

Report 2014.257
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Committee Annual Plan 2014/15 Hearing Committee
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Report on Submissions on draft Annual Plan 2014/15

1. Purpose

This report provides an overview and highlights the key issues contained in the submissions that the Greater Wellington Regional Council (GWRC) received on the draft Annual Plan 2014/15. A full copy of all submissions has been provided separately to all Councillors.

This report complements Report 14.249 which sets out the process for handling submissions, both at this meeting and following the consideration of submissions.

2. Background

2.1 Annual Plan 2014/15 consultation

The draft Annual Plan 2014/15 was approved by Council for consultation on 6 March 2014. The consultation period was from 24 March to 28 April 2014. The summary and full draft Annual Plan were available on the GWRC website, and to view in all local government offices and in at all libraries in the region.

Public meetings were also held in Upper Hutt, Porirua, and Wairarapa.

2.2 Concurrent consultation

2.2.1 Integrated Delivery of Water Services

A special consultation was carried out in conjunction with the draft Annual Plan 2014/15 for the integration of the delivery of water services in the Wellington metropolitan area. Integration would involve GWRC investing in Capacity Infrastructure Services Ltd, an existing company owned by the four metropolitan city councils, through with a proposed name change. GWRC would also contract with Capacity for the provision of bulk water services.

2.2.2 Draft Regional Public Transport Plan 2014

Submissions have also been made on the Draft Regional Public Transport Plan 2014 (submission period 4 April to 10 May) and the Annual Plan Hearings Committee is considering both proposals during 27 – 29 May. A separate report has been provided on submissions on the RPTP.

3. Comment

In total 85 submissions were received. The number of submissions grouped by type of organisation is as follows:

Organisations (including community groups)	38
Local government	3
Individuals	<u>44</u>
Total	85

A summary of the key points raised by submitters and officer comments and recommendations for the Council to consider in their deliberations is contained in **Attachment 1**. A full set of submissions received on time has previously been provided to Councillors.

Two late submissions were received and are included in the above total.

- A submission from Tawa Community Board was received on 6 May and timing allowed officials to include it in the summary of submissions, officer comments and recommendations.
- A submission from Wellington City Council was received on 20 May as this report was being finalised. It is not included in the summary of submissions, officer comments and recommendations.

Both of these submissions have been provided separately to Councillors, and will be available in hard copy at the hearing.

4. Integrated Delivery of Water Services

4.1 Submissions received

Twenty five submissions were received on the proposed integration of the delivery of water services. Eleven submissions support the proposal and 13 oppose it, one submitter is neutral.

4.2 Summary of submissions supporting the proposal

4.2.1 Upper Hutt City Council (UHCC)

UHCC supports GWRC becoming a shareholder in Capacity. The UHCC prefers a Joint Committee approach to governance as a means of preserving the representative and collaborative nature of joint decision making.

4.2.2 Business Central

Business Central submits integration is a positive step towards regionalisation.

4.2.3 Regional Public Health.

Regional Public Health (RPH) supports GWRC becoming a shareholder in Wellington Water Ltd and contracting with it to manage bulk water supply operations. From a public health perspective RPH anticipates this will enable an integrated and strategic approach to water management across the region. RPH supports the retention of public ownership of the bulk water infrastructure. RPH supports greater emphasis on water conservation.

4.2.4 New Zealand Health Professionals Opposing Fluoridation

This group supports water integration only if it will create an easier way to end water fluoridation.

4.2.5 Crofton Downs Residents Association

The Association does not want privatisation in incremental steps but sees efficiencies in a joint approach to delivery of the services.

4.2.6 Individuals

Some individuals expressed support without comment. Others who support the proposal mentioned efficient water management, expertise and economy of scale.

4.3 Summary of submissions opposing the proposal

4.3.1 Mt. Victoria Residents Association

The Association, in opposing the proposal, has concerns that the proposed changes could lead to privatisation and council amalgamation in the future; apparent vagueness on the costs and process of the change; public accountability of the new CCO; and the need and efficacy of the change given that local councils are apparently able to manage strategically and efficiently on their own.

4.3.2 Kapiti Coast Grey Power

Kapiti Coast Grey Power opposes privatisation of water supplies and notes the Kapiti Coast District Council amended its Standing Orders to achieve this. It recommends that GWRC follows that lead.

4.3.3 Public Service Association

The PSA submission states that its members are concerned about the proposed changes to Capacity. They say members have seen no evidence that there would be improved water services or efficiencies by having the GWRC water supply team moved into such a new entity. The PSA is concerned about staff losing terms and conditions of employment with the transfer and that highly skilled workers, with many years' experience, will leave the organisation if

these conditions are lost. The PSA expresses concern that this is the start of water privatization in the longer term. The PSA proposes that GWRC takes responsibility for both up and downstream water services in the region. If this proposal is not accepted then it would like this entity governed by elected representatives who are democratically accountable to voters in the region.

4.3.4 Individuals

Some individuals wrote detailed submissions opposing the integration. There are a number of reasons given for being against the proposal. They include; possible privatisation of the water supply, maintaining public accountability through elected representatives, and concerns it could lead to water metering.

Some of those opposed suggest an alternative model of all the water services being under the control of GWRC.

One submitter disagreed with the name change from Capacity to Wellington Water, and another thought the existing name should remain at least until the future local government structure in this region has been decided.

4.4 Officers Comment

The major theme of those opposed to GWRC becoming part of Capacity is concerns that this would lead to privatisation of the water supply. In this respect it should be noted that that changes only involve integrating the management of Water Supply. The proposal enables GWRC bulk water operations to be managed together with the cities' retail operations and the vast majority of the assets remain with GWRC (only vehicles and some IT transferring to Capacity). Future decisions also remain with GWRC.

It should also be noted that Capacity has been in existence for ten years – WCC and HCC being initial parties, and UHCC and PCC joining in recent years.

A further comfort can be taken from the fact that, under law, Water Supply assets cannot be sold.

With respect to public accountability, the Water Committee adds a further layer of political oversight to look, in an integrated way, at the delivery of water from source to tap.

4.5 Officer recommendations

No changes are recommended at this stage to the proposal to integrate the delivery of water services in the Wellington metropolitan area.

5. Communication

Officers have considered the need to take account of the community's views and preferences in relation to these matters. The Local Government Act 2002 requires the use of the special consultative procedure. This report details the results of part of that consultation process.

All submitters who made submissions on the draft Annual Plan will, subsequent to Council adopting the final Annual Plan, receive a response outlining the decisions of the Council and any key changes.

The final Annual Plan 2014/15 will be considered for approval by Council on 26 June 2014, and this will be notified by public notice and media release.

6. The decision-making process and significance

The subject matter of this report is part of a decision-making process that will lead to the Council making a decision of high significance within the meaning of the Local Government Act 2002. The decision-making process is explicitly prescribed for by for by the Local Government Act 2002 and requires the use of the special consultative procedure.

7. Recommendations

That the Committee:

- 1. **Receives** the report.*
- 2. **Notes** the content of the report.*
- 3. **Considers** the information in this report and attachments in determining its findings and recommendations to Council.*
- 4. **Recommends** to the Council changes to the draft Annual Plan 2013/14 as recommended by Officers in **Attachment 1**.*

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Attachment 1 – Summary of key submission points and officer comments