

**Date:** Thursday 23 June 2022  
**Time:** 10.00am  
**Meeting Room:** Reception Lounge  
**Venue:** Auckland Town Hall  
301-305 Queen Street  
Auckland

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## Tira Kāwana / Governing Body

# OPEN MINUTE ITEM ATTACHMENTS

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# Water Services Entities Bill - approach to submission

Denise O'Shaughnessy, Manager Strategic Advice

Governing Body | 23 June 2022

## Legislative context

First of three bills

- Bills 1 and 2 establish water services entities (WSE) and their functions
- Bill 3 establishes economic regulation and consumer protection regimes (council submitted on discussion paper December 2021)

### **Bill 1 (this bill): submissions due 22 July, select committee report 11 November**

- ownership, governance, accountability arrangements
- enables entities to undertake necessary establishment and transition tasks

Bill 2: expected September 2022

- transfer of assets, liabilities interests to water services entities
- changes to local government and other legislation, e.g. transfer of LGA obligation to maintain water services



## Ownership and governance arrangements

- WSE co-owned by territorial authority owners, shares allocated on population basis
- 2-tier governance:
  - Regional Representative Group (RRG) – appoints and removes board members, sets strategic direction, reviews WSE performance
  - professional skills-based board
- Composition of RRG set in constitution
- Northern Water Services Entity expected to be 14 members:
  - 4 Auckland Council, 4 Tāmaki Makaurau iwi/hapū
  - One from each Northland council, 3 Te Tai Tokerau iwi/hapū
- Board members accountable to RRG – annual statement of intent provides basis for assessment of performance
- Regional advisory panels may be established
- Single constitution set in regulations – RRG can subsequently amend





## Requirements of water services entity (WSE)



<b>Te Tiriti o Waitangi/ Te Mana o te Wai</b>	<ul style="list-style-type: none"><li>• Give effect to Te Tiriti principles and Te Mana o te Wai</li><li>• Set out response to Te Mana o te Wai statements issued by iwi/hapū</li></ul>
<b>Consumer and community engagement</b>	<ul style="list-style-type: none"><li>• Establish consumer forum, prepare annual consumer stocktake</li></ul>
<b>Reporting obligations</b>	<ul style="list-style-type: none"><li>• Prepare annual statement of intent – strategic elements to be approved by RRG</li><li>• Prepare, engage with territorial authority owners, consumers and communities on:<ul style="list-style-type: none"><li>○ Asset management plan</li><li>○ Funding and pricing plan</li><li>○ 30 year infrastructure strategy</li></ul></li></ul>

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## Transition and establishment arrangements



<b>Establishment arrangements</b>	<ul style="list-style-type: none"><li>• Minister to appoint establishment boards and establishment chief executive</li><li>• Department CE to determine which employees transfer to WSE</li></ul>
<b>Allocation schedule</b>	<ul style="list-style-type: none"><li>• Establishment CE to prepare allocation schedule (no requirement to engage with territorial authority owners)<ul style="list-style-type: none"><li>○ must specify assets/liabilities that should not transfer to WSE</li><li>○ must be consistent with water services plan prepared by Department CE</li></ul></li></ul>
<b>Oversight powers of DIA</b>	<ul style="list-style-type: none"><li>• Territorial authority owners must seek confirmation from DIA on intended decisions related to water services provision:<ul style="list-style-type: none"><li>○ annual plan, LTP amendment</li><li>○ LGA policies or plans</li><li>○ purchase or disposal of assets with material impact on provision of water services or financial wellbeing of organisation</li><li>○ contracts</li></ul></li></ul>



## Next steps

- Staff will draft submission to Select Committee – due 22 July 2022
- Submission to:
  - Be consistent with previous resolutions of the Governing Body, and with Minority Report issued by the Mayor as part of the Representation, Governance and Accountability Working Group
  - Address any specific issues in the Bill’s provisions that might have a negative impact on Auckland



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## Recommendations

That the Governing Body:

- a) Endorse the development of Auckland Council's submission on the Water Services Entities Bill consistent with resolutions of the 23 September 2021 Governing Body meeting (Attachment C) and the Mayor's Minority Report (Attachment D).
- a) Delegate to the Chair and Deputy Chair of the Governing Body, and the Watercare Liaison Councillor, the authority to amend and approve the submission, including any amendments that might mitigate the negative impact of the Bill on Auckland.
- a) Delegate to the Mayor the authority to speak to the submission on behalf of the Governing Body at the Finance and Expenditure Select Committee.