

2 August 2022

Via Email: fe@parliament.govt.nz
Committee Secretariat, Finance and Expenditure Committee

To whom it may concern

SUBMISSION TO THE DEPARTMENT OF INTERNAL AFFAIRS ON THE WATER SERVICES ENTITIES BILL 136-1

Thank you for the opportunity to present our submission on the Water Services Entity Bill 136-1 (the Bill).

Queenstown Lakes District Council (QLDC) would also like to thank the Department of Internal Affairs for the submission deadline extension. This submission is further to the written placeholder letter from QLDC dated 18 July 2022 and submitted through the www.parliament.nz weblink for the Bill. The placeholder letter confirmed that QLDC would like to present its submission orally to the Select Committee.

QLDC supports the need for safe drinking water, environmental protection, efficient service provisions and improved Māori participation in decision-making about Three Waters. However, significant concerns about the nature and programme of reform remain, and QLDC continues to oppose Government mandating the proposed entity-based model for water services delivery. Points of emphasis regarding the implications of the Bill to the Queenstown Lakes District include that:

- Council fundamentally opposes the service delivery model as proposed under this Bill, the way in which the Bill is being progressed through Parliament and the current lack of detail in the Bill. It is difficult to provide a submission because so much detail will be contained in the second and following Bill, the constitution and other reform programmes.
- The proposed shareholding model does not account for the high visitor numbers and rapid growth in the district.
- There is a general lack of community understanding around key aspects of this reform that requires urgent attention at a Central Government level. In addition, there is an overall lack of assurance in the current wording of the Bill that the community and territorial authority shareholder voice will be heard.
- Council has significant concerns about the lack of representation and diversity of the Regional Representative Groups, the constitutions of the Water Services Entities, and future privatisation regarding joint arrangements by Water Services Entities.
- The Bill states that the board appointment committee may remove a Water Services Entity board member from office for just cause. It is Council's position that 'just cause' is not defined in a way so as to be useful in the event of non-performance by a board as a whole. The scope of just cause should be changed to address this deficiency.

This submission has been ratified by the full council. Thank you again for the opportunity to comment.

Yours sincerely,



Jim Boulton
Mayor



Mike Theelen
Chief Executive

SUBMISSION TO THE DEPARTMENT OF INTERNAL AFFAIRS ON THE WATER SERVICES ENTITIES BILL 136-1

1. Introduction

- 1.1. QLDC forms part of Entity D (to be known as Southern Water Services Entity), along with 21 other councils. The district has a resident population of 48,300, making it the 6th largest council in the Southern Water Services Entity. Based on the Bill, the allocation of shares in the entity would translate to one share for QLDC. In 2021 Queenstown Lakes District had an average total daily population of 63,930 (visitors and residents) and a peak daily population of 99,220.¹
- 1.2. QLDC Three Waters assets, as at 30 June 2021, have a depreciated value of approximately \$978 million, with debt of approximately \$97 million. The capacity to continue to service a high growth district is of major concern to Council.
- 1.3. There are 65 officers at QLDC who are defined as potentially affected by the Three Waters reform programme.

2. Organisation of this submission

- 2.1. Comments and recommendations regarding Council's key concerns are explained in the first part of this submission. Following this, a table is included that lists Council's specific recommendations as they relate to clauses in the Bill. Appendix 1 lists all of Council's recommendations.

3. Summary of Council position

- 3.1. Council is supportive of and accepts the need for regulatory reform of Three Waters services. However, significant concerns about the nature and programme of reform remain and QLDC continues to oppose Government mandating the proposed entity-based model for water services delivery.
- 3.2. Council fundamentally opposes the service delivery model as proposed under this Bill, the way in which the Bill is being progressed through Parliament and the current lack of detail in the Bill. It is difficult to provide a submission because so much detail will be contained in the second and following Bills, the Water Services Entity (WSE) constitution and other reform programmes.
- 3.3. It is Council's position that the proposed service delivery model be paused, to ensure the most appropriate service delivery model is put forward, and aligned with other reform programmes.
- 3.4. If the Three Waters reform programme is not to be paused, then Council recommends that either:
 - 3.4.1. The core issues that are intended to be dealt with in subsequent legislation and other instruments should be incorporated into this Bill so that all the key issues can be considered together. There would then need to be the opportunity to make submissions on the amended Bill, or
 - 3.4.2. This Bill should be delayed until a subsequent Bill is introduced addressing the core issues. Again, this is so all key issues can be considered together rather than in isolation.

