

# Submission to the Governance and Administration Committee.



## *Water Services Entities Amendment Bill*

5 July 2023

### **Introduction**

The Timaru District Council (TDC) thanks the Governance and Administration Committee for the opportunity to submit on the Water Service Entities Amendment Bill (Bill).

This submission is made by the Timaru District Council, 2 King George Place, Timaru. The submission has been endorsed by the Mayor and the Environmental Committee Chair. The contact person for Council is Nigel Bowen, Mayor of the Timaru District, who can be contacted at Timaru District Council, phone (03) 687 7200 or PO Box 522, Timaru 7940.

The contact person regarding the submission content is Bede Carran, who can be contacted via [Bede.Carran@timdc.govt.nz](mailto:Bede.Carran@timdc.govt.nz). We do not wish to speak to this submission.

### **Water Services in Timaru District**

1. The Timaru District Council is a local authority in the South Island serving over 48,000 people in South Canterbury. The main settlement is Timaru, with other smaller settlements of Geraldine, Pleasant Point and Temuka.
2. TDC remains fundamentally opposed to the Water Services Reform programme in its current form and recognises that changes have been proposed in this Bill that they do not go far enough for reasons provided in earlier submissions prepared on the reform agenda.
3. TDC supports sustainable, safe drinking water and consistent stormwater and black water treatment to ensure the wellbeing of all New Zealanders. To that end TDC supports the ongoing review of the Water entities to ensure a fit-for-purpose model.
4. Council fully endorses and supports the submission of Communities for Local Democracy (C4LD) and draws on this submission as the regional voice to these reforms.
5. However, TDC has a duty to ensure that as the Water Services Reform proceeds, the rights of people and communities as users of these services and the reforms are designed with the best interests of the Timaru District at heart. Clearly, it is essential that the water supply remains on tap, wastewater is effectively treated

and storm water is managed well for current residents but also water systems that are effective for future generations.

### **General comments**

6. TDC recognises that the Government has concluded that having only 4 Water Entities would not deliver the level of service required for regions, particularly in South Island. South Island is richly diverse not only in geographical areas but in the microclimates found right across the lands, waterways and coasts, yet these proposed changes do not reflect accurately the reality of the South Island.
7. TDC has reviewed the regional breakdown of the proposed water entities and sees that there are strong regional Council boundaries adhered to on the North Island, yet the South Island entities cross over Council and Territory Authority boundaries. TDC wishes to know the rationale behind this decision as it does not support an easy transition process.
8. TDC has concerns with the Bill advising that the Minister will issue an instruction for the Water Entity to commence, rather than working with Councils to ensure that all parties are ready to move towards the new Entity at a time that is best for communities.
9. TDC supports a model that would respect the council's property rights and a better-preserved local voice. As in TDC's submission on the Future for Local Government, local councils have the expertise of the area, its people and the environment, the model should reflect this expertise.

### **Summary of changes sought**

10. TDC echoes C4LD submission recommending that no further work occurs on the Bill. This is because the General Election is imminent and short-changing the ability for detailed debate in the House and for the people of New Zealand through the election process to provide a mandate one way or the other for the water services entity.
11. TDC holds concerns about the creation of the water entities becoming some of the largest corporations in New Zealand and the vulnerability of some consumers in particular their ability to have assurity of water services.
12. TDC has concerns that the Bill provides for the decision of the start date to be determined by Ministerial instruction. Reflecting that water services have been at the heart of Council works, TDC considers that as the experts within the region, this decision needs to be by Council Agreement.

13. TDC wishes to understand the rationale behind the North Island having entities based on regional boundaries, yet the South Island is not. There appears to be no information as to why this is so.
14. The Bill introduces a new mechanism known as “Community Priority Statements.” Under this mechanism, community groups may make statements about investment priorities to an entity’s Regional Representation Group (“RRG”). While this approach is better than previously proposed, it doesn’t give an effective voice to local views through ownership control.
15. Increasing the number of entities does not alter the fact that the Crown is expropriating without compensation the assets of communities held by their local authority.
16. TDC holds grave concerns with the proposed clauses with regard to the merger of water services entities (clause 8 of the Bill, proposing to change sections 21(ss(1) to (7) and at clause 7 affecting section 13) where it can occur with 50% agreeance of the merger. TDC holds that decisions of this calibre require a higher majority such as 50% plus one, to ensure that on singular legal entity cannot drive change. Democracy requires that entities merge because the populous of the legal entities are in agreement of the merger.

### **Conclusion**

Thank you again for the opportunity to submit on this Bill. Please do not hesitate to contact us via [Bede.Carran@timdc.gov.nz](mailto:Bede.Carran@timdc.gov.nz) if you have any questions or wish to discuss aspects further.

Ngā mihi



**Nigel Bowen**  
**Mayor**