

Te Kārearea

17 February 2021

Three Waters Reform Update

Agenda

- Te Ao Maori Framework
- Options for collaboration
- Overview and Background to the Three Waters Reform
- Government '*Request For Information*' Process
- Taumata Arowai (The Water Regulator)
- Three Waters Reform Update – Cabinet Paper 14 December 2020
- Water Services Bill
- Questions

Government Funding

Te Ao Maori Frame

A regional focus (as it dropped out of collaborative regional work). A co-design approach is proposed engaging with existing forums across the Tai Tokerau Councils

Process might include:

- Research – review existing material on the topic and provide a summary report with suggested literature to use.
- Design and develop proposed methodology with hapū and iwi across Tai Tokerau via hui and wananga.
- Facilitate discussion with mana whenua groups and council staff to confirm desired approach..
- Prepare research report and proposed framework for review by all

GIS Data capture

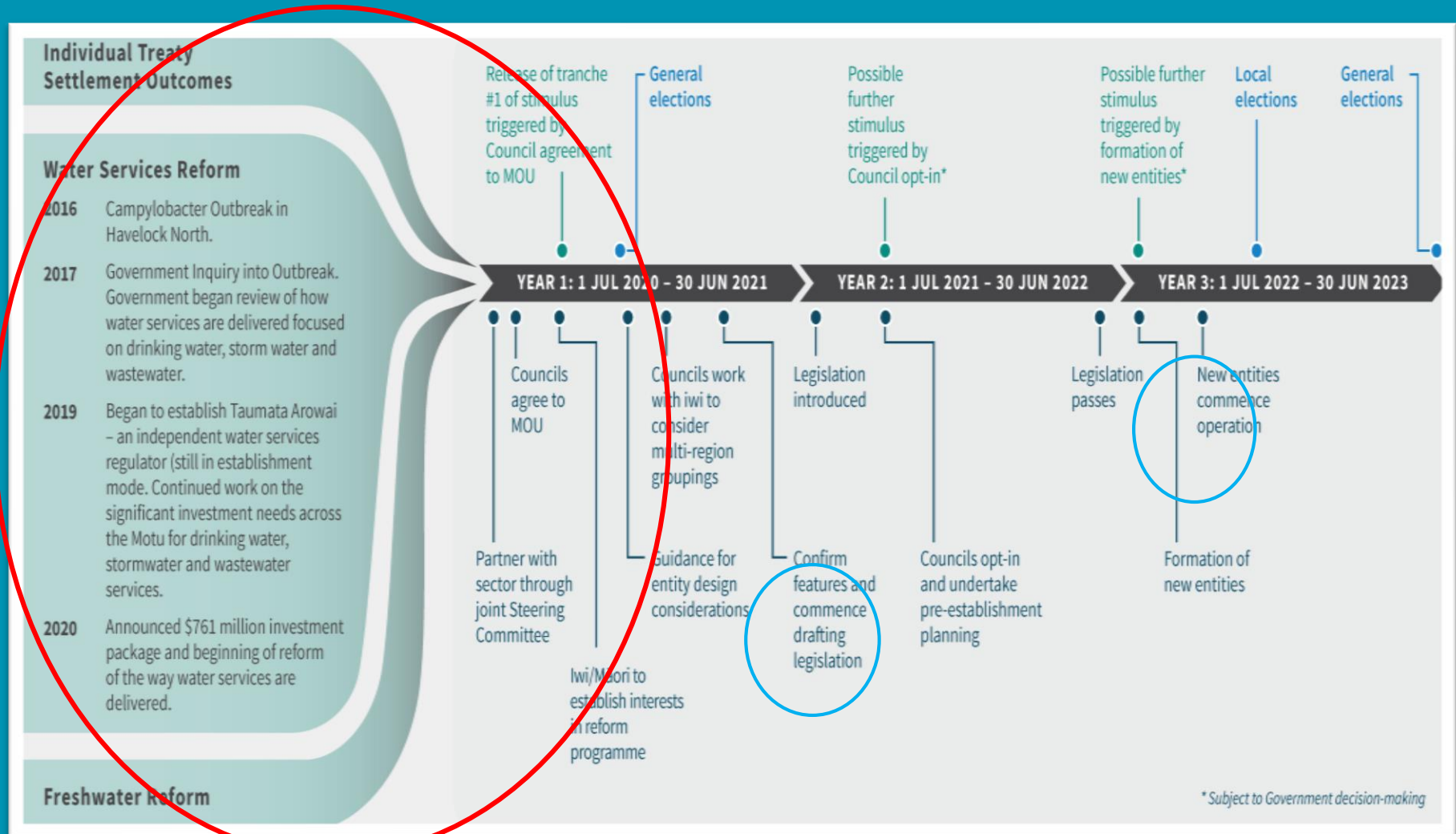
- Several GIS data projects are underway. We would like to work alongside the kaupapa of hapū and iwi, rather than to start a new one.
- Seeking early feedback on opportunities for maximising this piece of work

