



Report 01.412

6 June 2001

File: 0/5/3/2/2

WATER SERVICES INTEGRATION PROPOSAL

Report back on consultation

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1. Purpose of the report

This report is jointly authored by the panel of councillors given the responsibility for the consultation on Water Services Integration. It is intended to provide information on the process and results to our colleagues on Hutt City Council, Wellington City Council and Wellington Regional Council.

In this report we briefly document the process followed, give some facts and figures and then give a synthesis of the submissions as we read and heard them. To illustrate the points made we have quoted submitters, either from the written material or from when they spoke to us.

We have reported separately on the general submissions, those of the two Councils who currently sit outside the proposals and the iwi of the region. We understand that copies of the submissions have been made available to all Councillors.

2. Findings

- (i) The integration of Wellington's water services businesses has significant community support in principle.
- (ii) The substantial majority of submitters did not support the Trust as proposed.
- (iii) There is considerable public concern over the prospect of vesting public water assets in a stand-alone entity.
- (iv) The chief concerns that submitters felt needed addressing in any integration proposal were:
 - Governance
 - Accountability
 - Ownership
 - The Treaty of Waitangi including issues related to partnership, ownership of water, Maori customary rights and kaitiakitanga
 - Financial benefits
 - Privatisation concerns
 - Public access to information
 - Conservation
 - Ideally the participation by Porirua and Upper Hutt City Councils

3. Recommendation

That the Hutt City Council, the Wellington City Council and the Wellington Regional Council continue to progress water integration proposals, preferably in association with the Porirua City Council and the Upper Hutt City Council, taking into consideration the findings from the consultation as documented in this report.

4. Background

4.1 Background to the proposal

Over the last few years there have been several initiatives to integrate the water services in the Wellington area. These included the Ernst and Young report commissioned by the four city councils and the regional council in 1997. This was followed by a Regional Council lease proposal in 1998. In 1999 the four cities developed a multi-option proposal.

In May 2000, the Hutt City Council (HCC), Wellington City Council (WCC) and the Wellington Regional Council (WRC) resolved to:

- (1) *Agree in principle to an integrated approach to water supply across the three Councils that will:*
 - *Target significant savings over the current arrangements;*
 - *Retain all the water supply and distribution assets under public ownership;*
 - *Allow for the existing standards of quality and security of supply to be maintained;*
 - *Provide a system that is flexible enough to meet the future requirements of the Region.*
- (2) *Direct the CEOs of the HCC, WCC and WRC to develop a template for achieving an integrated water supply and on completion to seek approval from each Council for its implementation.*

To enable the development of such a proposal the CEOs of the three Councils appointed a six-member Project Team – two members from each Council. The Project Team analysed the various issues as they relate to Wellington and this resulted in the *Water Services Integration Project Report*. The report proposed a ‘template’ and the other documents that ‘flesh-out’ the proposal.

Councils considered the *Water Services Integration Project Report* earlier this year and decided to consult the public about the proposal.

4.2 Consultation process

Consultation on the water services integration proposal began on 23 March 2001.

The joint consultation discussion document ‘Our water – is there a better way to manage it?’ was made available at libraries and service centres in the region on Tuesday 27th March 2001.

Copies of the full report (‘Water Services Integration Project Report’, January 2001’) that went to the councils were available from the offices of the three councils and from public libraries in Wellington and Lower Hutt. A number of telephone requests for copies of the full report were received and these people were sent the report, on request.

The discussion document and submission form were posted on the Internet sites of the three councils. The Wellington Regional Council’s email address (info@wrc.govt.nz) was made available for email queries.

A letter, copy of the discussion document and submission form was sent to 20 key stakeholders (Appendix A) on 26 March 2001. In addition, a letter, (Appendix B) copy of the discussion document and submission form was sent to over 1300 general stakeholders identified by the three Councils as having a possible interest in the proposal 27th –29th March 2001.

A letter, copy of the discussion document and submission form was sent to a number of iwi in the region regarding the water services integration proposal. Iwi policy advisors from the three councils took a combined approach to iwi consultation and consulted directly with representatives from the Wellington Tenth Trust and Te Runanganui o Taranaki Whanui ki te Upoko o te Ika a Maui.

