



Electricity distribution prices are changing.
See the changes for your region.
[Click to learn more](#)





LOGIN

ADVERTISEMENT

Wellington Water still after more money, despite damning reports



Emma Ricketts

March 03, 2025 • 07:05pm

Share



Wellington mayor Tory Whanau responds to scathing water report

VIDEO CREDIT: BRUCE MACKAY

 FAST FACTS

- Two reports commissioned by Wellington Water have slammed the entity, saying it is overpaying for work and is too close with contractors.
- The entity has been paying nearly three times more for maintenance than other councils around the country, calculated by the price per kilometre of pipe laid.



purpose IT and project management systems, [the region's new water entity](#) will start life on the back foot.

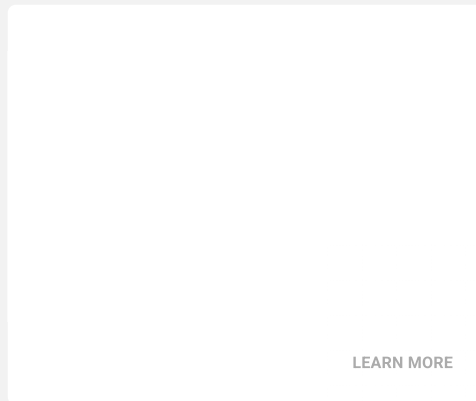
It comes as the council-controlled organisation released summaries of two damning reports on Monday. They found the entity was too cosy with its contractor and consultant panels, and the relationships are costing ratepayers thousands.

“It is not about Wellington Water, right? It is about delivering optimal and vital water services for the region,” board chair Nick Leggett said, adding that the councils could choose not to give the entity more money, but they would be risking the success of Wellington Water’s successor.

“The building needs to commence on these systems sooner rather than later, so the new water entity has what it needs to do its job.”

The two reports are not the first [damning reviews](#) into Wellington Water, but they are the latest. The first, produced by AECOM, analysed whether Wellington Water had been getting value for the money it spends on maintenance, operations, contracts and more.