¹ <https://www.qldc.govt.nz/community/population-and-demand>

- 3.5. Council sets out below its submission on the Bill with the intention to improve implementation and outcomes, if the Government continues with the service delivery model proposed under the Bill, regardless of Council's alternative recommendations above.

Recommendation

R.1 - Council urges the Select Committee to pause the Three Waters reform programme, to ensure the most appropriate service delivery model is put forward, and aligned with other reform programmes.

4. Overall objectives of the Bill

- 4.1. Council is concerned by the absence of reference to community wellbeing in the Bill. Water services are integral to community wellbeing and promoting the wellbeing of communities is a critical role of territorial authorities. This omission seems at odds with the aims of the Future for Local Government reform programme.
- 4.2. The retention of water services assets in public ownership is paramount, yet it is not identified as an objective of the WSEs. The objectives in the Bill need to specifically record that retaining water services in public ownership is an overriding objective.
- 4.3. One of the objectives of WSEs in the Bill is "supporting and enabling housing and urban development". Council recommends that this objective is clarified to ensure that it is consistent with resource management requirements. Enabling logical development must be balanced with protecting biodiversity and addressing climate change.

Recommendation

R.3 - Community wellbeing and retention of public ownership of water services assets are added to the objectives of WSEs. Clarify the objective of supporting and enabling housing and urban development to read, "support and enable housing and urban development that is consistent with relevant planning directions and guidance".

5. The staged approach to Three Waters reform

- 5.1. Separation into at least two Bills reduces the ability to comprehensively understand the full implications of the water services review in general, and specifically of the Bill.
- 5.2. Given that the Bill is just one component of the proposed water services reform, Parliament has been asked to consider the issues in this Bill without full knowledge of how these reforms will impact customers and communities on a day to day basis.
- 5.3. There is substantial overlap between the Three Waters reform programme, resource management reform and the Future for Local Government review. Ideally, these should be considered alongside one another so that the relationship between the various reform initiatives is clear, including a consideration of timeframes, sequencing of changes, dependencies and resourcing.
- 5.4. While Council recognises that the Government's intention is that these core issues will be dealt with in subsequent legislation or in the first constitution of the new Water Services Entities (WSEs), these matters are of such fundamental importance that it is difficult to consider this Bill in isolation from such core issues.

Recommendation

R.4 - Provide clarity on how the close nexus between delivery of water services and the various ongoing reform programmes will be addressed.

6. Representation on, and diversity of the Regional Representative Group (RRG), and the role of Regional Advisory Panels (RAPs)

- 6.1. The shareholding model provides QLDC with the minimum possible one share, as allocation is based on resident population and does not account for visitor numbers or rapid growth of the region, where future demand needs to be accounted for now. While the district's average day resident population is 48,300, the average day total population is 63,930, and its peak daily population is 99,220. This is projected to grow to 61,350 residents and a peak daily population of 152,910 by 2031.² This demonstrates a significant difference in the investment and interest required in Council's Three Waters infrastructure to meet the needs of the Queenstown Lakes District.
- 6.2. Representation on the Regional Representative Group (RRG) is not guaranteed for any territorial authority. The shareholding territorial authorities can appoint members to the RRG, but the Bill provides no clarity on how members from territorial authorities will be selected for six or seven positions. Given there are 22 territorial authorities in the Southern WSE, all with an interest on being represented in the RRG, it is unlikely that appointments will be by consensus.
- 6.3. The exclusion of most councils from direct representation on the RRG is exacerbated by the fact that it is the RRG members that appoint and comprise the Board Appointment Committee. Not only do most councils not get a direct representative voice on the RRG, they also do not get a direct voice on who will be appointed to the WSE Boards as they will not be part of the Board Appointment Committees.
- 6.4. Council is concerned that the RRG is not able to represent the diversity and interests of all of its territorial authority owners. High growth councils such as QLDC have unique and specific contexts that need to be provided for in decision-making and representation at the RRG level. Given the precedent of the Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021 in establishing Tier 1-3 Territorial Authorities, QLDC recommends that a similar approach is taken where higher growth councils are identified and given guaranteed representation on the RRG.
- 6.5. Council recommends that engagement requirements by the RRG with territorial authorities should be embedded in the Bill as another measure to ensure that the diversity of territorial authorities is represented. Given the lack of certainty regarding a territorial authority's representation at the governance level on the RRG, Council urges more robust engagement requirements with shareholders.
- 6.6. Council also recommends clarifying and strengthening the role of the Regional Advisory Panels (RAPs). Given that the function of the RAP is to represent the voice of the community, QLDC recommends that the Bill include a requirement for the WSE board and the RRG to give regard to the advice from the RAP. Council also requests that instead of RAPs being optional and left to the constitution of the WSE to determine, that they are made mandatory.

