



Ref: SR2428568

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9 September 2024

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Alan Riley

Via email only: fyi-request-28034-d9b170a0@requests.fyi.org.nz

Dear Alan

OFFICIAL INFORMATION REQUEST FOR WATER SERVICES BRIEFINGS

I refer to your official information request dated 13 August 2024, as follows:

"Can you please share any briefings to the Mayor on water services since the 2023 central Govt election? And any correspondence between the Mayor (or Chief Executive) between other Top of the South Mayors and Chief Executives regarding water services over same period?"

Please find **attached** the presentation from a briefing on 12 August 2024 to which Mayors and Chief Executives of all councils were invited. Note that His Worship the Mayor was unable to attend but was provided with the presentation in the invitation.

There is no correspondence from either Mayor or Chief Executive with other with Top of the South Mayors and Chief Executives.

You have the right to seek an investigation and review by the Ombudsman of this response. Information about how to make a complaint is available at www.ombudsman.parliament.nz or Freephone 0800 802 602.

If you wish to discuss this decision with us, please feel free to contact xxxxxx@xxx.xxxx.xx.

Yours sincerely

Devorah Nícuarta-Smith

Manager Governance and Support Services

Encl: Local Water Done Well information sessions for councils Aug 2024 (presentation)

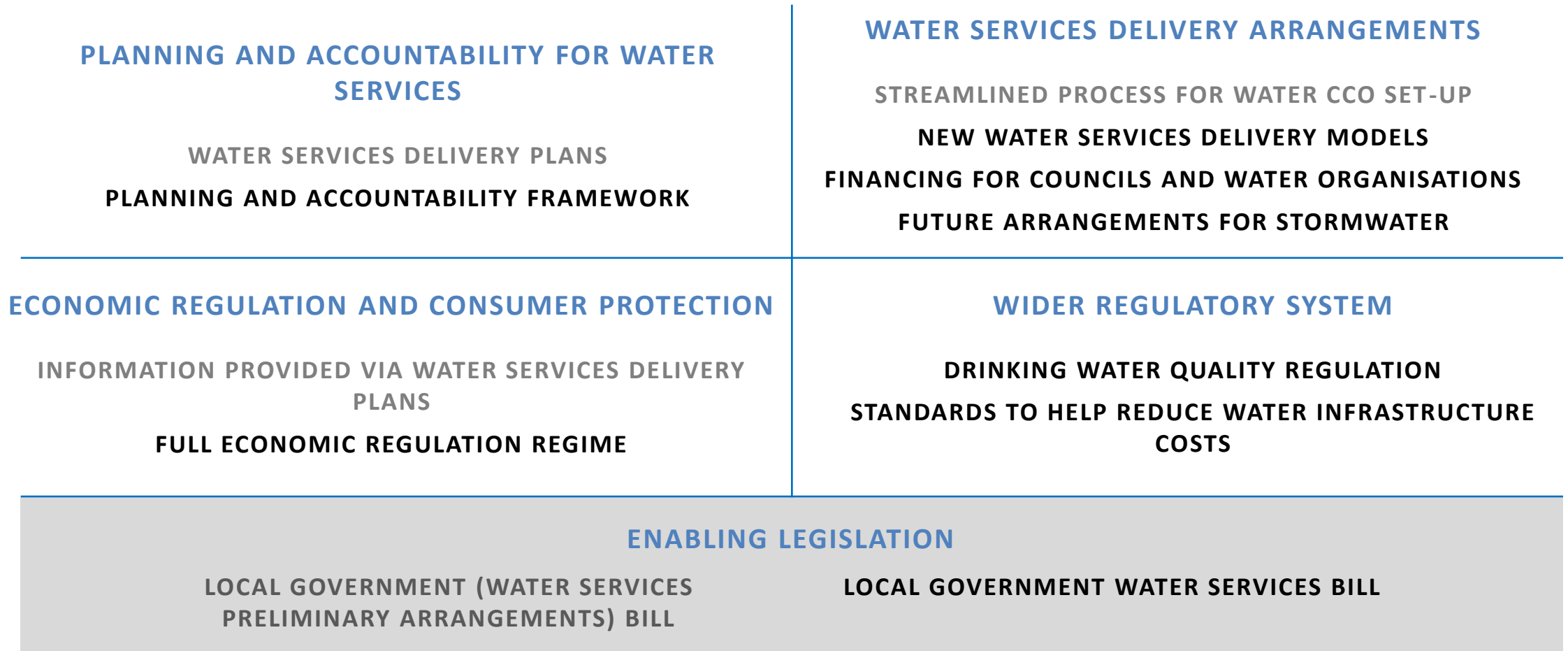
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Local Water Done Well: Enduring settings

Hamiora Bowkett, Executive Director, Water Services Policy

Information session for councils
12 August 2024

A new approach to water services delivery



Water Services Delivery Plans provide foundation for Local Water Done Well

- The Local Government (Water Services Preliminary Arrangements) Bill sets out the content requirements, timeframe, and process for developing and accepting Plans.
- Plans will cover information across three key areas: financial and asset information, investment required and service delivery arrangements.
- Majority of the information required for Plans is expected to come from councils' existing public documents (e.g. long-term plans, financial accounts and asset management plans).
- Plans will be a way for councils to reflect on their current approach to water services delivery and whether it will be 'fit for purpose' into the future.
- Support for councils (once the Bill is enacted) will include 'how to' guidance for developing Plans, Plan template, and formal and informal information sessions.

