

Three Waters Reform Programme

March 2021 Engagement Summary

[Full report available here.](#)

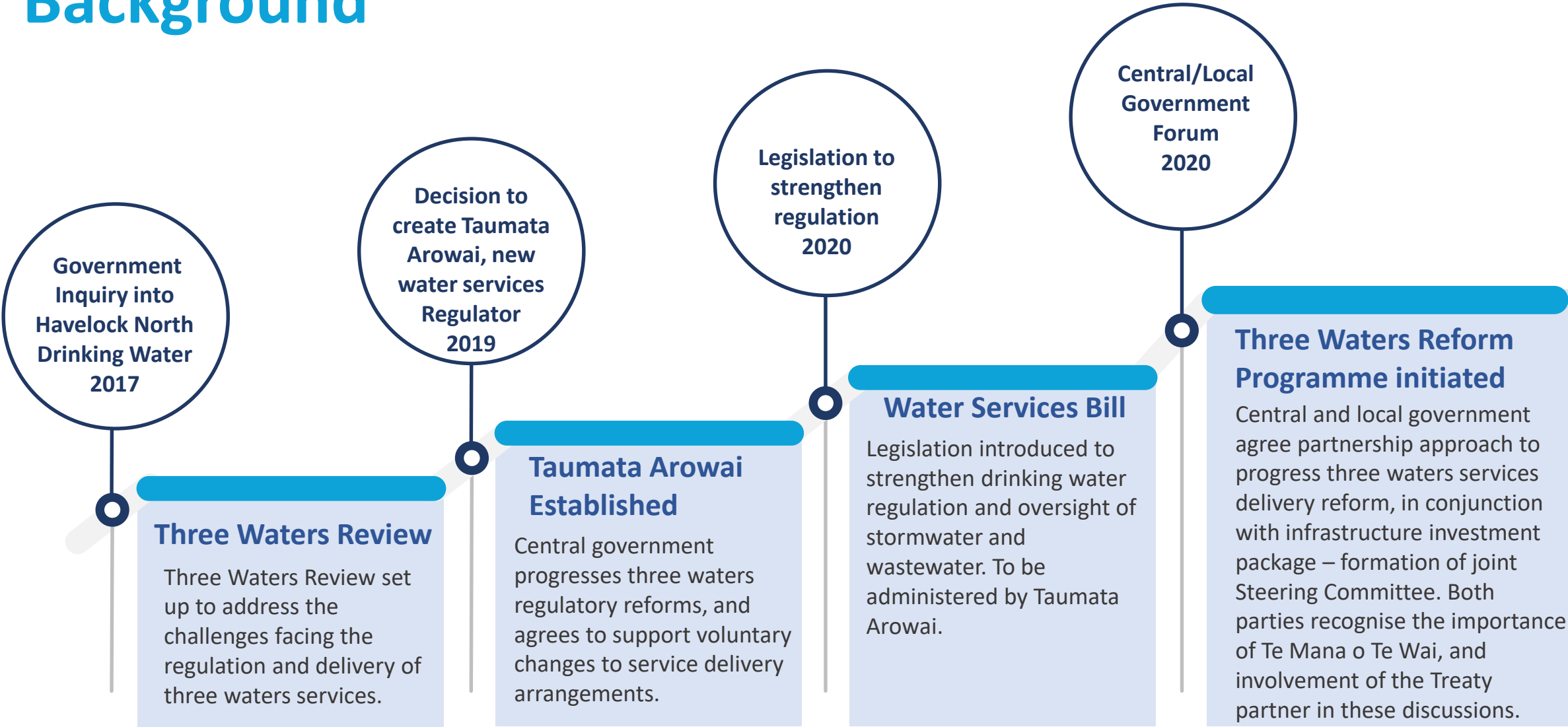
Website: www.dia.govt.nz/Three-Waters-Reform-Programme

