management levels.
2. Explore the creation of a Wairarapa 3 Waters Delivery Organisation – in spite of the glib dismissal of this option in the proposal, Wairarapa Voice do not accept that it has been adequately explored.
3. Relinquish control of three waters and handing over of the management of the three water services to Wellington Water after consulting with voters on the very real negative impacts that can be foreseen.

Our view is that these options are listed in the order of preference and more effort should be made to correct the status quo before taking any other action simply because it is a low cost path with potentially high payoffs.

Seeking the assistance of Carterton District Council in exploring the second option would allow South Wairarapa District Council to explore why Carterton have a safe fresh water system, fit for purpose waste water system, and a robust plan for stormwater and learn from that.

If a considered path still leads to a desire to form a more binding relationship with Wellington Water then avoiding a rush into that relationship will have avoided any adverse consequences from the impending decision by the Minister on three waters that could otherwise unpick all the work that would go into implementing the proposal.

Furthermore, this paper suggests a number of adverse impacts from contracting out three waters to Wellington Water and questions that need to be considered. These could be considered in a balanced way if the rush to outsourcing is slowed down in favour of our suggested approach.

Introduction

This paper is in response to the document issued by South Wairarapa District Council (SWDC) entitled “Wellington Water – statement of proposal to become a shareholder in a Council Controlled Organisation”.

Wairarapa Voice

This paper has been prepared by Wairarapa Voice Inc. (Voice), a non-government organisation (NGO) that supports ratepayers and voters across the Wairarapa. We do this by monitoring the local government sector and engaging robustly with the sector on issue of relevance to Wairarapa. We provide analysis and direction to ensure an informed citizen response to local government issues.

Discussion

In spite of assertions in the statement of proposal that the SWDC three water assets and operations have been well managed, it is clear that South Wairarapa District Council have struggled to deliver an adequate three waters service for some time with persistent non-compliance with legal requirements. These struggles have culminated in several recent issues. Featherston has suffered from inadequate stormwater infrastructure leading to flooding, Greytown has long standing issues with the management of the water races within the town boundaries, and Martinborough has had water contamination issues with unexplained excrement in the fresh water supply. These issues provide a very good argument for a change in how SWDC manage the three waters service but not for a rush to handing over control of the three waters services to Wellington Water.

It is also clear that SWDC have struggled to engage with ratepayers. Contentious dismissal of issues seems to be the approach favoured by SWDC. When Featherston suffered from stormwater flooding, rather than engaging positively, SWDC staff asserted that the systems were fit for purpose until finally challenged by some Councillors and finally conceding that the systems are not, in fact, fit for purpose. Greytown residents report having difficulty getting SWDC staff to take the issues around the water races seriously with the CEO reportedly refusing to even travel to Greytown to see the issues ‘on the ground’. Martinborough’s water contamination issues have highlighted serious deficiencies in the management of fresh water delivery. The approach to the disposal of treated effluent in Featherston has also been marked by a lack of constructive engagement, resulting in a decision by Greater Wellington Regional Council (GWRC) staff to recommend declining the SWDC’s resource consent application. Again, these issues provide a further argument for a change in how SWDC manage the three waters service but not for a rush to handing over control of the three waters services to a Council Controlled Organisation (CCO), whether Wellington Water or some other CCO.

There are actually multiple options for change, rather than the three outlined in the SWDC statement of proposal. This highlights the limited thinking that has gone into the statement of proposal. Of the multiple options the following three stand out as worth exploring: The fourth option is the retention of the uncorrected status quo which is included for completeness even though it is untenable.

There are risks associating with making changes at this point. The Minister of Internal Affairs has started the process of considering what changes are required to three water provision following the deaths in Havelock North from excrement entering the water supply. What will SWDC gain by making changes now when further, imposed, changes are on the horizon, particularly where the cost of joining Wellington Water (\$350,000) may not be easily retrievable?

Some Options

- Corrected status quo – retain management within SWDC but with a revised delivery model and more competent staff
- Explore the creation of a Wairarapa 3 Waters Delivery Organisation
- Relinquish control of three waters and handing over of the management of the three water services to Wellington Water.
- Uncorrected status quo – retain management within SWDC with no changes to the current delivery model or staff – untenable, included for completeness

Exploration of the Options

Corrected Status Quo

It is clear that the main issues faced by SWDC’s three water delivery services can be summarised as:

Strategic Leadership

It is clear that the strategic direction provided by the District Council’s Mayor and Councillors is deficient. This is not something that can be delegated to staff or a CCO. Remedying this deficiency requires the attraction of strategically competent people to stand and get elected to Council and perhaps a willingness for SWDC to seek independent strategic advice from a proven strategy consultant.

General Management

It is clear that the general management of the SWDC at the CEO and Group Manager level has been deficient. The employment of a new CEO presents the opportunity to address both these issues.

Engineering skills

Public statements by SWDC staff indicate a lack of engineering skills with confusion over root cause analysis and the requirements of reliability centred engineering. These are not water engineering skills as such and need addressing regardless of what happens with three waters. Water engineering skills can be contracted in and do not require the full outsourcing of three waters.

With impending changes general management and with the upcoming election, SWDC are presented with an opportunity to maintain the in house provision of three waters but with a step change in performance. This is the lowest risk choice given the impending changes in three water provision being considered by the Minister of Internal Affairs.