Recommendations

R.5 - Recommend that the share allocation model is revisited to account for average day population, given that infrastructure investment is based on these figures.

R.6 - Provide clarity in the Bill on how 22 territorial authorities will collectively appoint members to the RRG.

² 2019 figures were: average day resident population 44,800, average day total population was 72,330, and peak daily population was 114,141. Additionally, there are 4,314 holiday homes in the district.

<https://www.qldc.govt.nz/community/population-and-demand>.

R.7 - That the Bill provide that the RRG for the Southern WSE have 14 members and that this decision is not be left to be determined by the constitution as per clause 91(a)(i).

R.8 - Recommend that there is allocated representation on the RRG for higher growth councils.

R.9 - Define and embed engagement requirements by RRG with TAs in the Bill with respect to appointment to the RRG, to ensure that the diversity of territorial authorities is represented.

R.10- Include in the Bill the requirement that the WSE board and the RRG are to give regard to advice from all RAPs and that RAPs are mandatory, not optional.

7. Constitutions of the Water Services Entities

- 7.1. The Bill outlines that the first WSE constitution is the model constitution and that regulations may be made providing for a model constitution. Following establishment of the first constitution, the RRG may propose to amend or replace its constitution, but Ministerial approval is required.
- 7.2. QLDC recognises the need for some consistency across WSEs and understands the need for the Minister to approve the first constitution. However, this power should not be absolute, and the Minister should only be able to decline a constitution for on a prescribed a set of grounds.
- 7.3. Council considers that community voice is essential in informing the development of the first constitution and any amendments following. Council insists that the initial constitution should require the approval of the shareholders.
- 7.4. QLDC recommends that any subsequent amendments (not just minor or technical requirements) to the constitution be delegated to the RRG for adoption to ensure efficiency and sound, informed decision-making. In addition, the RRG should be required to undertake an engagement process with shareholders when making significant amendments or replacing a constitution. This is because shareholders who are not represented on the RRG would not otherwise have any input into the constitution.
- 7.5. Council supports equal representation of mana whenua and territorial authorities to the RRG. The initial method of appointing territorial authority and mana whenua representatives to will be set out in the first constitutions, to be decided by the Minister. This process may then be amended by the RRG by consensus or 75% majority, subject to Ministerial sign off. It is Council's position that any change to the method of appointing mana whenua representatives (via a change to the constitution) should not require the agreement of territorial authority members of the RRG. Likewise, a change to the method of appointing territorial authority representatives should not require input from the mana whenua representatives. The Bill should be amended to ensure mana whenua and territorial authority owners retain independence on changes to the appointment process in the constitution.

Recommendations

R.11 – Specify the Minister's powers to reject the constitution by providing explicit grounds for exercising that power.

R.12 - Require that all shareholders agree to the initial constitution prior to Ministerial approval.

R.13 - Amend clause 95 to require that the RRG undertake shareholder and community consultation, based on the significance of amendments to a WSE constitution.

R.14 - Council supports equal representation of mana whenua and territorial authorities on the proposed RRGs and Regional Advisory Panels (RAPs), but recommends that the Bill is amended to

retain the independence of mana whenua and territorial authority representatives to determine their respective appointment processes to the RRG in the constitution.

R.15 - Add a requirement that constitutions be reviewed within a certain time period.

8. Water Services Entity boards

- 8.1. Council is concerned about the lack of reference to several capabilities in clause 57(2) that will be integral to a WSE board operating effectively. Urban planning expertise, climate change mitigation and adaptation skills should be added to clause 57(2).
- 8.2. WSE boards are public sector entities. The default setting should be that WSE meetings are open to the public unless there is sufficient lawful reason to exclude the public. This is the case with Three Water issues as they arise in a local authority. Council recommends that the current wording in the Bill that only requires two meetings per financial year to be public be amended to require that all meetings of the WSE be held in public except where provided for by s.47 of the Local Government Official Information and Meetings Act 1987.
- 8.3. Further refinement is recommended to provide more accountability in the event of non-performance by a WSE board. Clause 68 states that the board appointment committee may remove a board member from office for just cause. However, 'just cause' is not defined in a way so as to be useful in the event of non-performance by the board as a whole.