Email: threewaters@dia.govt.nz

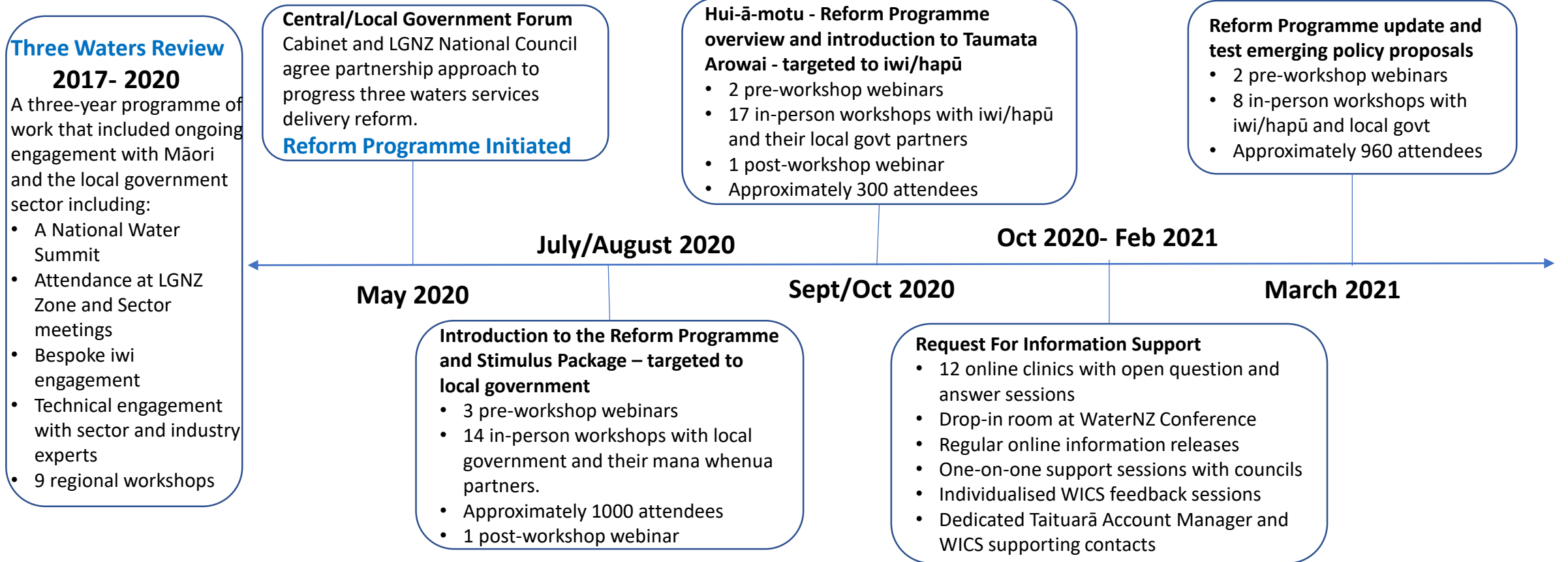


Te Tari Taiwhenua
Internal Affairs

Background



Ongoing engagement



Since mid-2020: Regular update emails, meetings, Technical Reference Groups, and online information releases

10+ update emails to mana whenua contacts 20+ update emails to Mayors and CEs - These are also available online See: Updates from the Steering Committee	20+ Mayoral Forum, Zone/sector meetings/discussions 15 formal and 11 informal discussions/ hui with iwi/hapū representatives	18 Steering Committee meetings, 17 Technical/Māori Reference Group meetings 15 workshops/meetings with industry and Māori groups	Key information releases include: December 2020 Cabinet Paper Stage 1 Economic Analysis Report June 2020 Cabinet Paper
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Impetus for reform

Reviews into the delivery of three waters services in New Zealand have identified significant ongoing challenges and a considerable level of underinvestment in three waters infrastructure

Why is reform needed?



Risk of failure to meet safe drinking water standards

with potentially serious consequences for public health, the environment and the economy



A constrained ability to plan, fund and finance resilient systems

that can cope with climate change, emergencies and natural hazards



Ability to meet national and local environmental objectives

for freshwater and the marine environment



Housing infrastructure supply unable to keep pace with strong demand

in high-growth areas



Limits on regional development and wellbeing

particularly for areas with declining rating bases

Key design features of a new service delivery model

Decisions and directions during 2020 mean the reform proposals will include certain features:



Multi-regional entities of scale

Significant aggregation into a small number of multi-regional activities.



Public ownership

Entities must be publicly owned, with mechanisms to recognise Treaty rights and interests and to prevent future privatisation.