Creation of a Wairarapa 3 Waters Delivery Organisation

The statement of proposal gives the idea of the creation of a Wairarapa 3 Waters Delivery Organisation a 'once over lightly' treatment with no real exploration of this option. SWDC does not appear to have had an in substance discussion of the idea of a Wairarapa 3 Waters Delivery Organisation with the other councils in the valley. If there was interest then the set-up of a catchment focused organisation could be explored. Just dismissing the idea without any serious attempt at engagement or exploration shows that there is disturbingly little appetite to work with other councils.

Relinquish Control to Wellington Water

The statement of proposal considers possible benefits of taking a shareholding in Wellington Water. Unfortunately there is no detailed analysis of the economic implications of the proposal. An assertion that the proposal will promote cost-effectiveness over the long term is not enough to justify the proposal. The section of financial implications is deficient.

Coupled with the fact that the proposal does not consider any of the many adverse impacts that are possible, the proposal is significantly deficient. Ratepayers should expect more detailed analysis of the 'pros and cons' than this 'once over lightly' treatment. The SWDC Mayor and Councillors must request that the staff prepare a proper analysis of the alternatives. Once this revised analysis has been completed, consultation with ratepayers can proceed, informed by the proper consideration of the foreseeable negative impacts. To assist, we have set out some of the main adverse impacts and the questions that should be addressed below:

Disintegration of Catchment Management

Wellington Water have some expertise in the management of 3 waters in the western part of Greater Wellington although a review of the 2018 Annual Report and the 2017-20 statement of intent would suggest that Wellington Water have struggled to build constructive relationships with constituent councils. There are no shared catchments with the rest of the Greater Wellington Region, east of the Remutaka divide. The Wairarapa catchments are a discrete entity, with the Ruamahanga Catchment being the primary catchment in Wairarapa. South Wairarapa is a political entity, not a geographical entity as such. The idea that the slice of the Ruamahanga Catchment included in South Wairarapa can be managed discretely from the rest of the catchment is incoherent.

What consideration has been given to meeting catchment wide requirements, many of which have legal force via the Catchment Management Units?

Lack of Responsiveness of a CCO

Council Controlled Organisations are run at several removes from the ratepayers that fund them and the users that get services from them. They are not subject to pressure from the owning Councils beyond the service level agreement and individual councillors cannot get any action out of a CCO unless the CCO agrees to it. If a CCO decides that its mandate requires riding roughshod over the local community's desires, there is nothing the community can do to affect that mandate.

What systems have been considered to stop this CCO running like Auckland Transport or Water Care and completely ignoring community level needs?

Adverse Impacts on Rural Ratepayers

SWDC uses City Care to maintain the existing water races. City Care (CC) subcontract that work to Pope and Grey (P&G) because CC don't have the equipment or staff with the knowledge physically located in South Wairarapa. CC are open normal business hours of 9-5 Mon-Friday and do not respond adequately, if at all, to call outs over the weekend. It is easier for water race users, if they have problems outside of regular office hours, to contact P&G direct rather than trying to contact CC who do not have the detailed knowledge of the water races. Unless this issue has been directly raised with them, contracting out to Wellington Water is unlikely to provide any better service in the demanding rural environment.

Has this issue been considered?

Lack of Political Influence

Wellington Water is run by the Board of Directors who have managerial control of the organisation. The organisation has a Water Committee to provide political oversight. Each shareholding council has the ability to place one member on the committee and each member has one vote. This will mean that the western councils will be able to determine Wellington Water's approach without SWDC having any ability to influence decisions. Surely the experience of Wairarapa's representative on the current GWRC is enough of a lesson on how this will play out. And there would be nothing to stop the councils with stronger control changing the rules as GWRC did with Wairarapa staffing and representation.

What consideration has been given to this possibility?

Adverse Economic Impacts

An example of how an arms-length CCO can lead to adverse economic outcomes comes from a locally based processing business. This business has a processing facility in Hamilton to service the upper North Island. They explored the idea of expanding this facility and as part of that exploration they investigated moving to Auckland. They are a large water user so they had to deal with Water Care. They found Water Care bureaucratic and rigid and, as a result, cancelled their plans in Auckland and expanded their Hamilton facility.

What consideration has been given to outsourcing decisions that could have adverse economic effects if made without consideration for local needs and conditions?

Reduced Emergency Resilience

Depending on a service provider with no local presence introduces extra risk in the event of an emergency closing the Remutaka road link. This could be as simple as a road crash removing support for hours at a time. In the event of an earthquake, the fragility of Wellington's water provision will mean that Wellington Water will be overwhelmed by the demands on the western side of the region and no support will be forthcoming for a long time.

What considerations have been given to this?

Summary

While Wellington Water seem to be a competent organisation, capable at some stage of delivering truly fit for purpose three water services, the relinquishment of control to WW will lead to several adverse outcomes:

- Adverse impacts on catchment management by disintegrating the approach in Wairarapa
- Adverse impact on ratepayers and users, in particular rural users, by the lack of responsiveness baked into the structure of all CCOs such as Wellington Water
- Adverse impact on ratepayers and users by the reduction in political Influence on Wellington Water
- Adverse economic impacts on South Wairarapa by substituting a rigid, geographically removed entity for local control
- Adverse impacts on emergency resilience, particularly when Wellington Water will be distracted by needs it will see as more pressing