Recommendations

R.16 - Add urban planning expertise, climate change mitigation and adaptation skills to the required expertise of WSE boards in clause 57(2).

R.17 - Amend clause 60 of the Bill to require that all meetings of the WSE be held in public except where provided for by s.47 of the Local Government Information and Meetings Act 1987.

R.18 – Request that the scope of just cause be increased to enable the removal of a WSE board, in the event of non-performance by WSE boards.

9. Future privatisation concerns regarding joint arrangements

- 9.1. Council is concerned that the provisions in the Bill relating to joint arrangements are unclear and appear to be contradictory, putting in jeopardy the 'bottom line' of retaining public ownership by WSEs.
- 9.2. Clauses 116(2)(c)(ii) and 118(3)(d) allows for the sale of water services infrastructure where the WSE believes the sale retains its capacity to perform its duties or is incidental and desirable to the success of a joint arrangement. These preconditions are very subjective and require clarification. Further, Clause 118(3)(c) contradicts Clause 118(3)(d), providing that the WSE retains ownership of all infrastructure at the end of a joint arrangement. Council is unclear as to how there could ever be a sale of infrastructure as contemplated in clause 118(3)(d) that would then revert to the WSE at the end of a joint arrangement.

Recommendation

R.19- Amend clauses 116(2)(c)(ii) and 118 to ensure that the bottom line principle of retaining public ownership of water services infrastructure by WSEs is maintained.

10. Communications and engagement

- 10.1. The general level of community understanding around key aspects of the reform is lacking, and local government has been placed in the difficult position of trying to keep their communities informed about a process it is not leading and does not have full information about.
- 10.2. Complex issues take time to convey effectively to a wide audience. Shortened timelines have restricted the ability to engage appropriately with Iwi/hāpu and the wider community.
- 10.3. QLDC is concerned about allocating resources to improve the overall understanding of Three Water reforms within our community, potentially duplicating the efforts of Central Government.

Recommendations:

R.20 - Recommend that Central Government pause the progress of the Bill so that a national level communications and engagement strategy can be provided to all territorial authorities to define the roles and responsibilities for communication and engagement for Central and Local Government. The strategy must be agreed by Local Government.

R.21 - Recommend that Central Government pause the progress of the Bill and release quality and accessible information on Three Waters reform, the expected benefits, impacts and timelines. This should be developed in consultation with local government (a communications and engagement working group is recommended).

11. Recommendations specific to a clause in the Bill

Clause ref. in Bill	Title/contents	QLDC position
Part 1	Preliminary Provisions	
Cl. 3	Purpose of Act - Establishes 4 entities and provides for their objectives, functions, service delivery areas and governance arrangements Council opposes the entity-based model for water services delivery, for the reasons outlined in this submission.	Oppose
Cl. 4 & 5	Te Tiriti o Waitangi and Te Mana o te Wai	Supports
Cl. 6,7,8 & 9	Interpretation, giving effect to Schedule 1, binding the Crown, and Treaty settlement obligations prevail. R.2 – Provide more robust definitions to terms in the Bill, including but not limited to: <ul style="list-style-type: none"> • safe • efficient • ‘best commercial and business practices’ • ‘incidental to the joint arrangement’ • ‘desirable for the success of a joint arrangement’. 	Amendment
Part 2	Water Services Entities	
Subpart 1	Establishment of Water Services Entities	
Cl. 10-15	Objectives, functions, operating principles, duties to provide	Amendment