ADVERTISEMENT

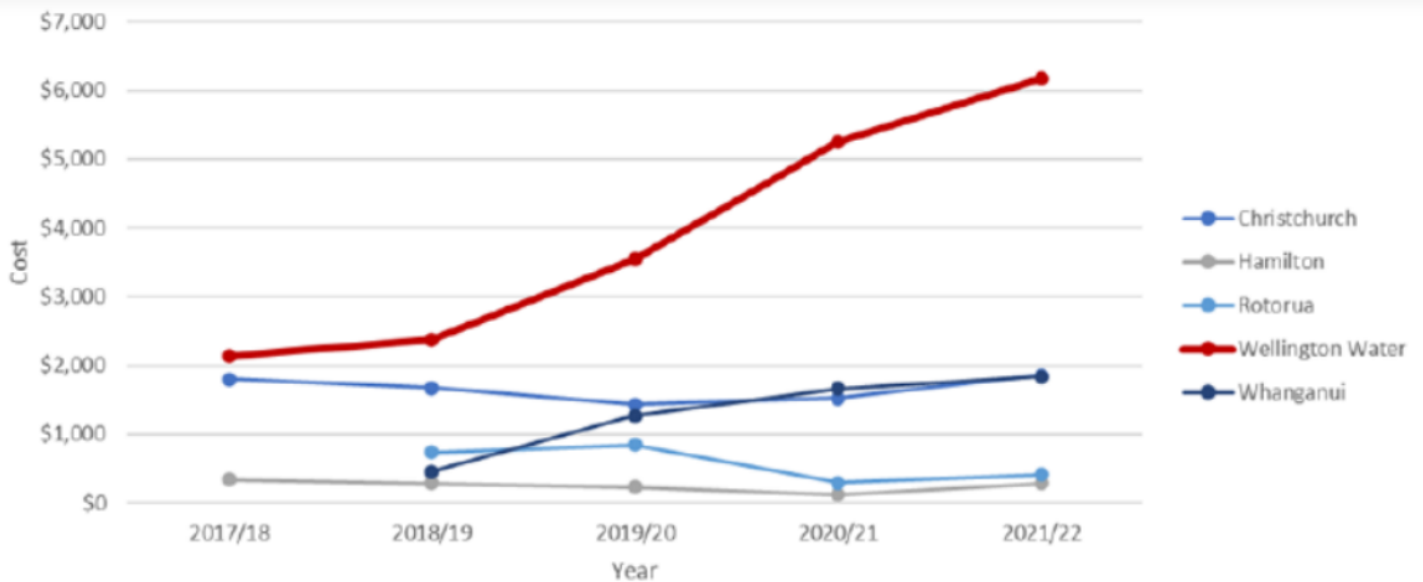


LEARN MORE

[ADVERTISE WITH STUFF](#)

The findings were dire, showing that Wellington Water spent nearly three times more than “peer councils” for unplanned water supply maintenance, calculated on the price per kilometre of pipe laid.

Peer councils included Christchurch, Hamilton, Rotorua and Whanganui.



The cost of unplanned maintenance in Wellington, compared to other regions.
WELLINGTON WATER AECOM REPORT.

Wellington City councillor Rebecca Matthews said she knew the water entity was performing poorly, but seeing the extent by which they have been overpaying was confronting.

“We cannot be paying a Wellington premium for this essential service. And we cannot be played by the worst contracting arrangements in the country. We have got to do better.”

Councillor Geordie Rogers agreed it was a bittersweet vindication for his criticisms of the entity.

“It is validating in the worst possible way... Every single time Wellington Water has come to us and asked for more money, we have said back to them, we are not confident that you can actually deliver what you claim within an appropriate budget.”

Wellington Water has prioritised consultants and contractors over ratepayers, report suggests

ADVERTISEMENT

Everything for Your Backyard
Trade Tested

ADVERTISE WITH STUFF

The second report, prepared by Deloitte, assessed concerns surrounding procurement processes and financial systems. It was triggered after two whistleblowers made protected disclosures about the entity - one alleging that the systems provided opportunities for fraud to occur, and the other about a specific procurement decision.



Fixing leaks is an expensive business for Wellington Water.

