



AGENDA

Late Reports

Ordinary Council meeting

Monday, 25 July 2022

Date: Monday, 25 July 2022

Time: 9.30am

**Location: Bay of Plenty Regional Council Chambers
Regional House
1 Elizabeth Street
Tauranga**

Please note that this meeting will be livestreamed and the recording will be publicly available on Tauranga City Council's website: www.tauranga.govt.nz.

**Marty Grenfell
Chief Executive**

Order of Business

11	Business.....	4
11.13	Attachment to Item 11.6 Three Waters Reform – Council Submission on Water Services Entities Bill #1	4
0	Public Excluded Session.....	20
L.14	Access Options to Parau Farms - Update	20

11 BUSINESS

- 11.13 Attachment to Item 11.6 Three Waters Reform – Council Submission on Water Services Entities Bill #1

ATTACHMENTS

1. Tauranga City Council Submission on the Water Services Entities Bill Number 1 - A13673253 [↓](#) 



Tauranga City Council and Te Rangapū Mana Whenua o Tauranga Moana Joint Submission - Water Services Entities Bill #1 21 July 2022

1. Introduction

Tauranga City Council (TCC) forms part of Entity B (to be known as Western-Central Water Services), along with 21 other Councils. The city has a population of 155,200, making it the second largest Council in Entity B. The allocation of shares in the Entity, based on the Water Services Entities Bill (Part 2, Subpart 1) for TCC would translate to 4 shares.

TCC three water assets, as at 30 June 2021, are valued at \$1.53 billion, with debt of \$447 million. The capacity to continue to service a high-growth city is the major concern of our staff and Commission.

There are 115 staff who are focused entirely on the three waters business, with a further 157 staff (estimated) that support the three waters business to varying degrees.

Te Rangapū Mana Whenua o Tauranga Moana supports the joint submission on the Water Services Entity Bill #1. There are 17 hapū and marae within Tauranga Moana whose responsibilities and duties are within the Tauranga City Council area. Tauranga City Council gives support to the autonomous body of Te Rangapū Mana Whenua o Tauranga Moana to work in partnership and ensure that Tauranga Moana interests are protected throughout this change. As recorded in the Census 2018, there were 24,912 Māori (18% of the population) living in the region.

2. Background

TCC would like to acknowledge the work of the Working Group on Representation, Governance and Accountability, the outputs of which have motivated amendments to the original draft legislation.

The last time TCC engaged with Government around the Three Water Reforms was in September 2021, following a short period of engagement with the Tauranga community.

The key concerns that were captured, and passed to DIA, as part of that process were:

- 1) Governance Arrangements,
- 2) Future privatisation concerns,
- 3) Growth and Development,
- 4) Workforce,
- 5) Protection of mana whenua (hapū, iwi) interests and concerns,
- 6) Communications and engagement
- 7) Transition timeline viability,
- 8) Stormwater infrastructure,



- 9) Finance and Debt arrangements,
- 10) Government funding package adequacy.

This submission reflects that the Water Services Entity Bill #1 (WSE Bill #1) relates to the ownership, governance, and accountability arrangements for the Entities, as well as transitional arrangements during the establishment period. Therefore, TCC has taken the opportunity to comment on items **1, 2, 3, 4, 5 and 6 above**. The remainder of the concerns raised in September 2021 are outstanding and will continue to be monitored on behalf of our community.

TCC acknowledges further legislation, related to Three Waters Reform, is expected to provide additional detailed implementation arrangements for the entities and service delivery, including asset and liabilities transfers, pricing and charging arrangements, economic regulation, and consumer protection. Also expected are changes to other existing legislation, including Treaty settlement legislation, to ensure settlement obligations are carried forward to Water Service Entities and detailed changes to the Local Government Act, and other legislation to transfer service delivery arrangements to the new entities.

In addition to the above, many ratepayers and residents have voiced a wish for a referendum. TCC's expressed position is that a referendum would not be appropriate, as this is central government's reform, and that parliamentary processes are the most appropriate means to respond. TCC will promote the opportunity for the general public to have their say by completing their own submissions, but also noting that feedback received both in opposition and in support of the reforms has been included as part of the TCC submission.

3. Key Concerns - Comments and Recommendations

The Government has identified that it has four bottom lines to achieve the outcomes for water reforms. These are:

- Public Ownership
- Mana whenua interests
- Balance sheet separation
- Good governance.

TCC would like to express the view that clear connection to communities should be added to this list.