Written submissions were made by completing and posting the submission form to Freepost 57412, Water Services Integration, PO Box 2199 Wellington (no stamp required) or dropped in to a Council Service Centre or any Council Library, or faxed to the Wellington Regional Council.

Submitters who had not indicated that they wished to make an oral presentation in support of their submission were sent receipt postcards. Submitters who had indicated that they wanted to make an oral submission were phoned and a time was made for them to speak at the meetings to hear oral submissions.

4.3 Public meetings

Public meetings had been held at three locations to discuss the water services integration proposal, in Porirua on 17 April, Lower Hutt on 18 April and Wellington on 19 April 2001. At the Porirua public meeting an independent chair, Geoff Henley from Network Communications, facilitated the meeting.

Posters and numerous display materials were used at the meetings. At all three public meetings a presentation was given by a member of the panel and panel members and officers from the three councils were available to answer questions.

Upper Hutt City Council were approached with regard to holding a public meeting there, but did not indicate that they wished to have a public meeting.

The largest number of people attended the meeting held at Hutt City, with approximately 50 people. The Porirua meeting attracted approximately 11 people, and the Wellington City meeting approximately 22 attended. The Porirua meeting was attended by a number of members of Residents Associations and they had specific questions relating to the benefits or otherwise of Porirua City not participating in the water integration proposal at this stage. They also wanted to know how this decision would affect them at a later date if they were to decide to support the integration proposal at a later date.

The Hutt City meeting appeared to be used by a few attendees as an opportunity to make political points. Most, however, were interested in the key issues of water integration. The fluoride debate was briefly raised again and was a feature of discussions regarding water supply to the Petone area.

The Wellington city meeting had fewer numbers than might have been anticipated. Some attendees had questions relating to the quality of water and health effects, rather than the integration proposal.

4.4 Media

The water services integration proposal consultation process was advertised in a range of media.

Wellington City Council co-ordinated media releases to regional media (*The Dominion* and *The Evening Post*) and Wellington city media (e.g. *City Voice*). Hutt City Council organised release to Lower Hutt media including Hutt Valley based staff of regional media, and the Wellington Regional Council organised release to other media in the region, including *The Wairarapa Times Age*.

Wellington City Council's *Absolutely Positively Wellington* (APW) publication covered the integration proposal in their 7 April issue.

Public notices regarding the consultation process ('Have your say on water services') were placed in a range of media from Saturday 24th March until Saturday 28th April, 2001. (Appendix C – Copy of media advertising schedule). Two rounds of advertising were conducted.

A total of 21 print media including *The Dominion*, *The Evening Post*, *City Voice*, *Contact*, *The Hutt News* and all other community newspapers in the region were used for media placement.

Public meetings held in April were advertised in print media in the same manner as the consultation notices. Radio advertising was also used in the week prior to Easter and over the Easter break to advertise the public meetings.

Media coverage created a small amount of public interest and debate about the proposal. A number of letters to the editor of regional and community newspapers were noted.

Individual Mayors/Chairs from the three Councils made some comment on the proposal and generally promoted the key messages contained in the project report. In addition, Wellington City Council's Chief Executive, Gary Poole, was interviewed by Justin Du Fresne on radio 2ZB on 5 April about the proposal.

On 28 April a public notice was placed in regional media to notify the end of the consultation period ('Notice of Closing of Consultation. Water Integration Project').

Some protest activity opposing the proposal was also noted, including a notice opposing the proposal issued by the Wellington Residents' Coalition, and a protest against the proposal held at the May Day commemorations on 1 May in Cuba Street, Wellington.

5. Submissions received and hearings held

Meetings to present oral submissions before a joint panel from the three councils were held on 9 May at Hutt City Council, 10 May at Wellington City Council and an iwi hearing on 11 May at Wellington Regional Council.

At the meeting held at Hutt City Council 10 individuals or groups gave oral presentations in support of their written submissions, and at the meeting held at Wellington City Council there were 16 oral presentations.

A number of questions were asked at both of these hearings and the panel agreed that the officers would make a note of the questions and reply to the individual submitters in due course.

The meeting to hear iwi oral submissions is summarised in Section 7.