SUPPLIED

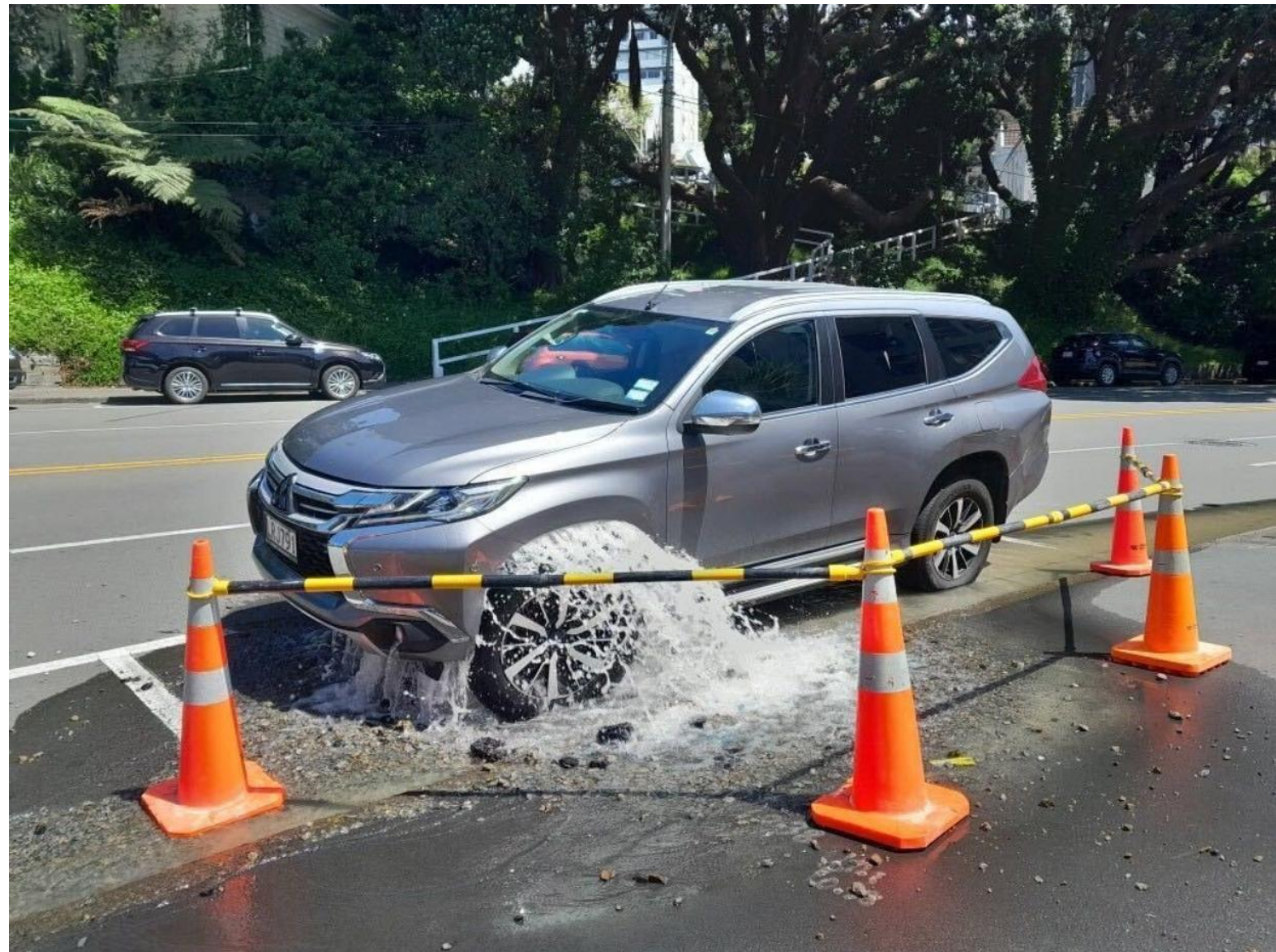
The remainder of the overview focused on the entity's cosy relationships with its consultant and contractual partners.

"Wellington Water had a historical focus on prioritising partnership, transparency, and delivery, over competitive tension and achieving value for money," it read. "There was a lack of oversight and/or involvement by Wellington Water in the management of the panels ... [and] the arrangements appeared to prioritise Wellington Water's consultants and contractors over ratepayers."

The panels referred to are a series of expert groups established to help improve the entity's capability. A consultant panel, set up in 2016, helps to design and manage projects. An "alliance", founded in 2018, embeds a team from Fulton Hogan within Wellington Water to perform regular maintenance, like assessing leaks and fixing mains bursts.

A capex contractor panel, established in 2019, is comprised of three contractor teams which carry out work renewing and installing pipes, valves, pumps and reservoirs across the network.

"This means we're able to retain the experience and knowledge sitting within local firms that have carried out this kind of work here for years," Wellington Water's CEO Colin Crampton said at the time the capex panel was announced.



This car's owner suffered \$6000 worth of damage when a Wellington City Council water main burst under.

JULIE JACOBSON

But just a few years down the track, these panels have eroded competition and cost ratepayers dearly, the Deloitte report concluded.

“The use of the [capex panel created] a closed loop of assumptions which were not regularly market tested,” the summary read, adding that they were set up without appropriate controls to assess whether the benefits remained proportionate to the costs.

“As an example, the sharing of Councils’ budgets for projects with panel members to support transparency provides panel members with significant insight to funds available for work they are costing which increased the risk that Wellington Water would not be provided with the best price.”



