

16 October 2020

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**QLDC'S PROPOSED CARDRONA DRINKING WATER SUPPLY SCHEME:  
(A) RECORD OF CONCERNS; (B) REQUEST FOR EXPLANATION; AND (C)  
OFFICIAL REQUEST UNDER THE LOCAL GOVERNMENT OFFICIAL  
INFORMATION AND MEETINGS ACT 1987; AND QLDC'S PROPOSED  
WASTEWATER SCHEME**

1. I have been instructed by the Cardrona Valley Residents and Ratepayers Society (the “Ratepayers”) in respect of the above matters.
2. This follows the very recent circulation, on 13 October 2020 (ie just two days ago) of an “info pack” relating to the “Cardrona Drinking Water Supply Scheme”. Feedback has been sought by 5.00pm on Friday, 23 October 2020. In other words, just eight working days has been allowed for feedback. While this did follow a meeting with the Ratepayers’ Committee on 30 September 2020, this is an extraordinarily short time for consultation. It raises considerable questions as to whether the consultation is being undertaken in good faith. It certainly does not appear to meet the requirements for consultation set out by the Court of Appeal in the leading case on consultation generally, *Wellington International Airport Ltd v Air NZ* [1991] 1 NZLR 671. Rather, the proposal is being presented as a *fait accompli*.
3. The Ratepayers are concerned that the Council, ie its elected Members, are being asked by officials to approve the Cardrona Drinking Water Supply Scheme:
  - (a) without proper consultation with the Ratepayers; and
  - (b) therefore without a proper understanding of the concerns held by the Ratepayers; and
  - (c) therefore subjecting the decision to significant risk of challenge, as having been made unlawfully.
4. It appears, if the Council does make a decision to move forward with the Cardrona Drinking Water Supply Scheme, then it will look to enter into contracts with third parties (including Mount Cardrona Station). This concern is reinforced by the stated intention in the info pack for “design,

procurement, and construction” to start “as soon as possible” following Council approval.

5. A number of statements are made in the info pack, the validity of which are highly questionable; if not misleading. At the very least, the info pack is missing important information. The Ratepayers, for example, are of the understanding that:

(a) Compliance with the stated legislative changes will not, in fact, require “significant upgrades and increased operational costs to all existing and new scheme operators”. In contrast, the Ratepayers understand that:

(i) the existing operators are confident that their systems will meet the relevant standards without significant upgrades or increased operational costs;

(ii) the Cardrona Village can be satisfactorily supplied with water from the existing operators; and

(iii) the existing operators intend to continue their operations.

If that is the case, then the Ratepayers are being asked to fund a new Cardrona Drinking Water Supply Scheme, at an unknown (but potentially significant) cost to them – without any real benefit to them. Put another way, the need has not been proven to the Ratepayers.

(b) The new Cardrona Drinking Water Supply Scheme intends to take water from the Cardrona River, and pumped a significant distance upland for treatment. This will be at a significant cost, with treatment likely to be more costly because of the river take, rather than being a groundwater bore taking water of a better quality (as occurs in respect of the existing operators). In other words, there are significant questions as to the efficiency (and costs) of new Cardrona Drinking Water Supply Scheme.

(c) The proposed “partnership” between QLDC and Mount Cardrona Station is to the benefit of Mount Cardrona Station, yet the extent of that benefit has not been disclosed. It is inappropriate for QLDC to impose a burden on Ratepayers, to the benefit of one party without full and transparent disclosure.

(d) Cardrona Water Supply Limited is a community supplier approved by the Otago Regional Council, Public Health South, and QLDC. There has been no revocation of that status. The same applies in respect of Cardrona Limited.

(e) Capital costs are (presumably) intended to be recovered from the Ratepayers through either a lump sum payment, or a 30 year payment plan (with interest). These costs are unquantified. While compared to “other small community schemes” no indication of those costs has been given. The Ratepayers are unaware of what

power QLDC intends to exercise to require Ratepayers to connect and pay these costs.

- (f) Ongoing costs are to be charged on a targeted rate and volumetric metered basis. Again, no estimate of these costs is given.
6. No doubt there will be other issues that will emerge or will otherwise be identified, particularly as more information becomes available.
7. At this point, the Ratepayers accordingly and urgently request:
- (a) that the Ratepayers' concerns be urgently put before the Council (ie its elected Members);
  - (b) that confirmation be given that no decision will be made by the Council to proceed with the new Cardrona Drinking Water Supply Scheme, at least until further information has been provided to, and further feedback received from, the Ratepayers – at the very least, a standdown period of, say, one month should be provided before any decision is progressed;
  - (c) a clear explanation from the Council responding to the concerns raised; and
  - (d) all relevant information be provided to the Ratepayers (including all commercial, financial, and other information relating to the new Cardrona Drinking Water Supply Scheme) under the Local Government Official Information and Meetings Act 1987.
8. The Ratepayers have similar concerns in respect of the proposed new Wastewater Scheme, and make the same requests as in 7(a)-(d) in this regard – with all necessary modifications (the Ratepayers, for example, acknowledge that decisions have been made and that project is progressing).
9. Finally, please confirm the Council's position in respect of proceeding with its intended meeting to approve the new Cardrona Drinking Water Supply Scheme by 5pm 20 October 2020. The Ratepayers can then understand if further action is then required.

Yours faithfully  
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