The meeting of 9 May was attended by Councillors Baird, Jamieson, Hutchings, Varnham, Laidlaw and Shaw. On 10 May Councillors Ahipene-Mercer, Varnham, Hutchings, Jamieson, Laidlaw and Shaw were present and Councillors Shaw, Laidlaw, Ahipene-Mercer, Foster, Baird and Dalziell on 11 May.

6. General analysis

Some 142 written submissions were received at the three councils.

6.1 Most submissions were from individuals in Wellington and Lower Hutt

Half the submissions (71) were from individuals or organisations with a Wellington City association. 54 were similarly from Lower Hutt. There were just two submissions from Porirua City and three from Upper Hutt – including the respective councils.

Two were from outside the metropolitan area and 10 should not be associated with any particular regional location – for example, government ministries.

Of the submissions, 105 were from writers identifying themselves as “individuals”. Three were from Government ministries, eight from residents’ associations, three from overt political parties, five from professional bodies associated with the water industry, two from councils (Porirua and Upper Hutt) and two from sub-council bodies (Petone Community Board and the Western Ward Committee of Hutt City Council.) A further 14 submissions were from a range of organisations including one union and miscellaneous other bodies.

Six of the individual submissions were in a common format. Eight submissions were received which were part of Wellington City’s Annual Plan consultation.

Five iwi from the region addressed us at an iwi oral submission meeting. Three of them provided a written statement at the time. The oral presentations made by iwi are summarised in Section 7.

In addition to the submissions, we received a petition against the proposal organised by Mr Michael Grigg with 994 signatures. The wording of the petition was:

“We the undersigned petition the Hutt City Council, the Wellington City Council and the Wellington Regional Council to reject the water supply integration proposal.” (Appendix D)

6.2 A majority opposed the proposal in its current form

Whilst around 15 of the submissions were neutral – for example from the Government agencies – of the remainder, general opposition to the proposal outweighed general support about three to one.

A number of key themes predominated in the opposition:

- Privatisation
- Accountability
- Governance

Overall, there seemed to us to be a general feeling along the lines this is a further example of one of our key services being distanced from us, we've heard the reassurances before, we just don't believe them anymore. We want our elected representatives in charge. "That's what elected councillors are for, don't pass the buck."

We established that many of the submitters had sympathy for integration, but not with the model in its current form. Those supporting the proposals welcomed either the possible cost savings or more professional control.

6.3 Possible privatisation remained a fear

It was very clear to us that there is great concern over possible privatisation. This was the single issue mentioned most times (30 submissions). The comments in the consultation document are just not believed "I oppose the proposition for the following reasons. It follows too closely the patterns of the past 15 years which have seen the assets of this country fall into the hands of overseas entrepreneurs. First centralisation, then corporatisation, privatisation, then sale" (Mr Alan Bush, Stokes Valley).

A number of submitters mentioned that whatever the current councillors' good intentions might be, the integration would make sale easier if a new set of councillors had different views. By contrast, three of those supporting the proposal (for example the Employers and Manufacturers Association and Hutt Valley Wastewater Services) did not want the private option ruled out.

6.4 Direct elected representatives control was a big issue

Loss of direct accountability was the second most frequently cited issue (28 times) followed by trustees being selected not elected next (22 mentions). Water is undoubtedly seen as special ("not just a commodity" Esme Gibbins, Newtown) and these submitters want their elected representatives in direct control. "Democratic rights", or the proposal is "undemocratic" were frequent themes.

In some cases, these views appear to have been coloured by what the submitters see as bad experiences with other such bodies. Both the Hutt Mana Energy Trust and Lambton Harbour were quoted unfavourably a number of times. "We have very telling examples of the contrary outcome in the Hutt-Mana Energy Trust where a considerable portion of the assets with which they were entrusted was lost and the case of the Lambton Harbour Management which has been conspicuous for not carrying out the public's wishes for the waterfront...." (Action for Environment Inc.)

At least one submitter was concerned that the Trust Deed could not guarantee what was being promised in the report as the Deed could be changed by trustees, who were legally bound to act independently, or by future councils.