Clause ref. in Bill	Title/contents	QLDC position
	<p>funding and information, legal status. Water service entities to be co-ownership by territorial authorities.</p> <p>R.3 - QLDC recommends that community wellbeing and retention of public ownership are added to the objectives of WSEs. Clarify the objective of supporting and enabling housing and urban development to read, “support and enable housing and urban development that is consistent with relevant planning directions and guidance” (clause 11).</p>	
Cl. 16	<p>Shares in Water Services Entities</p> <p>R.5 - Recommend that the share allocation model is revisited to account for average day population, given that infrastructure investment is based on these figures.</p>	Amendment
Cl. 17-19	<p>Authorised acts of Water Services Entities</p>	Supports
Subpart 2	<p>Validity of acts</p>	Supports
Subpart 3	<p>Ministers Role</p>	Supports
<p>Subpart 4</p> <p>Cl. 32</p>	<p>Regional Representative Group</p> <p>Appointment of Regional Representatives – territorial authorities</p> <p>R.6 - Provide clarity on how 22 territorial authorities will collectively appoint members to the RRG.</p> <p>R.8 - Guarantee a seat on the RRG for growth councils.</p> <p>R.9 - Define and embed engagement requirements by RRG with TAs in the Bill with respect to appointment to the RRG, to ensure that the diversity of territorial authorities is represented.</p>	Amendment
Cl. 34-37	<p>Requirements of regional representatives, validity of acts, appointments, resignation</p>	Supports
Cl. 38 - 42	<p>Board Appointment Committee, functions, chair and deputy chair appointments</p>	Supports
Cl. 43 -44	<p>Dispute resolution, official information</p>	Supports
<p>Subpart 5</p> <p>Cl. 45-55</p>	<p>Regional Advisory Panels</p> <p>R.10 - Include in the Bill the requirement that the WSE board and the RRG are to give regard to advice from all RAPs, and that RAPs are mandatory, not optional.</p>	Amendment
<p>Subpart 6</p> <p>Cl. 56-89</p>	<p>Boards of water service entities</p> <p>R.16 - Add urban planning expertise, climate change mitigation and adaptation skills to the required expertise of WSE boards in clause 57(2).</p> <p>R.17 - Amend clause 60 of the Bill to require that all meetings of the WSE be held in public except where provided for by s.47 of the Local Government Information and Meetings Act 1987.</p>	Amendment

Clause ref. in Bill	Title/contents	QLDC position
	<p>R.18 - Request that the scope of just cause be increased to enable the removal of a WSE board, in the event of non-performance by WSE boards.</p> <p>R.22 - Require that all interests in the previous two years also be disclosed before appointment as a board member, to clause 64(1)(c).</p>	
Subpart 7 Cl. 90 - 96	<p>Constitutions of water services entities</p> <p>R.7 - Request that the Bill provide that the RRG for the Southern WSE have 14 members and that this decision is not be left to be determined by the constitution as per clause 91(a)(i).</p> <p>R.11 - Specify the Minister’s power to reject the constitution by providing explicit grounds for exercising that power.</p> <p>R.12 - Include a requirement that all shareholders agree to the initial constitution prior to Ministerial approval.</p> <p>R.13 - Amend clause 95 to require that the RRG undertake shareholder and community consultation, based on the significance of amendments to a WSE constitution.</p> <p>R.14 - Council supports equal representation of mana whenua and territorial authorities on the proposed RRGs and RAPs, but recommends that the Bill is amended to retain the independence of mana whenua and territorial authority representatives to determine their respective appointment processes to the RRG in the constitution</p> <p>R.15 - Add a requirement that constitutions be reviewed within a certain time period.</p>	Amendment
Cl. 97- 114	<p>Qualifications, conflict of interest</p> <p>R.23 - Require disclosure of recent interests.</p> <p>R.24 - Oppose the unilateral right of a chair to grant ‘permissions to act’ (despite having an interest in a matter) in clause 107. Permission, if granted, should have to be by a unanimous vote of the Board at a meeting.</p> <p>R.25 - Improve the timeframes for reporting conflicts to the Appointment Board and RRG in clause 108 (as drafted they will only provide retrospective oversight).</p>	Amendment
Part 3	Operation of Water Service Entities	
Cl. 115- 128	<p>Independence of water service entities, obligations to maintain ownership and control of water services and significant assets, employment of chief executive, good employer requirements, protections from liabilities, methods of contracting, address for service.</p> <p>R.19 – Amend clause 118 to ensure that the principle of retaining public ownership of water services infrastructure by WSEs is maintained.</p>	Amendment
Part 4	Financial and Accounting Matters	
Subpart 1	<p>Government Policy Statement on water services</p> <p>R.26 - The Minister should be required to consult with territorial owners (in addition to the WSE, RRG and Taumata Arowai) when preparing or reviewing a Government Policy Statement on water services.</p>	Amendment