-  One-off, transitional documents
-  Cover drinking water, wastewater and stormwater
-  Have no regulatory function
-  Can be developed by individual or joint councils
-  Streamlined approach to consultation
-  10-year timeframe; may cover up to 30 years, with detailed info on first three

Councils can choose from a range of water services delivery models

1	Internal business unit or division	<ul style="list-style-type: none"> • Status quo for many councils • Minimum requirements for water service providers will apply • New financial sustainability, ringfencing rules, and economic regulation will apply
2	Single council-owned water organisation	<ul style="list-style-type: none"> • New company established, 100% owned by the council • Financial sustainability rules will apply, but retains a financial link to the council • Councils with existing water council-controlled organisations will be required to meet minimum requirements
3	Multi-council owned water organisation	<ul style="list-style-type: none"> • New company established with multi-council ownership • Appointment of a Board through shareholder council (or similar body) is advisable but not a statutory requirement • Option to access Local Government Funding Agency finance with the provision of parent support or to create a more financially independent organisation
4	Mixed council/consumer trust owned	<ul style="list-style-type: none"> • Consumer trust established to own majority of shares • Mixed ownership, with one or more councils owning minority of shares • Structure enables financially independent organisation to be established while retaining minority council ownership
5	Consumer Trust owned	<ul style="list-style-type: none"> • Council transfers assets to consumer trust owned organisation • Consumers elect trustees to represent their interests in the organisation • Most financially independent of the available models



Financing options available

- The New Zealand Local Government Funding Agency (LGFA) Limited has confirmed that it will provide financing to support water council-controlled organisations (CCOs) established under Local Water Done Well and look to assist high growth councils with additional financing.
- LGFA will extend its existing lending to CCOs to new water organisations that are CCOs and are financially supported by their parent council or councils.
- LGFA will support leverage for water CCOs up to a level equivalent to 500 percent of operating revenues (around twice that of existing councils), subject to water CCOs meeting prudent credit criteria.
- LGFA will treat borrowing by water CCOs as separate from borrowing by their supporting parent council or councils.
- Councils will also retain the ability to borrow through LGFA should they choose to keep water services 'in house' rather than establish a water organisation.
- LGFA is also reviewing whether it can prudently provide additional flexibility to councils to meet the future challenges faced by the sector.



Planning and accountability framework

- Fit for purpose for the new water services delivery system.
- Will help to improve transparency and accountability.
- Supports an enhanced focus on water services.
- Will apply to all local government water services providers.

THREE CORE DOCUMENTS

1. Statement of expectations
2. Water services strategy
3. Water services annual report

Economic regulation ensures sufficient, high-quality investment

- New economic regulation regime for local government water service providers, implemented by the Commerce Commission.
- The Commerce Commission will have a range of regulatory tools, including mandatory information disclosure, to promote efficient practices and protections for consumers.
- The regime will ensure that revenue collected by local government water service providers through rates or water charges is being spent on the level of water infrastructure needed.

TOOLS

1. Information disclosure
2. Revenue thresholds
3. Financial ringfence
4. Quality standards and performance requirements
5. Price-quality regulation



Changes to drinking water quality regulation

- Aim to reduce the cost and burden for drinking water suppliers associated with complying with the Water Services Act 2021.
- Designed to improve the efficiency and effectiveness of the drinking water regulatory regime, and the approach Taumata Arowai takes to regulating this regime.
- Support a regulatory response that is proportionate to the scale, complexity, and risk profile of each drinking water supply.

KEY CHANGES

- How Taumata Arowai regulates drinking water suppliers
- Water Services Authority – Taumata Arowai
- Reducing the regulatory burden, particularly for small, low-risk suppliers
- Change in approach to Te Mana o te Wai
- New approach to wastewater standards – single, consistent standard



Next steps

- August
 - Enactment of Local Government (Water Services Preliminary Arrangements) Bill
 - Water Services Delivery Plan guidance, templates and further information available for councils
- September
 - Water Services Delivery Plan information sessions for councils
 - Technical support for councils to prepare Water Services Delivery Plans (ONGOING THROUGH TO AUG 2025)

Further information

dia.govt.nz/Water-Services-Policy-Future-Delivery-System

Questions?

waterservices@dia.govt.nz



Te Tari Taiwhenua
Internal Affairs

Questions



Te Tari Taiwhenua
Internal Affairs