During the hearings, we tried to tease out the scale and extent of opposition to the “selection not election” of the trustees. We asked some of those who appeared if direct elections of, say, half the trustees (if that were possible) would satisfy their concerns, with mixed answers. For some the whole idea of a Trust has become an oxymoron. The Public Service Association argued that the Stadium Trust comparison was invalid as that has commercial aims.

A small number of submitters suggested that a water board (three) or joint committee (two) would provide more appropriate governance than would the Trust model. Seven stated that the whole purpose of a council is for the direct control and management of such vital public services as water and questioned the role of councils without such a purpose.

6.5 The Treaty of Waitangi

Iwi expressed concern that issues relating to the Treaty of Waitangi had not been addressed by the water services integration proposal and this was seen as inconsistent in terms of the Resource Management Act 1991. Iwi felt that there had been no consideration given to Maori as having a customary right to collect and use water and that this had not been taken into account during any discussions regarding ‘ownership’ of water.

Iwi also had a number of issues regarding the consultation process. They thought that iwi should have been involved in the integration proposal in the early stages and well before the proposal document was produced.

6.6 Cost savings, a major plus, but – doubts, inefficiencies and other ways

Cost savings, a major plus...

The potential cost savings were seen as one of the main reasons for supporting the proposal: “There are significant projected savings should the proposal be adopted. Local bodies have a duty to mitigate costs for ratepayers and users” –James Winton, Eastbourne.

A number of submitters supported the objective of savings in both operating and capital expenditure, which could then be passed on to consumers and ratepayers in the form of lower charges. Submitters were also in favour of bringing together the skills the councils’ already have in managing and operating the region’s water services in order to avoid duplication of activities.

Doubts, inefficiencies...

Some people considered that the Trust structure could lead to greater costs. “We do not want another expensive tier of administration added.”

Seventeen submitters explicitly raised their doubts over the projected savings. Some took the line that such savings had been promised in similar exercises before but, in their view, had not materialised.

Fourteen submitters believed that they were somewhat conjectural and that the study had been too high level to give them confidence.

A different tack was to accept the savings on face value but not feel that they were sufficient to outweigh what were, for them, the downsides of the proposal. “Needs to be a minimum of \$100 [savings per household] per year to be exciting” – Warren Thessman, Lowry Bay Residents Association.

...and other ways

Both supporters and those opposing the proposal were concerned as to whether or not any savings would be passed on to the ratepayers. Others were concerned that the establishment costs were “up-front” with the savings coming later. Two submitters explicitly doubted the \$200,000 figure for running the Trust and questioned what could be provided for that figure.

In seven submissions a view was expressed that the Councils should achieve the savings themselves – and indeed were failing in their duty by not seeking them directly. The view was that the Councils should be able to work together, for example, to learn best practice from each other without needing a Trust. The Councils were urged to get on with delivering such savings. Hutt Valley Wastewater Services believed that integration was needed to achieve critical mass and to allow commercial incentives.

One way of achieving the aims, in the opinion of five submitters, was to bring all the services under the Wellington Regional Council – that Council’s previous leasing proposal was suggested. By contrast, three submitters suggested that the WRC should lose its current role either because it was inefficient or because that role clashes with its other functions.

6.7 Concerns over access to information from the Trust

One of the aspects of the Trust which concerned eight submitters was that it would not automatically be covered by the Local Government Official Information and Meetings Act. David Bull, of Khandallah, emphasised the need for public sector disciplines to apply. Six submitters were concerned at the lack of oversight by the Ombudsman which we heard cannot be remedied directly.

6.8 Trustees – toothless stooges, professional or elected representatives?

We read and heard a number of views on the role and nature of the trustees. Seven submitters felt that they would have a problem being only nominally in control: “The trustees will have no teeth and no responsibility other than stooges to carry the can”. - Belmont Ratepayers Improvement Association. Others fear that trustees might “gang-up” in favour of one particular city. There was a small measure of support for professional trustees (six submissions). They saw the opportunity for the right skill mix leading to professional leadership. A majority was opposed in principle to externally appointed non-elected representatives.

