

13 June 2024

Finance and Expenditure Committee
Parliament Buildings
Wellington

Dear Members of the Finance and Expenditure Committee

Horowhenua District Council Submission to the Local Government (Water Services Preliminary Arrangements) Bill.

The Horowhenua District Council thanks the Finance and Expenditure Select Committee (the Committee) for providing the opportunity to contribute to the discussion on the Local Government (Water Services Preliminary Arrangements) Bill (WSDB).

Introduction

The Local Government (Water Services Preliminary Arrangements) Bill establishes the Local Water Done Well framework and the preliminary arrangements for the new water services system. It lays the foundation for a new approach to water services management and financially sustainable delivery models that meet regulatory standards.

Key areas included in the Bill are:

- Requirements for councils to develop Water Services Delivery Plans (within 12 months of enactment)
- Requirements for councils to include in those plans baseline information about their water services operations, assets, revenue, expenditure, pricing, and projected capital expenditure, as well as necessary financing arrangements, as a first step towards future economic regulation
- Streamlined consultation and decision-making processes for setting up water services council-controlled organisations (water services CCOs)

The Bill holds significant implications for water service management and delivery in New Zealand. As the local authority responsible for providing essential water services to our community, the Horowhenua District Council recognises the importance of addressing the challenges and shortcomings in the current system. We offer the following insights and recommendations to ensure the effectiveness and success of the proposed reforms.

Long-Term and Annual Plans

The service delivery plans mandated by the Bill should integrate seamlessly with the long-term and annual plans prepared under the Local Government Act 2002. This integration is crucial for maintaining

consistency in local government planning and ensuring that water services reforms are aligned with broader local government objectives.

Timelines for Implementation

The proposed timeline of one year for developing Water Service Delivery Plans (WSDPs) is deemed inadequate to address the complexities of water service planning comprehensively. We advocate for extending the timeline for WSDP development to two years to allow for thorough planning and community engagement. Insufficient time for preparation may lead to rushed or inadequate plans, resulting in misalignment with existing long-term plans and potential service delivery issues.

Clarity and Consultation

Local Government Act 2002 – Consultation Requirements

The Bill lacks detailed provisions on the consultation process required for the preparation of service delivery plans. Under the Local Government Act 2002 (LGA 2002), extensive consultation with the community is mandated for significant plans. The Bill should explicitly align with these requirements to ensure community involvement and transparency.

Section 38 – Funding arrangements

There is a need for clarification on Section 38, particularly regarding the leveraging of assets and funding arrangements for the new water service entities. Clear guidelines are essential to prevent financial instability and ensure transparency. Lack of clarity in asset leveraging and funding could lead to financial mismanagement and instability within water service entities.

Compliance Costs

The Bill should provide a detailed analysis of the expected costs of compliance with the new regulations. Local authorities need to understand these costs to plan effectively and avoid financial strain. The consequences of non-compliance should be explicitly stated to ensure that all parties are aware of the potential risks and penalties involved.

Partnership with Iwi / Māori and The Treaty of Waitangi

The Bill does not demonstrate the role or involvement of our Iwi / Māori partners or how it gives effect to the Crown's Treaty of Waitangi obligations. The Bill needs to ensure that there is enduring and meaningful relationships with our Māori partners, and Te Ao Māori views and values are maintained throughout this process.

Environmental Considerations

Preservation and restoration of natural assets such as Lake Horowhenua/Punahau and Manawatū Awa are integral to our community's well-being and environmental sustainability. The new water services programme should prioritise and support initiatives aimed at enhancing the health and vitality of these natural resources.

Community Leadership

Whilst we are currently involved in collaborative efforts with the Wellington Regional Collective and the Manawatū / Whanganui regional water studies, our decisions will always prioritise our own community needs first and foremost. Any changes driven by government or legislation must align with the unique needs of our community, irrespective of other strategies at the local, regional, or national levels.

Support for Submissions

Horowhenua District Council supports the submissions from Taituarā, Local Government New Zealand, and the Wellington Region Collective, recognising the collective efforts towards achieving effective water service reforms.

Recommendations

- **Extension of Timelines**
Extend the timeline for preparing WSDPs to two years to allow for thorough consideration and community engagement.
- **Long Term Plan and Annual Plan**
Provide greater clarity regarding what constitutes community consultation and how is community understanding determined?
- **Clarification and Streamlining**
Clarify consultation, funding and compliance requirements and streamline the process for establishing joint water services delivery plans.
- **Enhanced Partnership**
Include explicit provisions in the legislation to ensure meaningful partnerships with Iwi/Māori and alignment with Treaty obligations
- **Government Support**
Provide greater government support and clear long-term direction to facilitate successful water service reforms.

Conclusion

In conclusion, the Horowhenua District Council reaffirms its commitment to achieving sustainable water services and pledges to collaborate closely with the government to ensure the success of the new water services regime. We urge the Finance and Expenditure Select Committee to seriously consider our submission, as it reflects the concerns and aspirations of our community.

Ngā mihi,



Bernie Wanden, JP
District Mayor



Monique Davidson
Chief Executive