

He pānui pāpāho | Media release

Wellington Water's damning report findings come as no surprise

The recently released reports from Wellington Water Ltd, which highlight a lack of oversight, assurance, weak financial controls and contract management, have unfortunately not come as a surprise, says Upper Hutt Mayor Wayne Guppy.

Upper Hutt City Council has been questioning the management of councils' funding and the value for money received from Wellington Water for many years.

Mayor Guppy says he and councillors have voiced concerns about the way Wellington Water has been managed, and the cost to the community, but this has consistently fallen on deaf ears.

"We have struggled to get attention and influence change," he says.

"So much so that when the government was contemplating the future of water services delivery, we made a plea to the Minister of Local Government to consider the lack of influence small councils like ours have, and could have, in the future."

The letter to the Minister, sent in January last year, also highlighted projects carried out by Wellington Water which cost considerably more than expected.

For example, in 2023 Council delivered its own significant pipe upgrade in the city centre. This work was completed considerably cheaper and more efficiently than what Wellington Water had planned to deliver.

Mayor Guppy says Council is disappointed to learn about the extent of the issues Wellington Water is facing and continues to be concerned by the lack of control the organisation has over its contractors and consultants.

"As a Council, we were consistently pressured by Wellington Water into meeting unrealistic increases in funding. Considering the report's findings, our cautious approach has proven to be the right one," he says.

"As acknowledged by the Wellington Water Board Chair, Nick Leggett, it is abundantly obvious that Wellington Water has not delivered value for money to its shareholding councils. It is equally clear that this is not a new issue.

"Our confidence in Wellington Water is extremely low and while we feel vindicated from these findings, our priority is our community and getting the best results and value for money."

Mayor Guppy says Council is committed to working with its partner councils through the water reform imposed by central Government, because change is urgently needed.

However, any future water entity must operate transparently, have robust processes and controls, provide value for money, and ensure all councils, including smaller ones, are treated equally.

“While these reports are damning, they are timely and must be taken seriously to inform how we plan for the future,” says Mayor Guppy.

ENDS

Council’s January 2024 response letter and information to the Minister of Local Government can be found [here](#) from P32.