6.9 Worries that the Trust could itself effectively privatise

There were contrasting views on the extent of contracting out by the Trust. “The Trust and its management teams [should] have the unfettered right to provide the services in whatever manner it sees fit, as required by its customers and specified by the Council in terms of performance criteria” – Hutt Valley Wastewater Services. An ability to contract out services was equally seen as the start of the thin end of the wedge of privatisation. “It would be possible for parts of our water system to be contracted out to private companies. In this way, control could be lost, the Trust would become a shell” – Mr A L Curran, Thorndon.

Sinclair Knight Merz commented that their “Brisbane Office is currently preparing a bid for Esk, Gatton and Laidley Water Board. This body is an amalgam of three councils between Brisbane and Toowoomba. They have similar objectives to the proposed Wellington amalgamation”. Thus there is indeed interest in bodies such as boards and trusts using the private sector.

6.10 Good for conservation?

There were mixed views on the possible benefits for conservation/sustainability of water. On the one hand Rob Blakemore – for himself and for the New Zealand Water and Wastes Association – argued that integration is important for the sustainable management of the water resources in the region. On the other hand, the Campaign for a Better City asserts that the “proposals will not increase our ability to conserve water”. There was some support for the possible Trust to have an explicit environmental aim.

Alan Fricker, from the Sustainable Futures Trust, mentioned that effective conservation of water would continue to elude us unless we adopted a different attitude to water. He said that water was “under-valued” and that the proposal had not mentioned the possible consequences of climate change through global warming. In his view, this was a real and valid concern that should not be disregarded, and Mr Fricker said that he could not see how a Trust would be “more effective at water conservation”.

6.11 Redundancies a concern

Eight submissions expressed a concern that the savings would come through redundancies. They were seen as a bad thing in themselves – loss of real jobs for local workers – or as something which would need to be handled sensitively. There seemed to be less sympathy for managerial roles.

6.12 Less frequently raised matters

These included:

- Views for and against domestic water metering, concern over decisions for the addition (or not) of fluoride and chlorine;

- That there should not be water exports, although in questioning one submitter would accept exports if the customers agreed
- That there should be more investment in increased supply.
- Three local providers had concerns, for example, that the Wellington Regional Council Laboratory should not have a monopoly or that local contractors should not be squeezed out.

6.13 The future of water

Alan Fricker also raised concerns regarding the design of future supply and disposal of water and said that this was even more problematic than conservation of water. “The conventional centralised water supply and disposal system grew out of a much smaller urban mid-19th century world, limited by the technology of the time.” Mr Fricker said that although this system has served us well, it cannot be extended indefinitely, and consideration must be given to more sustainable methods.

For example, he suggested that “roof water, particularly from large buildings, could be collected and used internally for non-potable purposes – even mandated for new construction.”

6.14 Legal issues

Porirua City Council’s submission questioned legal aspects of the proposal. These relate to whether or not the Regional Council could sell its wholesale water supply assets to the trust and still maintain its wholesale water supply function. Legal advice suggests this is possible provided the Regional Council has a buy back provision in the initial sale and purchase agreement.

Some submitters questioned the need for the Councils’ to transfer their assets to the Trust. Others thought that the wastewater infrastructure assets, that are to be retained by Hutt and Wellington cities, should be included. The panel accepts that leaving the assets with the cities would allow the Councils’ to achieve greater accountability. This, however, would result in less savings because of duplication of staff resources.

Wastewater plants at Seaview, Moa Point and Karori West cannot be transferred to the trust because of non-transferable contractual arrangements.

6.15 The positions of Upper Hutt and Porirua City Councils cast doubt

A number of submitters referred to the positions of the Upper Hutt and Porirua City Councils. For some, the issue was that those Councils are not supporting the proposal, which is seen as a major flaw in it going ahead. For others the issue was the very fact that those Councils might have legitimate concerns.

6.16 The view of the Wellington Regional Council General Manager

The known lack of support from the General Manager of the Wellington Regional Council was cited as a reason for doubt. Certain submitters felt that his view should have been better publicised.

6.17 If it ain't broke don't fix it

A number of submissions, particularly from Lower Hutt, saw that the Hutt currently had an excellent water and wastewater system, and that there was no reason to change it. They appeared satisfied with things the way they were, especially as the Hutt Valley sat on the water supply.

