

Mayor's \$2400 reply

But councillor criticising the Trility wastewater deal stands by his claims

Rotorua Daily Post

27 Aug 2020

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Photo / Ben Fraser

Rotorua mayor Steve Chadwick's rebuttal document and covering letter.

Rotorua's mayor has commissioned a 21-page rebuttal to a letter by a councillor criticising the Trility wastewater deal, at a cost of nearly \$2400 in council staff time.

Mayor Steve Chadwick confirmed she had commissioned the August 11 letter the same day it was sent to Local Government Minister Nanaia Mahuta, Attorney-general David Parker, and National Party MPS Nick Smith, Lawrence Yule and Todd Mcclay.

It was also sent to University of Canterbury Chinese politics expert Anne-Marie Brady and the Rotorua Daily Post.

On Friday, Chadwick said the rebuttal document took "about 32 working hours" in total to compile. The cost of that was calculated at \$76 per hour, totalling \$2432.

The 21-page rebuttal, which stretched to 91 pages with attachments, provided a near line-by-line rebuttal to an eight-page letter sent to the same group by Councillor Reynold Macpherson on August 3, as well as the Overseas Investment Office (OIO).

In his letter, Macpherson complained to Mahuta suspecting Rotorua Lakes Council 'may have breached the terms of the Overseas Investment Act . . . which introduced national security considerations into overseas land'. He appealed to the minister and the OIO to suspend the signing of the Trility contract until there was time to consult with 'relevant Cabinet and Opposition colleagues' and the OIO had been able to 'investigate' his concerns.

In Chadwick's rebuttal she said she had been 'disturbed to read that the majority of the information was incorrect and misinformed'.

"There has been a robust, two-year procurement process and [the] council's decision was undertaken following advice from procurement specialists, lawyers, accounting experts and technical specialists," she wrote. "Many of the claims made by Councillor Macpherson are either untrue or his opinion. I have attached our organisation's responses to all of his claims."

On Friday, Chadwick told the Rotorua Daily Post 'attacks on the integrity of council decision-making demand a strong response'. She said, in her opinion, Macpherson had 'misrepresented the facts and misinformed the Minister of Local Government and other members of parliament, as well as making accusations against [the council] to the OIO'.

"It's obvious Councillor Macpherson prefers attack politics to attempt to undermine and destroy confidence in this council. People tell me they're sick of it ... what is he trying to achieve for our district with his conspiracy-fuelled approach?"

She said Macpherson drove 'unbudgeted cost into the organisation' and said she would prefer she and staff spent time on 'work that moves Rotorua forward' rather than what was, in her opinion, 'wasting resources having to respond to politically-driven conspiracy theories full of mistruths and wild rhetoric designed to inflame'.

"He claims, for example, the chief executive and I have visited China together — we have never visited China together and in fact, the chief executive has never visited China at all. He asserts [the] council is handing over control of Rotorua's wastewater system which is incorrect. We are outsourcing service delivery aspects — control remains with [the] council."

In response to Chadwick's comments, Macpherson said his complaint was based on 'best-known facts about [the] council's decision to outsource the management of Rotorua's wastewater services to Chinese owned Trility NZ'.

Trility NZ'S ultimate holding company, Beijing Water Enterprises Group, is based in Hong Kong but is a publicly-listed company.

Macpherson said the Trility decision 'appeared to *rubber-stamp* a pre-determined proposal without access to the draft contract'.

“Her Worship’s intensely personal response was infused with anger [and] fear and alleged misrepresentation and misinformation. I have set aside the personal attacks and provided additional evidence to the OIO’S investigation now under way.”

He said the costs of public accountability were ‘trivial’ compared to tens of millions ‘wasted on pet projects’. Chadwick was ‘splitting hairs on exchanges with Chinese authorities’, he said.

“Word games over the details and definitions of outsourcing arrangements in a still-hidden contract can’t obscure the fact that local capacity will be degraded, and increased rates will be required to pay for Trility’s profits and leave our economy. Given [the] council’s series of controversial contracting decisions, and the mayor’s character attacks instead of answering the questions that we three Rotorua District Residents and Ratepayers [member] councillors will continue to ask, the erosion of public confidence is unlikely to stop.”

Macpherson’s further comments were put to Chadwick but she declined to comment further.

On August 12 Macpherson had written his own rebuttal to Chadwick’s, again sent to the same group of people, further alleging — in his opinion — the influence of the Chinese Communist Party in Trility’s holding company.

OIO enforcement manager Simon Pope confirmed the organisation had received emails from Macpherson and Chadwick regarding the Trility decision. The OIO was seeking further information from the parties involved in the contract, but had not opened a formal investigation ‘at this time’, he said, adding further comment was not possible while the office was assessing the contract.

When Local Government Minister Nanaia Mahuta was asked what her response was to the correspondence from Macpherson and Chadwick she said she was responsible for the legislative framework within which local authorities operated.

“Operational matters are the responsibility of councils, including ownership and management of water assets, such as wastewater. It is up to councils and their communities to make decisions about how best to operate and manage their water assets. Rotorua is no exception . . . the Local Government Act 2002 sets out requirements for local authorities to consult their communities on significant activities.”

She said interested parties ‘should be able to present their views’ and those views should be ‘given due consideration’.

Professor Anne-Marie Brady said she could not comment on the detail of the issue, instead pointing to her submission to the Inquiry into the 2019 Local Elections and the Liquor Licensing Trust Elections, and Recent Energy Trust Elections.