Statutory entities

Three waters entities designed and established by legislation.



Asset ownership

Three waters entities responsible for ownership of all water infrastructure assets.



Competency based boards

Professional directors on three waters boards.



Balance sheet separation

Complete structural separation from local authorities.

Success factors



Independent decision making



Management and governance competency



Mechanisms to recognise Treaty rights and interests of iwi/Māori



Mechanisms to enable community input



Financial independence



Flexible cost effective financing



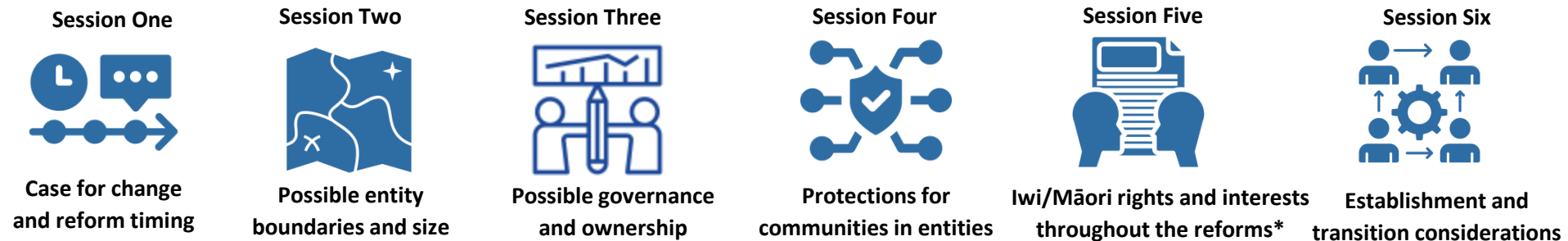
Equity/equality between local authorities



Structural longevity

March 2021 workshop overview

- This slide pack provides a high-level summary of the workshop report. For a detailed summary of the key themes of feedback across the workshops, the break out sessions and sentiment polls by workshop, [the full report is available on the Three Waters Reform Programme website](#).
- Approximately 960 local government, iwi/hapū and industry attendees at the in-person workshops. Over 400 viewed/attended the pre-workshop webinars.
- All local authorities were represented across the eight workshops.
- Approximately 140 Māori attendees. Māori attendees were mostly made up of iwi, hapū and whānau representatives however, hāpori Māori (such as Māori Land Trusts) as well as Māori individuals are also included in this group. Other attendees such elected members and council staff may also whakapapa Māori.
- Presentation topics discussed at the workshop (Slide pack available online here [Engagement Materials](#))



*Te Tiriti partnership and principles and Te Mana o Te Wai considerations are to be woven throughout all elements of the reforms over and above specific mechanisms to consider iwi/Māori rights and interests.

Key themes of feedback...

- The key themes of feedback heard across the workshops are summarised in more detail in the full workshop report. These are summarised on the following slides:

Challenges

- Acknowledgement that the challenges of the status quo are substantial and growing.

Outcomes and opportunities

- Ensuring the Reform Programme remains based in the outcomes (and opportunities) we wish to see for a future Aotearoa and our people.

Tiriti Partnership

- Ensuring the opportunity for stronger mana whenua rangatiratanga in the provision of water services is realised and the reform process embodies a true Tiriti partnership at all stages.

Reform timelines

- The reform timeframes set by the Government were met with concerns about the timing and sequencing of a variety of aspects.

Voluntary or mandatory?

- Questions were raised about whether the reforms should remain voluntary or should be mandated by central Government.

The evidence base

- A need to see more detailed data and analysis at a local level to be able to better understand the implications of the reforms for local communities and how the reforms would achieve efficiencies.

Key feedback continued

Future for local government

- A desire to see answers to the question of what is the future of local governance following the removal of three waters services ahead of the Three Waters and Resource Management Reforms.

Privatisation protections

- Agreement the reforms need to protect against any future privatisation of the water entities but want to see more detail of these protections.

Responsiveness to local needs

- A need to ensure local authorities and mana whenua can influence the new entities' planning and investment decisions to ensure they are responsive to local needs. However, there was debate about the appropriate level of influence of local government in the entities.