Options for Collaboration

Option	Benefits	Requirements
Standing item for Te Kārearea	Provides a forum for korero and direction Provides for the involvement of all committee members Alignment to other committees of Council (notably Infrastructure) through councillors involvement in those committees	Falls under existing ToR
Three waters working group	Provides a dedicated workstream for the three waters Potential for more focussed discussion/direction (i.e. 6 members rather than 14)	Clear terms of reference covering: <ul style="list-style-type: none"> • Purpose of the working group • Delegations • Budget/remuneration • Conflict management • Reporting and alignment (i.e. back to Te Karearea/other committees)
Technical input / workstreams	Could support engagement and the development of a hapu perspective/position Potential for 'technical input through a cultural lens' Invaluable to ensuring that any council workstreams take into account the views/values of Maori	Scope definition Procurement/engagement of appropriate practitioners Contract/mana enhancing agreement Conflict and role management
Broader engagement	Likely to support the above options by providing for broader involvement and engagement in the kaupapa once a workprogramme (and potentially joint perspective) has been formed	An engagement plan with associated budget

Overview and Background

Governments Timetable



Overview and Background

Government Reform Objectives.

A Significantly improving safety and quality of drinking water services, and the environmental performance of wastewater and stormwater systems.

B Ensuring all New Zealanders have equitable access to affordable three waters services.

C Improving resource coordination and unlocking strategic opportunities to consider national infrastructure needs at a larger scale.

D Increasing resilience of three waters service provision to both short- and long-term risks and events, particularly climate change and natural hazards.

E Moving three waters services to a more financially sustainable footing, and addressing the affordability and capability challenges faced by small suppliers and councils.

F Improving transparency and accountability in cost and delivery of three waters services, including the ability to benchmark performance of service providers.

Overview and Background

Reform design features... Provides insight into the future...

Design features that the **proposed** reform programme should examine, as a minimum:

A Water service delivery entities that are:

- **of significant scale** (most likely multi-regional) to enable benefits from aggregation to be achieved over the medium- to long-term;
- **asset-owning entities** with balance sheet separation, to support improved access to capital, alternative funding instruments and improved balance sheet strength; and
- **structured as statutory entities** with appropriate and relevant commercial disciplines and competency-based boards.

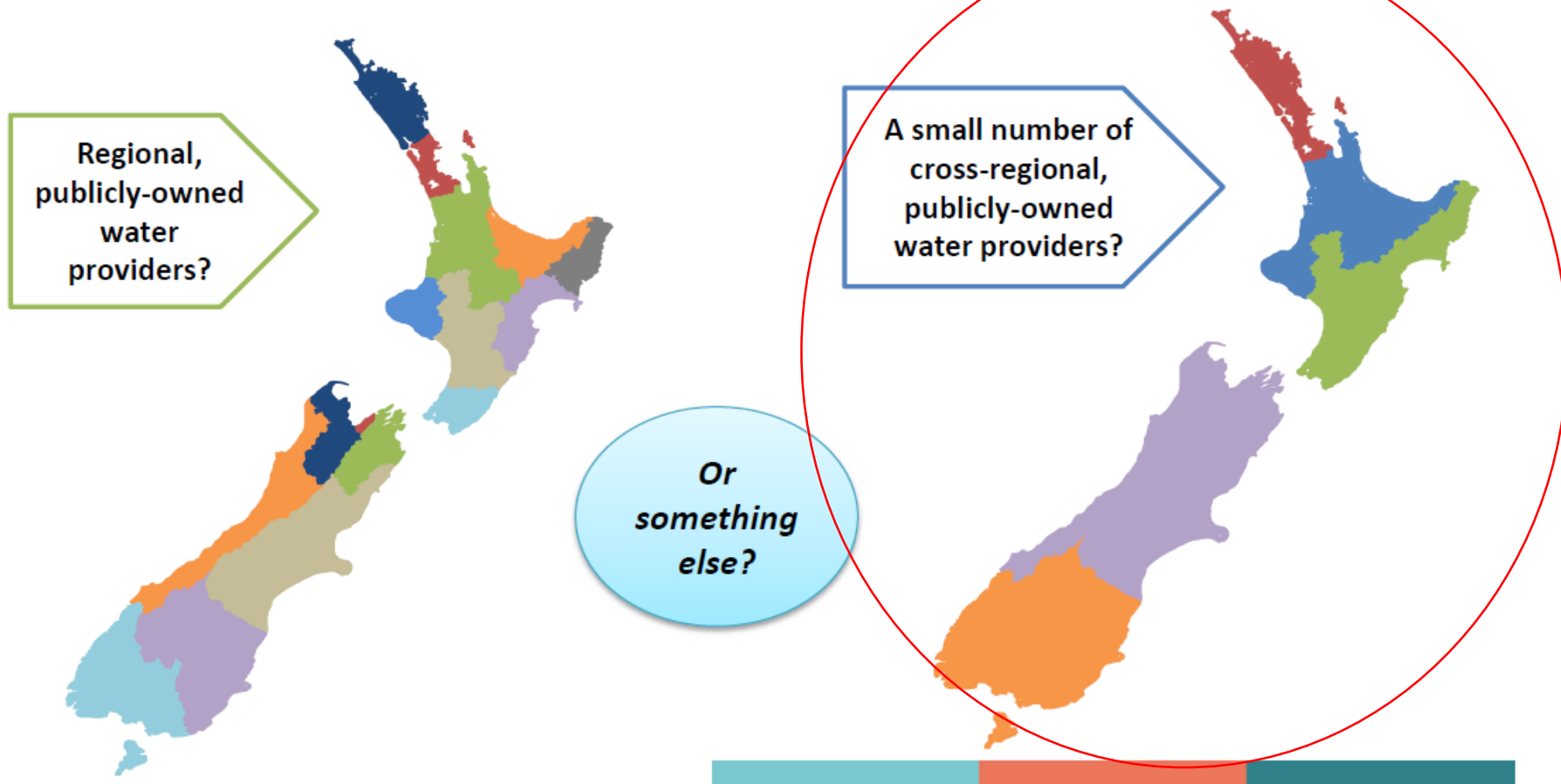
B Delivery of drinking water and wastewater services as a priority, with the ability to extend to stormwater service provision only where effective and efficient to do so.