Clause ref. in Bill	Title/contents	QLDC position
Subpart 2	Regional Representative Group's statement of strategic and performance expectations	Support
Subpart 3	Te Mana o te Wai statements for water services	Support
Subpart 4	Reporting obligations R.27 - Removal of water services from local authority infrastructure strategies necessitates a review of this requirement in the Local Government 2002. The shift of water services to WSEs greatly reduces the scope of local authority infrastructure strategies to the point that it could be better framed as a strategic asset management plan, or be given effect to by spatial plans.	Amendment
Subpart 5	Bank accounts, financial independence, borrowing	
Part 5	Monitoring	Supports
Part 6	Miscellaneous provisions	
Clauses 195-222	Reviews, rights or interests in water preserved, engagement, consumer forums, regulations, amendments to other Acts R.28 - The principles of engagement set out in clause 205 should amended to be as rigorous as the consultation requirements in the Local Government Act 2002 (s.82).	Amendment
Schedule 1	Transition and establishment arrangements	
Subpart 1 Cl. 1-6	Transitional provisions – establishment and governance of entities.	Supports
Subpart 2 Cl. 7-14	Transitional provisions – reporting obligations R.29 - Object to s.130(3) Local Government Act 2002 being included in clause 14. Council ownership must not be divested until 1 July 2024, or until the Entity has a constitution and the TA 'owners' and the RRG are in place.	Amendment
Subpart 3 Cl. 15-20	Transitional provisions – employment R.30 - QLDC recommends an amendment to provide definitions for 'primarily engaged', 'senior management' and 'partially engaged'. These definitions will enable effective individual transition support for staff, reducing the risk of losing valuable resource from the industry and help manage the on-going delivery of water services for our community. Also, understanding the impact on individual staff enables QLDC to develop consistent transition support and management processes across all QLDC employees equally.	Amendment
Subpart 4 Cl. 21-24	Transitional provisions – oversight powers of department	Supports
Subpart 5 Cl. 25-26	Transitional tax relief and recovery of costs	Supports
Schedule 2	Water Services Entities and their service areas	

Clause ref. in Bill	Title/contents	QLDC position
Schedule 3	Preparation of planning documents – Statement of intent, asset management plan, funding and pricing plan and infrastructure strategy	
cl. 13-18	<p>Preparation of funding and pricing plan</p> <p>R.31 - Council seeks assurances that a billing and collection scheme be in place for the establishment date (1 July 2024), so that territorial authorities are not left in the position of collecting water services charges through the rating system after WSEs begin operation. If WSEs are responsible for developing a funding and pricing plan prior to the establishment date (schedule 3, clause 16), it is pragmatic that billing and collection also be in place, both to avoid confusion for consumers and support efficiency of operations.</p>	Amendment
Schedule 4	Divestment proposals	Supports

Appendix One – Full list of Council recommendations

Rec. Number	Description	Clause ref. in Bill (where applicable)
R.1	Council urges the Select Committee to pause the Three Waters reform programme, to ensure the most appropriate service delivery model is put forward, and aligned with other reform programmes.	-
R.2	R.2 – Provide more robust definitions to terms in the Bill, including but not limited to: <ul style="list-style-type: none"> • Safe • Efficient • ‘best commercial and business practices’ • ‘incidental to the joint arrangement’ • ‘desirable for the success of a joint arrangement’. 	
R.3	QLDC recommends that community wellbeing and retention of public ownership are added to the objectives of WSEs. Clarify the objective of supporting and enabling housing and urban development to read, “support and enable housing and urban development that is consistent with relevant planning directions and guidance”.	Cl. 11
R.4	Provide clarity on how the close nexus between delivery of water services and the various ongoing reform programmes will be addressed.	-
R.5	Recommend that the share allocation model is revisited to account for average day population, given that infrastructure investment is based on these figures.	Cl. 16
R.6	Provide clarity on how 22 territorial authorities will collectively appoint members to the RRG.	Cl. 32
R.7	Request that the Bill provide that the RRG for the Southern WSE have 14 members and that this decision is not be left to be determined by the constitution as per clause 91(a)(i).	Cl. 91(a)(i)
R.8	Guarantee a seat on the RRG for growth councils.	Cl. 32
R.9	Define and embed engagement requirements by RRG with TAs in the Bill with respect to appointment to the RRG, to ensure that the diversity of territorial authorities is represented.	Cl. 32
R.10	Include in the Bill the requirement that the WSE board and the RRG are to give regard to advice from all RAPs, and that RAPs are mandatory, not optional.	Cl. 45-55
R.11	Specify the Minister’s power to reject the constitution by providing explicit grounds for exercising that power.	Cl. 90-96
R.12	Include a requirement that all shareholders agree to the initial constitution prior to Ministerial approval.	Cl. 90-96
R.13	Amend clause 95 to require that the RRG undertake shareholder and community consultation, based on the significance of amendments to a WSE constitution.	Cl. 95