Transition management

- Local government attendees were keen understand how the transition of assets and debt would be managed through any future transition and to ensure their good investment would not be punished.

Workforce enhancement

- Concern about the workforce capacity and capability to deliver an increased future works programme and a keenness to see the local workforce enhanced and maintained through the reform programme.

Miscellaneous

- Other themes discussed across the workshops included queries about why the Department has been working with Scotland, what responsibilities the entities would have for working with private supplies, and how rural water schemes are considered in the reforms.

Aggregated sentiment poll results

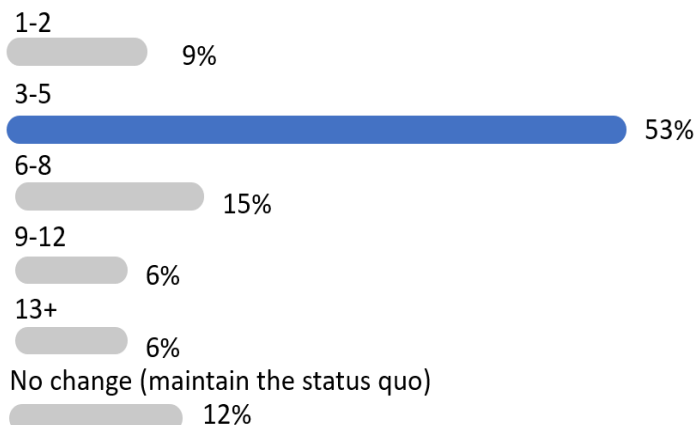
- During the workshops a series of straw polls were taken using an online engagement tool (Slido). These polls are intended as a ***sentiment test only*** and not all workshop attendees participated in the polls. These polls should be considered in this light.
- Number of entities poll. This poll was taken early in the workshops and again at the end of the workshop in 5 of the 8 workshops. Time constraints and participants' travel needs meant this poll was unfortunately not held again at the remaining three workshops.
- We note the Zone 5 workshop results for this poll could be considered an outlier. For aggregated results excluding this workshop please see Appendix B of the full report.
- Separate poll results for each workshop are included in Appendix C of the full report.

Number of entities

Bearing in mind the need to balance scale and other factors, how many entities do you think is best in a reformed system?

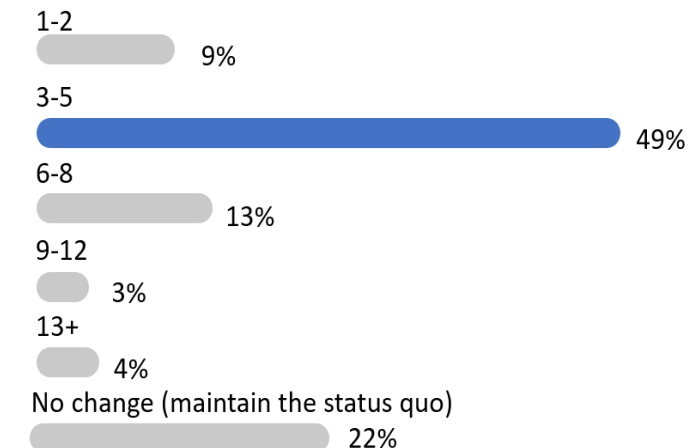
First Poll:

618



Revisit:

258



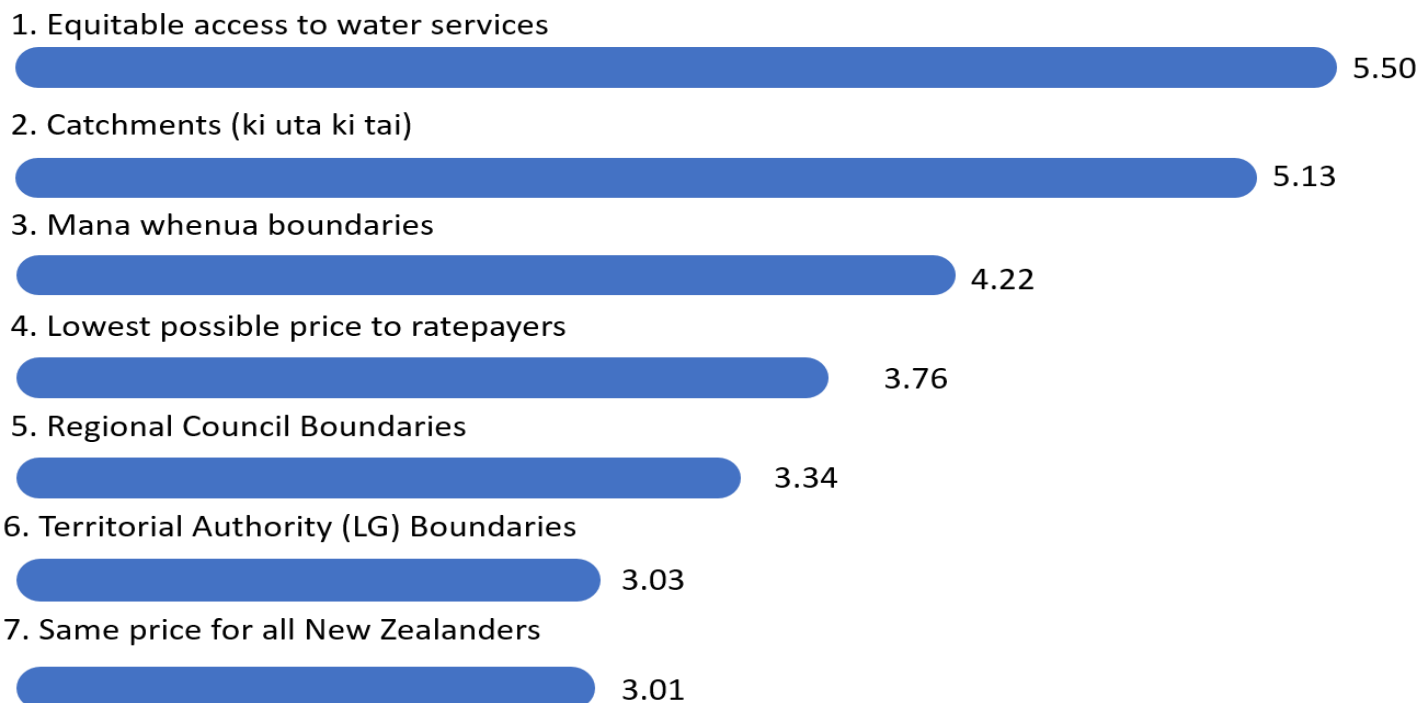
Poll results continued

- Following a presentation about the key considerations the Government would need to take into account to determine the best size and shapes of the entities, the below poll was taken.
- Notably, equitable access to water services and respecting catchments was seen to be more highly valued than achieving a uniform national price for three waters services through this sentiment poll.

Boundary considerations

If you were determining the shape and size of the entities, how would you make these trade-offs.

