



Mayor Jim Boulton
Queenstown-Lakes District Council
10 Gorge Road
QUEENSTOWN 9300

cc: Deputy Mayor Calum MacLeod
Mike Theelen, Chief Executive

BY EMAIL

Dear Mayor Boulton,

The purpose of this letter is to respond formally to your request that Communities 4 Local Democracy - He hapori mō te Manapori ("C4LD") set out its work and achievements to date in the light of the fact that Queenstown-Lakes District Council ("QLDC") is reconsidering its membership of C4LD. We are happy to do so.

C4LD was launched on 15 December 2021 just over four months from the date of this letter (a period which includes the Christmas and New Year period).

On launching, C4LD worked at speed to develop credible alternative models to the Government's compulsory four entity model once the Government announced that it would not honour its commitment to allow a voluntary opt in or opt out approach. It was necessary to work at speed as the Government had been working on their proposals for years and made its decision to renege on its commitment to voluntary sign-up late in the piece (at that point legislation was due to be introduced before Christmas). C4LD also took the view that opposing a set of policy proposals without offering up a constructive and workable set of alternatives serves no one any good.

C4LD's alternative models were developed in conjunction with Castalia an independent economic consultancy which has advised on water reform and regulation around the world in many jurisdictions. As a member of C4LD, those models are known to you and presentations outlining them are fully available to all on our website. Privately, we understand that amongst

some public service entities there is a measure of support for them. This is not surprising as the models essentially pick up, and would implement, the recommendations of the Productivity Commission of November 2019 in respect of Three Waters Reform.

Additionally, and immediately before Christmas, we completed a substantive submission on the proposed model for economic regulation. Again this submission is available on our website.

At the end of January 2022, we presented our alternative models to the Working Group on Representation, Governance and Accountability. Quite early on in that presentation it was apparent to us (because we could read the Zoom chat) that the majority of the Working Group had no interest in our point of view. This is reflected in the recommendations that the Working Group ultimately produced – none of which addressed the points that we raised in any substantive manner. Pointedly, two members of the Working Group have dissociated themselves from the majority’s view. Mayor Phil Goff actually provided a minority report setting out his concerns. His concerns mirror those of C4LD. Frankly, if you include the population base of C4LD members and that of Auckland Council, councils representing 3.1 million people actively oppose the Government’s proposals.

It has been reported to us that the Working Group considered our presentation “tone deaf” because we did not embrace “co-governance” in a similar manner to the Government. We note that Mayor Goff has stated that mandated co-governance of non-resource related matters, in this case water assets as opposed to the water resource itself, is not supported by Auckland Council. Governance of ratepayer owned assets should remain under the control of democratically elected ratepayer representatives unless the community agrees otherwise. C4LD agrees.

However, that does not mean that mana whenua should not be involved in local investment decision-making. The majority of C4LD member councils recently has agreed the **attached** statement concerning the involvement of mana whenua. We commend it to you. You should note that it does not rule out co-governance with mana whenua should that be what mana whenua and the relevant local community want.

On this point I would further add that at our recent meeting with the Minister, a Māori elected member who was present, directly told her that in their district iwi do not want co-governance of the water assets and are content with the operating arrangement that they have co-designed with their local council. The three iwi involved signed the council’s submission opposing the Government’s proposals. This example is perhaps reflective of differences of view amongst iwi and hapū on the Government’s proposals (especially in the North Island where the position is considerably more complex and varied to that which prevails in most of the South Island). C4LD’s view is that these are matters that should be resolved locally and not mandated from the centre. If you are interested in further exploring the perspective of that council and its experience with the three iwi in their district we can put you in touch with the Mayor.

Through-out our short time in existence, we have sought to engage constructively with all political parties. To date we have met a number of times with the Government (Labour), the National Party, the Green Party, ACT, and New Zealand First (although outside of Parliament, it polled four percent in the latest Roy Morgan poll). We are continuing to seek a meeting with Te Pāti Māori through C4LD member connections with that party.

We have been pleased with the results to date. Both National and ACT have already made public commitments to repeal and replace any Government legislation to enact a mandatory four-entity model. Given recent published poll trends, this is a credible future. The Green Party and NZ First have expressed understanding and some sympathy for our defence of localism and community ownership in property that each community has bought and paid for, but have yet to make any formal statement.

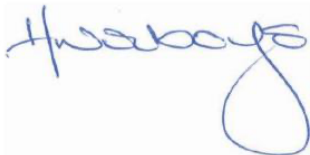
It is C4LD's position that regulatory certainty is fundamental to investment certainty, especially where lumpy and intergenerational investments are concerned. The Government's proposals fail this test. Even if the Government's proposals pass into law (because of its absolute majority in Parliament) they may never be implemented as the General Election pre-dates the 1 July 2024 implementation date for the new regime.

Given this position we have offered to work in partnership with the Government and all political parties to broker a reform package that would survive successive changes in Government (our letter to the Government is **attached**). We all know reform of the three waters sector is required. Our model delivers that reform objective. The ball is now in the Government's court, but we will certainly continue our lobbying efforts if a compromise position cannot be reached.

We believe in the very short time that we have been operating we have achieved far more than the odd letter of concern to Government from individual councils or the shrugging of shoulders from people who try to claim that we are getting gains elsewhere even if we are to have expropriated without compensation ownership of our three waters assets. We don't agree and we intend to continue to fight for our communities voice and ownership rights.

We hope you decide to stick with us.

Kind regards

A handwritten signature in blue ink, appearing to read 'Helen Worboys', with a large loop at the end.

Mayor Helen Worboys
Chair
Communities 4 Local Democracy - He hapori mō te Manapori