

EXTRAORDINARY MEETING of Council

AGENDA Supplementary Report

Time: 2:00 pm
Date: Wednesday, 4 December 2024
Venue: Waiata House, 27 Lincoln Road,
Masterton

MEMBERSHIP

Mayor Gary Caffell (Chairperson)

Councillor Bex Johnson

Councillor Craig Bowyer

Councillor Brent Goodwin

Councillor David Holmes

Councillor Tom Hullena

Councillor Stella Lennox

Councillor Tim Nelson

Councillor Marama Tuuta

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5.2 REPORTS FOR DECISION

S.1 SUPPLEMENTARY REPORT PROVIDING ADVICE ON THE NOTICE OF MOTION

File Number:

Author: Kym Fell, Chief Executive

PURPOSE

The purpose of this report is to provide the Council with advice relating to the Notice of Motion from Councillors Johnson, Holmes and Bowyer on the agenda at this meeting.

RECOMMENDATIONS

That Council:

1. **Notes** the advice provided in this report relating to the Notice of Motion from Councillors Johnson, Holmes and Bowyer on the agenda at this meeting.

CONTEXT

The Chief Executive reported to the Council meeting held on 13 November 2024 on the progress undertaken on Local Water Done Well, the Government's programme and to seek direction on which options for a water services delivery model to develop for consultation with the community in March 2025. Council passed Resolution 2024/116 with respect to the progression of the Wellington regional water services delivery joint arrangement:

That Council:

1. **Notes** that by not exiting the Wellington Regional Model, this model will continue to be developed for consultation with the community.

Councillors Johnson, Holmes and Bowyer have given the Chief Executive notice of a proposal to revoke that resolution and substitute it with the following:

1. **Agrees** not to continue to develop the Wellington region water services delivery joint arrangement for consultation with the community and exits those joint arrangements.

The councillors have provided information in support of the requirement in Standing Order 24.1(d) to provide sufficient information to satisfy the decision-making provisions of sections 77-82 of Part 6, of the LGA 2002.

The councillors have noted that the proposal is likely to be deemed a significant decision and should be referred to the Chief Executive to consider and report, in accordance with Standing Order 24.1.

ANALYSIS AND ADVICE

Compliance with Standing Order 24.1 – Significant Decision

Officers noted in the report to the 13 November 2004 meeting that Council's three waters network are strategic assets under the Council's Significance and Engagement Policy. Changes to the delivery of water services will have high significance for the community.

The proposal to substitute Resolution 2024/116 with a resolution to exit the Wellington region joint arrangements is a significant decision.

For completeness, officers further noted in the report to the 13 November 2024 Council meeting that the Significance and Engagement Policy provides for circumstances where community engagement prior to making a decision is not appropriate or necessary. This includes where decisions are needed urgently and when other legislation dictates the process for consultation and decision-making. The report noted that the Government has provided for a streamlined process of consultation and decision-making regarding the transfer of water services through the Local Government (Water Services Preliminary Arrangements) Act 2024. Part 3 of the Act sets out modified consultation and decision-making requirements for councils in place of certain consultation and decision-making requirements in the Local Government Act 2002.

Compliance with Standing Order 24.1 – Decision-Making Requirements

Standing Order 24.1(d) requires sufficient information to be provided to satisfy the decision-making requirements of the LGA. The proposal includes supporting information on the implications of Resolution 2024/116. Officers consider that the supporting information together with the information provided in the officers' report to the 13 November 2024 Council meeting is sufficient information to satisfy the LGA requirements.

Local Government Water Services Bill

A motion to delay decisions on the water services delivery models until after the introduction of the third Local Water Done Well Bill in December 2024 was put and lost at the 13 November 2024 meeting. Discussion included whether there was sufficient information on the likely content of the Bill to make a decision to exit any of the water services delivery arrangements ahead of the Bill being introduced. Officers were of the view at the meeting that there was sufficient information about the policy content of the Bill available from the DIA (as set out in the bullet points below) and reflected in the accompanying reports, for Council to make the decision which models to progress for community consultation.

For completeness, the Government will introduce the Local Government Water Services Bill in December 2024 which aims to establish the enduring settings for the new water services system. The policy content of the Bill is contained within three Cabinet papers dated 8 August 2024 available on the DIA Proactive Releases website available [here](#). Summary information is provided on the DIA website [here](#).

There are two policy parts to this stage of the reforms.

Local Government Water Service Delivery Arrangements

- Water services delivery models, including stand-alone business units, water services council-controlled organisations, and consumer trusts;
- Ownership, governance and structural arrangements;
- Financial sustainability and ringfencing requirements and restrictions against privatisation;

- Financing options including LGFA lending;
- Planning and accountability framework for water services including core components of a statement of expectations, a Water Services Strategy and an annual report;
- Provision for managing urban stormwater; and
- Treaty of Waitangi settlement obligations.

New Regulatory Regime for Water Services

- New economic regulation implemented by the Commerce Commission based on information disclosure and price-quality regulation including the ability to set minimum and/or maximum revenue thresholds or maximum price that may be charged, and minimum quality standards over a certain period;
- Ministerial assistance and intervention arrangements;
- Reducing the regulatory burden for some drinking water suppliers;
- Changes to the operation of Taumata Arowai / Water Services Authority;
- Repealing the requirement to give effect to Te Mana o te Wai and giving effect to freshwater plans and policy statements;
- Changing wastewater and stormwater environmental standards; and
- Provision for charging and billing for water services including access to the Rates Rebate Scheme.

ATTACHMENTS

Nil