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**AGENDA ITEM B2**

**WATER SERVICES ENTITY BILL PROPOSED SUBMISSION REPORT**

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**Purpose of Report**

For Councillors to determine the merits of and content of a submission on the Water Services Entity Bill.

**Recommendations**

Officers recommend that the Council:

1. *Receive the Water Services Entity Bill Proposed Submission Report.*
2. *Approve the submission, as set out in Attachment 1 on the Water Services Entities Bill.*
3. *Agree to delegate authority to the Chief Executive, Mayor, Chair and Deputy Chair of the Assets and Services Committee to finalise the submission, including any amendments agreed by the Council as well as any minor consequential edits.*

**1. Executive Summary and Background**

Council needs to consider making a submission on the Water Services Entities Bill currently before select committee. There has been limited time and resources to write a submission or to engage meaningfully with communities on the Bill. Council conducted a workshop on Monday 11 July to discuss the content of the Bill and the key issues as they viewed them. The workshop was open to the public for transparency purposes, was recorded, and is available to view on the SWDC You Tube page.

The views expressed in that workshop have been summarised into a draft submission for Councillors to consider.

**2. Appendices**

Appendix 1 – Draft SWDC Water Services Entity Bill Proposed Submission

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Reviewed By: Harry Wilson, Chief Executive Officer

# **Appendix 1 - Draft SWDC Water Services Entity Bill Proposed Submission**



SOUTH WAIRARAPA  
DISTRICT COUNCIL  
*Kia Reretahi Tātau*

## Water Services Entities Bill

South Wairarapa District Council's submission on the Water Services Entities Bill

### About South Wairarapa District Council

South Wairarapa District Council (SWDC) encompasses the three rural towns of Featherston, Greytown and Martinborough. We also have a vast area of rural hinterland home to many more small communities, edged by the Remutaka and Tararua Ranges and cradled by 124 kilometres of rugged coastline.

Our population is around 11,700 and we are expected to grow to 13,600 over the next decade.

Our vision is 'the best of country living with the community at the heart of everything we do' and we are working hard to achieve this.

We believe that a council should be part of the community it serves and therefore welcome feedback from residents and visitors alike regarding our district and council services.

The purpose of council is to enable democratic local decision-making and action by, and on behalf of, communities and to meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

The council comprises a mayor and nine elected councillors from the three wards of the South Wairarapa district.

### General Position

Like many councils, our community is diverse, and the opinions of our communities are diverse. As a small council, our capacity to engage deeply with our communities on issues outside our legislative requirements, is limited. The significance and pace of the proposed changes alongside other central government reform has meant we have not specifically engaged on this issue with our residents. In saying this, our residents have communicated with our councillors on an individual basis. People have also shared their thoughts through other mechanisms including social media, through usual council meetings, and our annual plan engagement process.

This submission reflects the thinking by our elected members considering the information they have been provided and the conversations they have had with community stakeholders and residents.

Councillors acknowledge and agree on the need for reform. Councillors hold mixed opinions of the key issues and recommendations including some not being supportive of the shape of this reform at all.

Taking the diversity of opinion, we have agreed on the following themes for this submission:

## 1. Pace and sequencing:

- 1.1. The proposed timeframe to the Establishment Date of 1 July 2024, and the fact that there are four other associated Bills to be introduced, absorbed and acted upon runs a strong risk that the WSE's will not be able to deliver on its responsibility to have sufficient capacity and capability to provide safe, reliable and efficient water services in its area.
- 1.2. Establishment plans, transition arrangements (including people), asset management plans, and asset transfers are yet to be formalised as the associated Bills have not yet been introduced and will require considerable work
- 1.3. Going 'live' early on a Minimum Viable Product (MVP) or similar basis will introduce significant risk into the transition and the impacts of this risk need to be fully thought through.
- 1.4. This is particularly relevant with little visibility as to the Establishment Plan.
- 1.5. **Recommendation 1:** the proposed changes should be better phased to consider the large number of reforms underway, such as the review of local government, health, and education sector reforms etc, which have a significant impact on smaller councils and communities like the South Wairarapa.

## 2. Governance and representation:

- 2.1. The Regional Advisory Panels may provide opportunities for local voice, however, there is no apparent mechanism for accountability back to the panels.
- 2.2. There is a significant risk of population-based decisions where smaller, more isolated, and rural communities with significantly different needs may not be well-served.
- 2.3. Due to the limited representation of council interests at decision tables, there remains a lack of confidence around how local desired outcomes will be managed.
- 2.4. Councillors have mixed opinions on the benefits of co-governance and where mana whenua would have the most interest and impact, recognising that the rapid introduction of the co-governance model in multiple areas e.g., health, is putting a significant strain on mana whenua resources.
- 2.5. **Recommendation 2:** engage deeply with council on the development of the model WSE constitution and consider a co-design process to build trust with the shareholders e.g., how conflicts of interest will be managed.
- 2.6. **Recommendation 3:** there needs to be better requirements laid down for the skills and background of all WSE and RRG Board members in the co-governance model.
- 2.7. **Recommendation 4:** consideration be given to mana whenua having a formal role in the regulatory bodies (potentially in place of the co-governance model) for example Taumata Arowai.

## 3. Protection against future privatisation of assets:

- 3.1. The Bill offers some protection from privatisation in establishing council ownership of WSEs as body corporates, but councillors are not confident this is enough.
- 3.2. **Recommendation 5:** further work be explored to build confidence that this protection meets council's expectations.

#### **4. Infrastructure assets:**

- 4.1. As a primarily rural council with existing water race assets that traverse urban and rural boundaries and supply stock water as well as some stormwater protection, we are concerned that the definition of infrastructure assets has not contemplated how these atypical assets may be treated.
- 4.2. There remains a lack of clarity about the rights to use or access water particularly for rural water users.
- 4.3. **Recommendation 6:** consider the inclusion or exemption of certain rural specific assets so that planning and preparation for these assets remaining in Council may occur in a timely and non-disruptive manner.

#### **5. WSE 3 boundaries:**

- 5.1. Dialogue continues that the boundaries of the proposed WSE 3 is not a logical fit for SWDC and the communities it serves, particularly the inclusion of the top of the South Island.
- 5.2. **Recommendation 7:** further work be explored to build confidence that the proposed WSE boundaries are fit for purpose and do not disadvantage SWDC in any way.

#### **6. Pricing and affordability:**

- 6.1. Communities are largely worried about the affordability and billing of their water services and the impact of not being able to pay for water.
- 6.2. **Recommendation 8:** urgently address pricing decisions and the issue of affordability to give confidence to communities about the future costs of their water services.

#### **7. Community engagement:**

- 7.1. SWDC has struggled to keep pace with the continuing pace of change which has had an impact on our ability to have meaningful dialogue with our communities.
- 7.2. The volume, piecemeal and technical nature of the information has not supported an easy understanding of the implications of the proposed changes by our communities.
- 7.3. The resources and skills required for high quality engagement on a project of this scale over the next few years is not in the SWDC budget or current capacity without compromising our other planned programmes.
- 7.4. **Recommendation 9:** either resource councils to adequately undertake this engagement on behalf of central government or provide easy to understand information and resources that genuinely meet the needs of communities.

Yours faithfully,

(to be signed)