A water leak on Brandon St, Wellington, recently.

MICHAEL DALY/STUFF

Wellington City Councillor Ben McNulty said this system of panels was flawed from the get go.

“It is a type of contracting arrangement, which I believe the NZTA uses for its big projects,” he said, explaining that in a big project like Transmission Gully, it makes sense to have a pre-screened group of contractors to pick from – rather than getting quotes for each small piece of work that needs to be done.

“But in the case of Wellington Water, this model is grossly inadequate because we now have work with no quotes, and no competitive tension whatsoever.”



Wellington City councillor Ben McNulty.

BRUCE MACKAY / THE POST

Central to the entity's woes, the report added, is a lack of contract management system to oversee large projects.

"We are an organisation that delivers half a billion dollars worth of investment a year, has many hundreds of employees, and we do not have a financial or an asset management system," said board chair Nick Leggett, who is also chief executive of Infrastructure NZ - a member organisation representing contractors and other industry players.

"[Wellington Water's] chief executive was asking for that to be funded by councils through their annual plan processes this year, so we could start on that build so the new entity can take them over and be useful from day one," he added, referring to a request for more funding at a Wellington City Council briefing last month.

"Our project management system is too small. It's good for a budget of maybe \$50,000-90,000, but we're spending \$330-350 million a year," chief executive Pat Dougherty told councillors at the time.

Referring to investment needed from all six of the entity's shareholding councils, he said, "we need \$37.5 million to upgrade those systems over the next three years."

Councillor Rebecca Matthews said she was sceptical of the request then, but she is more sceptical now.

"There has been a focus from within Wellington Water, and to be honest, from some of the other councils in the region, that the only problem that existed was Wellington City Council not funding enough. And actually, I don't accept that. There is a historical issue which we have been working to address. We have massively ramped up funding. But ... where is the greater accountability for delivery?"



Wellington City councillor Rebecca Matthews.

BRUCE MACKAY / THE POST

Ben McNulty agrees the whole situation is circular - Wellington Water needs the money to establish systems to perform better, but councillors lack the confidence that ratepayer money will be well-spent.

“It is incredibly unpalatable to say we need to give an organisation - which is ripping ratepayers off to the tunes of tens of millions of dollars for terrible contracting processes - more money,” he said.

“But if we don’t build those systems, this will only continue... So I grit my teeth and bear it in that I think there is a fair argument that, yes, you do need the right IT systems and processes in place. But what we probably need is a bit more assurance as councils, and shareholding organisations, that the due diligence has been done.”

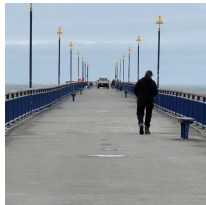
Wellington Water said they were unable to release the full reports at this stage because they contain commercially sensitive information. The summaries were prepared by external legal advisers.

MORE FROM STUFF



Council's failure to maintain dams before flooding lambasted in scathing report

By Marty Sharpe



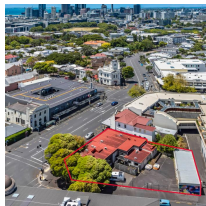
Goodbye, summer: Weather turns cold, wet and miserable

By Caron Copek



Convicted rapist sexually abused 13-year-old girl while fighting to keep his name secret

By Edward Gay



Former police station site offers arresting development potential

SPONSORED

ADVERTISEMENT BY BAYLEYS REAL ESTATE



Council recalculations will save many Wellington ratepayers hundreds of dollars

By Olivia Wannan



For years, she couldn't talk about the teenage serial sex attacker who targeted her. This is Mia's story

By Edward Gay

Subscribe for digital access

The Post THE PRESS WAIKATO TIMES

[Support Stuff >](#)



Send your stories to
newstips@stuff.co.nz



Digital News Provider of the Year 2024

[Editorial code](#)

[Privacy policy](#)

[Terms & conditions](#)

[Cookies policy](#)

© 2025 Stuff Digital Limited