3.1 Governance Arrangements

Comments

- TCC believes three waters reform has the potential to enable sustainable, affordable, and consistently high-quality waters services at a national, entity and local council level. Removal of current and future three waters debt from TCC's balance sheet would strengthen Council's financial position and might allow us to better deliver other services, infrastructure needs and four wellbeing benefits to our community on a long-term, sustainable basis.



- TCC strongly supports mana whenua (iwi, hapū) and their aspirations of partnership within the Regional Representation Group and Regional Advisory Panels.
- It is noted that the Regional Advisory Panel is an advisory body only. It will have no powers, nor can any powers be delegated to it by the Regional Representative Group. Furthermore, any advice a Regional Advisory Panel provides to the Regional Representative Group must take into account the interests of the whole entity, not just its own area of concern.
- TCC supports the establishment of Regional Advisory Panels to provide opportunities for the large number of councils and Iwi/hapū within the Entity B region to have a voice.
- The Regional Representative Group must collectively appoint a board appointment committee made up of members who have knowledge and experience in performance monitoring and governance, network infrastructure industries, te Tiriti o Waitangi and principles, perspectives of tangata whenua, tikanga and te ao Māori. Missing here is experience in the water industry, health and safety, public health, customer facing service delivery and engagement. Considering that an organisation's culture comes from the leadership of its Board, the knowledge and experience of its leaders needs to be widened.
- The Water Services Entities Bill #1 doesn't specify the intent of the structure of the Regional Representative Group, and this needs to be more explicitly stated. As an example, it does not reflect the diversity of the membership, metro Councils, medium-sized (provincial) councils and small-sized (rural) councils.
- As the first constitution for the entities will be established by central government, this will set out the procedures for initial appointments to the Regional Representation Group. For Entity B, there are 22 co-owning councils for which there would be 7 seats, and approximately 76 Iwi/hapū groups for which there would similarly be 7 seats. Until the first constitution is made available, there is a lack of clarity in how the appointment process will work to ensure appropriate representation within Entity B and safeguard local interests in Councils' and communities' three waters assets.

Recommendations

- TCC recommends that the Water Services Entities Bill has more detail added to include the structures of the member Councils.
- TCC recommends that the original appointment to the Regional Representative Group should include the Metro councils. This recognises the net asset value and the growth impacts on these council.
- For subsequent appointment to the Regional Representative Group, TCC recommends that 'growth/metro' councils with populations over 100,000 are guaranteed a seat on the Regional Representation Group.
- TCC recommends that the Regional Representative Group be given the authority to delegate a decision or decisions to the Regional Advisory Panels.



- TCC recommends that the guidance for the Regional Advisory Panels be amended to allow for advice to be narrowed to the specific region that the Regional Advisory Panel represents (e.g. Tauranga Moana).
- TCC recommends that the skills and experience of the Board appointed committee be widened to include experience in the water industry, health and safety, public health, customer facing service delivery and engagement.

3.2 Future privatisation concerns

Comments: -

- TCC supports the public ownership of the Water Service Entities, through the direct shareholding interest each Council will hold on behalf of its community.
- TCC supports the protection from privatisation provisions in the Bill and believes these provide sufficient protection from future privatisation of the entities.

3.3 Growth and Development

Comments

- Our community needs assurance that investment will be available to cater for the service growth required by new housing development, intensification within the city's existing footprint and redevelopment of the inner city. This investment needs to align with the respective agreed requirements of the relevant spatial/ resource management plans that are in place. Without such alignment there is a high risk of investment not occurring when required and severely impacting on the ability of TCC to facilitate the provision of land for housing and employment.
- Mana whenua needs assurance that service equity of infrastructure to Māori land is given the same priority as general land.
- Mana whenua needs assurance that environmental, cultural values and Mātauranga Māori are protected in line with Te Mana o Te Wai.
- Mana whenua support the principles of interconnectedness is at the heart of Te Ao Maori, or the Maori worldview
- Removing the debt associated with three waters infrastructure from councils' balance sheets would allow investment in other infrastructure required to enable growth. There would need to be certainty that the three waters investment component of that equation would be delivered when and where needed to cater for growth.
- The integration of spatial planning processes, resource management and other planning processes at local, regional, and national level are vital to support timely decision-making, especially in growth councils. The terms of reference of the government-appointed Planning Technical Working Group have been noted, TCC awaits the recommendations from this group.

0 PUBLIC EXCLUDED SESSION

RESOLUTION TO EXCLUDE THE PUBLIC

RECOMMENDATIONS

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
L.14 - Access Options to Parau Farms - Update	s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7