C Publicly owned entities, with a preference for collective council ownership.

D Mechanisms for enabling iwi /Māori and communities to provide input in relation to the new entities.

The HNI recommended moving to a system of aggregated, dedicated water providers

If we were to consider a new model, what might the options look like?



Overview and Background

- National funding of \$761m. By way of MoU for participation in an 'RFI' process. Non-binding – Goodwill, open, working relationship.
- Far North District Council \$11.8m
- Kaipara District Council \$4.7m
- Whangarei District Council \$11.8m
- Total For Northland \$28.3m

Regulation Changes

- Taumata Arowai, new drinking water regulator, with a focus on compliance, monitoring and enforcement of new drinking water regime (will also have responsibility for wastewater). Will take over from MoH in 2021. *Likely to be Similar to H&S legislation.*
- Water Services Bill to give effect to Cabinet decisions to significantly strengthen the regulatory framework. Consultation to soon commence. **Significant responsibility for Local Government**
- Potential economic regulation to:
 - Improve transparency about infrastructure and investment
 - Protect interests of customers
 - Support efficiency
- Te Mana o Te Wai

Regulation Changes

A Water System that meets the needs of Aotearoa					
Water System		Freshwater	Drinking Water	Wastewater	Stormwater
	Regulator	Regional Councils	Taumata Arowai	Regional Councils	Regional Councils
	Oversight	Ministry for the Environment	Dept of Internal Affairs	Taumata Arowai	Taumata Arowai
	Policy	Ministry for the Environment	Ministry of Health	Ministry for the Environment	Ministry for the Environment
	HAPU, IWI, MAROI				

Current work

MoU Requirement for funding from Tranche 1

- *Request For Information (RFI) Process (significant work for Local Government)*
 - Asset information
 - Financial information
 - Assistance provided by DIA
 - Workshops/focus groups/Webinar Clinics
 - Significant program overview by DIA
 - Draft information by end of December 2020
- RFI now complete.
- Capx and Opex programs underway

Three Waters Reform Update

- Latest Cabinet Paper 14 December 2020
- Previously 'Opt-in', now 'Opt-out' approach for local government.
- If objectives are at risk of not being achieved – reform may be mandated by legislation. Advice provided to Cabinet April/May 2021

Three Waters Reform Update – Key Milestones and Deliverables

- Further engagement with Local Government and Iwi/Maori in March 2021.
- Northland Workshop 30 March 2021
- Substantive Policy Decisions in April/May 2021
- National Public information and education campaign 2021
- Councils asked to make a decision late 2021
- Transition entity establishment enacted mid-2022
- Transfer Council Water Infrastructure
in 2023

Three Waters Reform Update

- Interest for Local Government...
 - Number and boundaries of new entities
 - Retaining local voice and influence
 - The impact of the reforms on Councils – parallel conversation.
- Government looking at ownership options.
- Very much a ‘Centrally’-led process.

Water Services Bill

- The Bill – 108 pages – Detailed and Prescriptive.
- Submissions close 2 March 2021
- Six Fundamental Principles of Drinking Water Safety
- Triggers amendments in many other Acts
- Subpart 10 – Offences

Water Services Bill

- Amendment to LGA2002 – Assessments
 - At least once every 3 years
 - Must inform Taumata Arowai
 - May require TA's to take action
 - Funding could be an issue...
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- *Needs to be connected to service delivery...*

Questions