6.18 'Philosophical' opposition

Some people were 'philosophically' opposed to the Trust proposal.

7. Iwi consultation

7.1 Key themes identified by iwi

In general, iwi were not opposed to water services integration but they had strong concerns about the Trust proposal. They believed that issues relating to Maori custom and the Treaty of Waitangi had not been addressed and that this was seen as inconsistent with the principles of the Resource Management Act 1991.

Consultation with iwi identified a number of key themes. These included:

- Lack of a partnership approach with tangata whenua to the water integration proposal;
- No consideration given to Maori customary right to collect and use water;
- Concerns regarding the concept of 'ownership of water';
- Lack of commitment regarding tangata whenua participation in the proposed Trust;
- Issues with the management and governance of a Trust
- That Trustees required kaitiakitanga as well as traditional 'business skills';
- Concerns that Porirua and Upper Hutt had decided not to participate in the integration proposal'
- Questions surrounding proposed cost savings and economies of scale

7.2 Iwi consultation process

A letter, (Appendix E) copy of the discussion document and submission form was sent to a number of iwi in the region regarding the water services integration proposal.

Iwi policy advisors from the three councils took a combined approach to iwi consultation and consulted directly with representatives from the Wellington Tenth Trust and Te Runanganui o Taranaki Whanui ki te Upoko o te Ika a Maui.

A technical workshop to discuss consumptive use of water was held at the Wellington Regional Council on 17 April for Ara Tahi representatives and on 11 May an iwi hearing was held at the Wellington Regional Council.

At this meeting representatives from five iwi from the region addressed us. The iwi were from:

- Ngati Toa Rangatira
- Te Ati Awa ki Whakarongotai
- Ngati Raukawa ki te Tonga
- Wellington Tenth Trust
- Te Runanganui o Taranaki Whanui

7.3 Ngati Toa Rangatira

Ngati Toa Rangatira are situated around the Porirua Harbour and have strong links with iwi from the top of the South Island.

Ngati Toa Rangatira expressed concern that issues relating to the Treaty of Waitangi had not been addressed by the water services integration proposal. They felt that the report omitted any analysis as to whether or not there was a treaty implication in the proposal and that Maori have a customary right to collect and use water and that this had not been taken into account during discussions regarding the 'ownership' of water.

Ngati Toa said that they were not opposed to the water services integration proposal as such, but were concerned that there was no commitment regarding tangata whenua participation in the Trust. They also expressed an interest in the draft trust deed and were of the view that trustees not only needed traditional 'business skills' but also in kaitiakitanga.

Ngati toa suggested that seeking nominations from Ara Tahi for tangata whenua positions on the Trust would be a good starting point for iwi membership of the Trust. They also expressed concern that two city councils in the region had decided not to participate in the integration proposal.

7.4 Te Ati Awa ki Whakarongotai

Te Ati Awa ki Whakarongotai represent the area from the Kukutauaki stream (north of Waikanae) to Paraparaumu.

Te Ati Awa ki Whakarongotai also expressed an interest in having a partnership reflected and although this iwi is from the Kapiti Coast they took an holistic/regional approach to water and therefore wanted to be involved in any discussions regarding water.

Te Ati Awa ki Whakarongotai had five key questions that they put to us:

- i. How would you describe your Council's commitment to a Treaty of Waitangi partnership?
- ii. Demonstrate your Council's understanding of Maori
- iii. What cultural advice has your Council taken on the issue of governance relation to water?
- iv. Name seven cultural benefits to Maori in your proposal.
- v. Given that Maori have a working relationship with WRC, what long-term guarantees can your Council give us if WRC was wound up?

The panel agreed that they would reflect on these questions. Te Ati Awa explained to us that they wanted the councils to have a relationship with a 'culture', not a race, and not a group of people. They also raised concerns about the Trust proposal and saw it as lacking in accountability and transparency.

They were also concerned about not being involved in the integration proposal early enough and said that this did not reflect well in terms of a 'partnership' approach with tangata whenua.

Te Ati Awa ki Whakarongotai were asked questions about their links to Wellington and the notion a customer relationship versus an ownership relationship in terms of water. The idea of selling water to Kapiti or selling water to offshore interests, such as Saudi Arabia, was also explored.

