RUAPEHU DISTRICT COUNCIL
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23 September 2021

Hon Nanaia Mahuta
Minister of Local Government
Private Bag 18888
Parliament Buildings
Wellington 6160

Dear Minister,

Three Waters Reform Proposal Feedback

We appreciate New Zealand's three waters system faces significant crisis without major transformational reform and recognise the Government's priority toward this matter.

Council wishes to play an active part in developing a solution to overcome the complex challenges posed by the three waters service delivery system. We welcome the initiatives Government is considering, and acknowledge the substantial work undertaken to develop these reform proposals.

Our staff and elected members have engaged with sector experts to help understand the volume of information released, and at our public meeting of Council, 22 September, we considered the proposed package of reforms.

We would like to take this opportunity to share the areas of concern and suggestions for how the proposal could be strengthened that arose from this meeting.

Concerns and Suggestions
Should the Three Waters Reform proceed:

- We need to ensure that the Ruapehu District both has a voice in the system and influence over local decisions;
- The new Water Entity must take into account the views of Ruapehu District Council and must take into account in its decision-making process the priorities of Ruapehu District Council to ensure integration between growth planning and water services planning;
- The new Water Entities must have a rural lens and agility of local service to solve local problems in a timely manner;
- The local Water Entity staff must have delegation to respond immediately and appropriately to local issues;
- Effective representation on the new Water Entities' oversight boards must prevent future privatisation;
- Should privatisation occur, the asset be returned to Local Authorities without possible liability;
- Water services are delivered locally and current customer facing level of service be retained;
- The level of service for any capital works must be undertaken in a timely manner;
- The Statement of Intent of Water Entities should be required to be approved by each Local Authority within that entity and that each Local Authority receive quarterly reporting from water entities;

- The Water Entities must be billing customers directly, no later than three years from their inception;
- Local Authorities retain control of setting and receiving development contributions for their ratepayers to influence growth within their district;
- No ratepayer is paying more for their water than what they currently are (inflation adjusted) and those not paying for water charges at present will have no costs imposed; and

Further Information Requested

We kindly request further information be provided to Council on:

- The proposal for harmonisation of costs within the entity;
- The proposal for customer billing and application of a fair share of costs for ratepayers;
- Clarification on the ownership structure, including land and asset ownership;
- Clarification on how the new Water Services Entities intend to consult on any investments that are made and prioritisation of local projects;
- Clarification on charges for those who have private water supply;
- Clarification on the cost of setting up each Water Services Entity and how this is being funded;
- Clarification of how borrowing will be paid back;
- Clarification on where the main offices of the Water Services Entities will be located, and how this will be determined;
- Clarification of the accountability and reporting requirements of the Water Services Entity to Local Authorities, including Annual Reporting and Service Performance Reporting;
- Clarification of Local Authorities' ability to formally meet with the Water Services Entity to discuss its overall performance and its response to local priorities;
- Clarification of how Service Level Agreements between the Water Services Entity and Households will be implemented and monitored;
- The consideration given to rural communities, which has resulted in the apparent 'one-size-fits-all' model for the basis of the reform proposal;
- Clarification of how household/demand growth will be serviced, and assurances the Water Services Entity will make this a priority;
- What guarantees will there be that only connected properties will pay for the Three Waters Delivery Services (user pays) ;
- What guarantees will there be that Local Authorities will not be charged for ongoing operational costs of the Water Services Entity; and
- Further information is required before we can comment on our preference for Entity B or C.

We thank you for making Allan Prangnell available to our Council meeting when he provided useful background to many of these topics and we also discussed the timeframes of proposed reform government programmes, foremost the Resource Management System, and the Review into the Future for Local Government which would benefit from being more harmonised.

We appreciate the massive amount of feedback you will be receiving and we thank you for inviting us to provide you with our specific feedback.

Yours sincerely

Don Cameron
MAYOR

Clive Manley
CHIEF EXECUTIVE

CC: Ruapehu District Elected Members, LGNZ

Attachment: Report to Council 22 September 2021 that informed the suggestions and request for information