Rec. Number	Description	Clause ref. in Bill (where applicable)
R.14	Council supports equal representation of mana whenua and territorial authorities on the proposed RRGs and RAPs, but requests that the Bill is amended to retain the independence of mana whenua and territorial authority representatives to determine their respective appointment processes to the RRG in the constitution	Cl. 90-96
R.15	Add a requirement that constitutions be reviewed within a certain time period.	Cl. 90-96
R.16	Add urban planning expertise, climate change mitigation and adaptation skills to the required expertise of WSE boards in clause 57(2).	Cl. 56-89
R.17	Amend clause 60 of the Bill to require that all meetings of the WSE be held in public except where provided for by s.47 of the Local Government Official Information and Meetings Act 1987.	Cl. 60
R.18	Request that the scope of just cause be increased to enable the removal of a WSE board, in the event of non-performance by WSE boards.	Cl. 56-89
R.19	Amend clause 118 to ensure that the principle of retaining public ownership of water services infrastructure by WSEs is maintained.	Cl. 118
R.20	Recommend that Central Government pause the progress of the Bill so that a national level communications and engagement strategy can be provided to all territorial authorities to define the roles and responsibilities for communication and engagement for Central and Local Government. The strategy must be agreed by Local Government.	-
R.21	Recommend that Central Government pause the progress of the Bill and release quality and accessible information on Three Waters reform, the expected benefits, impacts and timelines. This should be developed in consultation with local government (a communications and engagement working group is recommended).	-
R.22	Require that all interests in the previous two years also be disclosed before appointment as a board member, to clause 64(1)(c).	Cl.64(1)(c)
R.23	Require disclosure of recent interests.	Cl. 97- 114
R.24	Oppose the unilateral right of a chair to grant 'permissions to act' (despite having an interest in a matter) in clause 107. Permission, if granted, should have to be by a unanimous vote of the Board at a meeting.	Cl. 97- 114
R.25	Improve the timeframes for reporting conflicts to the Appointment Board and RRG in clause 108 (as drafted they will only provide retrospective oversight).	Cl. 108
R.26	The Minister should be required to consult with territorial owners (in addition to the WSE, RRG and Taumata Arowai) when preparing or reviewing a Government Policy Statement on water services.	Part 4, subpart 1
R.27	Removal of water services from local authority infrastructure strategies necessitates a review of this requirement in the Local Government 2002. The	Part 4, subpart 4

Rec. Number	Description	Clause ref. in Bill (where applicable)
	shift of water services to WSEs greatly reduces the scope of local authority infrastructure strategies to the point that it could be better framed as a strategic asset management plan, or be given effect to by spatial plans.	
R.28	The principles of engagement set out in clause 205 should amended to be as rigorous as the consultation requirements in the Local Government Act 2002 (s.82).	Cl. 205
R.29	Object to s.130(3) Local Government Act 2002 being included in clause 14. Council ownership must not be divested until 1 July 2024, or until the Entity has a constitution and the TA 'owners' and the RRG are in place.	Schedule 1, clause 14
R.30	QLDC recommends an amendment to provide definitions for 'primarily engaged', 'senior management' and 'partially engaged'. These definitions will enable effective individual transition support for staff, reducing the risk of losing valuable resource from the industry and help manage the on-going delivery of water services for our community. Also, understanding the impact on individual staff enables QLDC to develop consistent transition support and management processes across all QLDC employees equally.	Schedule 1, Cl. 15-20
R.31	Council seeks assurances that a billing and collection scheme be in place for the establishment date (1 July 2024), so that territorial authorities are not left in the position of collecting water services charges through the rating system after WSEs begin operation. If WSEs are responsible for developing a funding and pricing plan prior to the establishment date (schedule 3, clause 16), it is pragmatic that billing and collection also be in place, both to avoid confusion for consumers and support efficiency of operations.	Schedule 3