7.5 Ngati Raukawa ki te Tonga

Ngati Raukawa ki te Tonga represent the area from the Rangitikei river to Kukutauaki stream (north of Waikanae).

Ngati Raukawa ki te Tonga objected to the integration proposal as they thought that it was inconsistent with the Resource Management Act 1991 and that it did not take into account the principles of the Treaty of Waitangi.

They believe that tangata whenua have ownership of waterways and therefore water is a Maori resource to control and manage, and prefer other options instead of a Trust. They saw a 'two-house' partnership, based on the Anglican Church model, as being the best way for both peoples to participate in decision making.

Ngati Ruakawa ki te Tonga had issues with the management and governance of a Trust as they saw it as further alienating iwi rights and preventing them from participating. They also raised concerns regarding conservation management and definitions of ownership and management, which they saw as inappropriate concepts to apply to a resource such as water.

7.6 Wellington Tenth Trust

The Wellington Tenth Trust represents the area from the top of the Rimutaka ranges, Wellington City, to the border of Porirua Harbour.

A written submission and oral presentation was received from six representatives of the Wellington Tenth Trust, in consultation with other manawhenua groups. The Tenth said that claims to land and rivers are related and do not extend only as far as the natural resources, but also includes the development of those natural resources.

The Tenth noted that the project report was mainly based on managerial, cost saving and efficiency rationale and excluded discussion about resource allocation and resource protection. They also had some concerns about the concept of governance of the proposed Trust and suggested that the rights of ownership under the Treaty of Waitangi needed to be addressed before any further discussions on the concept of governance were held.

They explained that Maori see access to water as a key factor in development and survival. It is a source of sustenance underpinned by traditional Maori values and is valued to an extent beyond that which water is valued today, in terms of its spiritual significance and as a renewable resource. Traditional water supplies for Maori are clearly recorded in an historical context and are still recognised by Maori as being sites of significance.

The mana whenua believe that until the question of ownership of natural resources is dealt with, a move by Councils to create a stand alone Trust would not comply with the expectations Maori have under the Treaty of Waitangi. They do not accept that the movement of water management to a Trust has merit and believe that there would be a long term threat of privatisation of resources were moved to a stand alone Trust that was not directly part of the electoral system.

In addition, the Tenth were concerned that Porirua City and Upper Hutt City were not included in the proposal.

7.7 Te Runanganui o Taranaki Whanui ki te Upoko o Te Ika a Maui

Te Runanganui o Taranaki Whanui ki te Upoko o Te Ika a Maui are situated in the Hutt Valley and represent the same area as the Wellington Tenth Trust.

Teri Puketapu addressed the panel (as invited to make a submission as a member of the WRC's Ara Tahī committee). In addition to supporting the submission made by the Wellington Tenth Trust, he had a number of comments to make on the Project Report and said that the report contained too many 'ifs' and 'buts'.

Strong concerns were also raised about democracy issues in a Trust set-up.

While the issues of ownership and use of water needed to be resolved under the Treaty of Waitangi in the first instance, there were a number of questions that he thought had not been sufficiently addressed. These included questions relating to savings, start up costs, where costs would be passed in to, ring fencing, economies and scale and various other concerns.

Teri Puketapu said that there was a real danger of public ownership being lost if the proposal was implemented and that further clarification of a number of points was required before the proposal went any further.

8. The views of the Porirua and Upper Hutt City councils

8.1 Porirua City Council seeks further analysis of other options

Porirua City Council sent a written submission. (Appendix F) Mayor Brash, accompanied by Mr Tim Davin (General Manager, Utilities Policy), also spoke to us.

The Mayor emphasised to us that the major drawback is the loss of political accountability. They are concerned that “the Wellington Regional Council will only have limited influence over the Trust”. Similarly, “Council also has reservations about the Trust as a form of governance, as Trustees are required, under Trustee law, to act independently, and this will reduce the influence of the Councils.”

A major point was that Porirua City Council believed that the nine options being considered by the Four Cities Review should be returned to for analysis to provide high quality advice to elected representatives.

