

Submission

Water Services Entities Bill

July 2022

NAME OF SUBMISSION

By: Waipā District Council

Submission deadline: 22 July 2022 (a placeholder draft) with final submission provided on 26 July 2022 after Council approval

Authority: Council endorsed submission (Council meeting held 26 July 2022)

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Hearing: Council wishes to be heard (His Worship The Mayor – Jim Mylchreest will present this submission)

Link to document: [Water Services Entities Bill](#)

Water Services Entities Bill

By: Waipā District Council

Introduction

Waipā District Council (the Council) welcomes the opportunity to provide comment on the Water Services Entities Bill (the Bill).

General Comments

1. The Council is strong in its opposition to the four entity model of reform proposed by this Bill. Council requests that the Select Committee recommends that it be withdrawn and significantly revised on the basis that it is contrary to basic property rights, the rights of local communities to have say over their local services, and will lead to poorer outcomes for communities. The Governance arrangements as proposed are complex and could reduce Council's ability to address key strategic needs for its communities.

The specific concerns with the current model are:

- Communities have not been consulted over the proposed appropriation of ratepayer funded infrastructure and services.
- The Bill offers demonstrably poorer outcomes on a range of measures including accountability to customers, iwi-Maori partnerships, management and operational performance and flexibility for the future.
- The assumptions underpinning the four entity model have been shown to be flawed, and the cost savings required to meet financial targets are unrealistic.
- Any real local influence over services will be effectively lost.
- This Bill does not have cross party support and will not offer the level of certainty needed for long term infrastructure investments.
- Protections against privatisation, whilst improved since earlier exposure drafts of the Bill were shared, are still subject to central government changes in direction on this matter.

Council wholeheartedly supports the work of Communities 4 Local Democracy He hapori mo te Manapori, and asks the Select Committee to give proper consideration of the suggested alternative model for reform that protects these rights, while delivering all of the stated outcomes of government.

This Bill is not in the best interests of New Zealand and Council asks that the Select Committee recommends the Bill be withdrawn to enable government to work with Local Government to co-design a more effective model of reform with better outcomes for the whole community.

However, if this outcome is not supported by the Select Committee, then the following key areas are where Council believes further consideration is necessary.

Specific Comments

1. *Community Wellbeing*

- 1.1 Throughout the Bill, there is no inclusion of the requirement for the WSE to deliver on community wellbeing. Water services are essential to the achievement of community outcomes; access to safe, reliable and **affordable** drinking water, wastewater and stormwater services that meet public health, environmental, and cultural expectations are fundamental for our communities. This should also include specific reference to services.
- 1.2 Council recommends that this omission be resolved.

2. *Stormwater*

- 2.1 Council considers that the scope of the Bill should be confined to drinking water and wastewater assets and that stormwater assets remain with territorial and unitary authorities. If however stormwater is to be included, then the Select Committee should amend the Bill to allow for the establishment of bespoke Council by Council pathways for this transfer, and include a clear definition of “stormwater services”.
- 2.2 Council requests that stormwater services and assets remain with Councils to manage and maintain.

3. *Water Service Entity (WSE) Objectives*

- 3.1 Climate mitigation as well as adaptation requirements need to be included in the WSE objectives.
- 3.2 Council recommends that climate mitigation is included in the list of objectives.

4. *Water Service Entity Principles*

- 4.1 The requirements for partnering and engaging by the WSE needs to include land developers and customers. These relationships need to be effective for any WSE to be successful.
- 4.2 Council requests that these parties are explicitly nominated in the Bill.

5. *WSE Board Skill Requirements*

- 5.1 The Board will require skills to support their role in overseeing the delivery of services, including knowledge of the water industry, consumer issues, and good business practice. Alongside this an understanding of what is necessary to deliver safe, reliable, and affordable drinking, waste, and stormwater services. It is also noted that the Bill does not require Board meetings to be in line with the Local Government Official Information and Meetings Act (LGOIMA) 1987.

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- 5.2 Council requests that these skill sets be included in the requirements for WSE Board membership, and that all Board meetings be required to comply with Local Government Official Information and Meetings Act (LGOIMA) 1987

6. WSE Regional Representative Group

- 6.1 The Regional Representative Group (RRG) is proposed to be made up of 12 to 14 people (six to seven nominated from the Local Authority Councils in the entity area, and six to seven from Iwi and mana whenua), but there is no requirement for the Council representatives to reflect the nature of the Councils (metropolitan, provincial or rural). There is no requirement in the Bill for the RRG to call for an annual shareholder meeting, or for non-voting observers to be appointed.
- 6.2 Council requests a requirement be added to the Bill which requires the RRG to be broadly representative of the different mix of metropolitan, provincial and rural territorial authorities within the entity area, and be required to call annual shareholder meetings, and allow non-voting observers to be appointed.

7. Regional Advisory Panel

- 7.1 The Regional Advisory Panels (RAPs) are proposed to be established by the RRG to allow for the gaining of public confidence and trust in the overall model, as the RAPs will be a conduit between the RRG, the shareholding local authorities and their communities. It is this mechanism that will provide the means for communicating local views and concerns.
- 7.2 Council requests that the Bill place an obligation on the RRGs to seek advice from regional panels when developing a Statement of Strategic and Performance Expectations, when commenting on an infrastructure strategy, when commenting on a key policy or funding and pricing plan, and when approving a Board appointment and remuneration policy.

8. Regional Advisory Panel

- 8.1 As the Bill is currently drafted, the Regional Advisory Panel is required to “exercise their roles wholly or mostly for the benefit of all communities in the WSE’s service area”. This is considered inappropriate and will diminish the central role of the RAP which is expected to advocate and advise on the needs of local communities.
- 8.2 Council requests that the collective duty of a Regional Advisory Panel be amended to advocate for the interests of its local area, having had regard to both the interests of the local area and wider WSE service area.

9. WSE Hierarchy of Obligations

- 9.1 The WSE is required to give effect to:
- The Government Policy Statement **and**
 - Statement of Strategic & Performance Expectations **and**
 - Te Mana o te Wai Statements
- 9.2 Council recommends that a clear hierarchy is necessary to manage any contradictions/conflicts between these. Council also recommends that the principles for public policy and regulation detailed in the “*Lisbon Charter - Guiding the Public Policy and Regulation of Drinking Water Supply, Sanitation and Wastewater Management Services*” be adopted for the Water Services Entities.

10. Consumer Forum

- 10.1 The establishment of a meaningful, well supported, consumer forum is considered appropriate for the community to gain confidence that the WSE meets their needs and requirements. This will allow any WSE to gather consumer/customer views, understand their needs, expectations, and service requirements.
- 10.2 Council supports the proposal that a Community Forum be established by each WSE, with one established for Waipā communities to participate in, alongside one for significant water users in the Waipā area (for example Fonterra).

11. Waters Charges – Rates Rebate Scheme

- 11.1 The Bill does not provide any commentary on whether there will be an equivalent scheme to support those on lower household incomes to pay their water charges. Currently this is provided for in the Rates Rebate Scheme.
- 11.2 Council requests that this oversight be addressed.

12. Summary

- 12.1 Council supports the submission from the Community 4 Local Democracy Group, and the promoted alternative proposal that a Council-owned enterprise be established for the delivery of safe, reliable and affordable drinking water, wastewater and stormwater services that is well connected to the communities which have built and maintained these assets over many generations. The four entity model will not deliver on key community outcomes, and carries significant risk, especially during the transition phase of such a large reform programme.



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