5 6 1



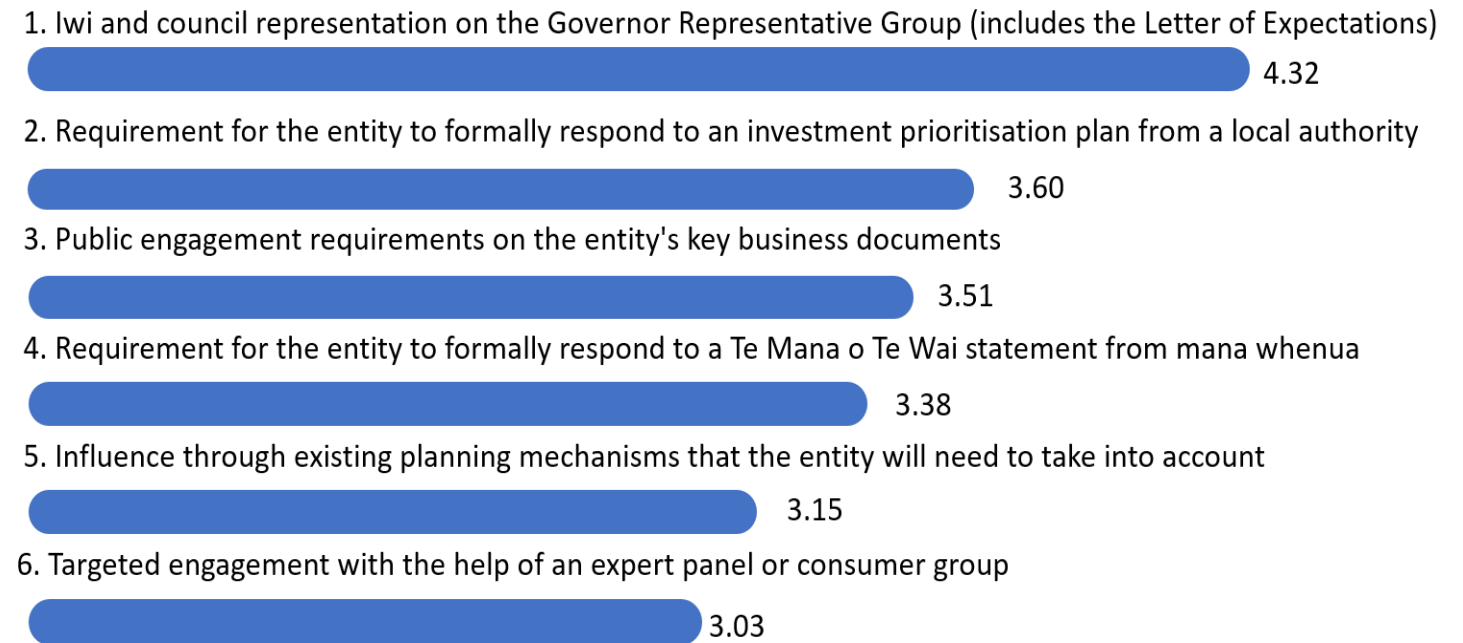
Poll results continued

- Following a presentation about the proposed mechanisms for enabling community influence in the proposed entities we asked attendees to rank some of these proposed mechanisms in terms of effectiveness.
- While iwi and council representation on the Governor Representative Group was ranked as the most effective mechanism in this poll. Māori attendees reflected that there were more council participants in the room. They wanted this noted when considering where the Te Mana o Te Wai statement sits in this poll.

Enabling community influence

Please rank these tools for enabling community influence from most effective to least effective

5 2 3



Poll results continued

- The transition and establishment session included two polls. The results of these are below.

Transition considerations

What activities are most important to get right through the transition/establishment period?

- understanding the future of local government;
- further data and analysis on what the reform will mean for a council and their ratepayers;
- ensuring the current three waters services and programme of works within councils continues to be delivered (and improved) through the transition period;
- supporting, retaining and training the local workforce and giving them certainty as soon as possible;
- gaining clarity on how assets (and associated debt) will be valued and transferred;
- ensuring the governance structures and Board membership is in place, and Board members have the right skills and representation to uphold Te Tiriti and Te Mana o Te Wai;
- good communications, engagement and consultation with iwi/hapū/whānau, councils, and the public;
- getting I.T. and data management systems standardised and in place early.

Workforce considerations

What activity is most important to ensure your workforce is best supported through establishment/transition?

3 2 8



Some elected members in the workshop expressed that they chose not to participate in this poll as they did not think it appropriate for them to comment on a workforce matter.

Next steps

- Feedback from this series of engagements has informed, and will continue to inform, evolving policy analysis and proposals. Identification of issues critical to the local government sector and whānau/hapū/iwi in conjunction with advice and guidance from the joint Steering Committee, will continue to inform reform progress.
- A set of Frequently Asked Questions is also being produced to sit alongside this report to provide responses to the key themes of questions raised across the workshops.
- We understand councils are keen to see analysis and implications for councils of remaining in or opting out of the reforms as soon as possible. We will provide you with this information as it becomes available, but note some parts of this work will be subject to Cabinet decisions discussed below.
- Ministers will consider key design features of the reform proposals in mid-2021 (exact timings are subject to Government timetables.)
- Following Government decisions, further detailed analysis and implications for councils will be available.
- The Steering Committee will work to ensure that decisions are communicated in a timely and appropriate manner.
- As discussed in the workshops, the establishment and transition process for standing up the proposed entities runs through to a start date of 1 July 2024.
- The following slide includes the reform timeline as presented at the March 2021 workshops.

Reform timeline