“This Council urges the three Councils to place the Trust proposal on hold and to undertake further analysis of some of the options outlined in the Four Cities Review in order for true comparisons to be made. The continuation of that review should now of course include the Wellington Regional Council. Only at this point can valid decisions be made.”

Mayor Brash felt that a joint committee could work if there were appropriate delegations.

In the submission the City Council analysed the cost savings. They believe that \$0.6m of the \$2.5m could be saved without the Trust through contractual arrangements between the Wellington Regional Council and the Wellington City Council.

At present the Wellington Regional Council uses Wellington City’s Macalister Park reservoir to smooth out fluctuations between water demand and supply. This is possible because the Regional Council has a contract to operate Wellington City’s system. Without this contract or integration it is problematic that the system will work satisfactorily.

The Regional Council has made provision for a new reservoir the cost of debt funding it and depreciation amounts to \$0.6m a year.

Further analysis by Porirua City Council suggested a saving relevant to the Porirua City Council of \$40,000. They have some reservations about these savings.

8.2 Upper Hutt City Council does not wish to participate but has certain requirements if the proposal proceeds

Upper Hutt City Council's position is neutral on the Trust but has certain specific requirements if it goes ahead. (Appendix G)

- That the level of service to Upper Hutt City be no less than it is now;
- That the current security of supply of bulk water is no less than it is now;
- That the bulk wastewater and bulk water operations be financially ring-fenced;
- That there be no increased costs to Upper Hutt City Council because of the integration;
- That any savings in the bulk wastewater and bulk water supply areas be passed on to Upper Hutt City Council in accordance with the allocation formulas agreed at the time; and
- That if the bulk water assets are transferred to the proposed Trust, the terms of the transfer are such that should there be a failure in performance by the Trust, then the Wellington Regional Council will be able to perform the function and obligation itself or arrange for another entity to do so.

9. Information and timing of the consultation

Section 4 above describes the formal arrangements for advertising the consultation and making information available. Here we review comments made about the process.

9.1 The timing was wrong

A few submitters suggested that the process should not have taken place at this time with the local body elections some six months away. There was a suggestion that the integration proposed should be an election issue.

9.2 The time was too short

We understand that the time allowed for the consultation was above the minimum in the Local Government Act. Nevertheless, a number of submitters stated that the time to receive and appraise the information was too short, especially for a complex subject and with difficulties obtaining full information (see below). The problem was particularly difficult for voluntary organisations, which might not have had a meeting scheduled at a convenient time. As a result a few such groups put in holding submissions.

9.3 Information was hard to obtain

We were disappointed to hear submitters tell us that information which could have been expected to be available wasn't or that they did not realise that more details were available, for example the draft Trust deed. It was certainly unfortunate that the main consultation document did not alert readers to the full report.

However, the covering letter, which went out to numerous organisations, did refer to further information and provided contacts, as did the short-form consultation document.

Some submitters mentioned that they thought the information provided in the blue booklet 'Our Water – Is there a better way to manage it?' was inadequate and provided a "very shallow analysis" of the proposal. However, other submitters said that they would not have read the full report, even if they had know it was available, as it was too long.

9.4 Other comments

Some people felt that there should have been further information and consultation about other options for integration. Others felt that there should be a second consultation round on the details of the proposal if or when approved in principle. Wellington South-East Grey Power believes that there should not have been consultation without wider council support. For others, there were fears that making a submission might be a waste of time with decisions already taken.

CR ROBERT SHAW (CHAIR)
Wellington Regional Council

CR CHRIS LAIDLAW
Wellington Regional Council

CR JOY BAIRD
Hutt City Council

CR ROSS JAMIESON
Hutt City Council

CR IAN HUTCHINGS
Wellington City Council

CR MARY VARNHAM
Wellington City Council

CR RAY AHIPENE-MERCER
Wellington City Council

CR ANDY FOSTER
Wellington City Council

Note – All eight Councillors on the Panel have agreed to the content of this report, but due to time constraints it has not been possible to collect all of their signatures.

Minority Finding:

- (i) There was very little support for, and strong opposition to, water assets and services being transferred to any form of a Trust

CR MARY VARNHAM
Wellington City Council

CR RAY AHIPENE-MERCER
Wellington City Council