

21 July 2022

Committee Secretariat
Finance and Expenditure Select Committee
Parliament Buildings
WELLINGTON

Tēnā koutou katoa,

WATER SERVICES ENTITY BILL - NELSON CITY COUNCIL SUBMISSION

Thank you for the opportunity to submit on the Water Services Entity Bill (the Bill) as first read in Parliament on 9 June 2022.

Nelson City Council supports the Bill's intent to provide safe, reliable, and efficient water services. Nelson City Council is a unitary council in Te Tauihu and is the primary water services provider to Nelson City residents. While NCC has done a good job of developing and managing its three water assets, we are still subject to the same challenges faced by most water services providers in New Zealand, namely ageing infrastructure, high construction costs, increasing pressure for multiple use of water catchment areas, a growing population, and the impacts of climate change.

As a result, we have a strong interest in the legislative, regulatory and proposed strategic and operational frameworks under which water services will be delivered and note the requirement for circa \$185billion investment in water infrastructure over the next 30 years.

Nelson City Council has sought public feedback on the Bill via an online survey, written and oral statements. We have considered this feedback in preparing this submission.

Nelson City Council has reviewed the draft submissions from Local Government NZ and Taituarā – Local Government Professionals Aotearoa, and these comments won't be replicated in this submission.

Nelson City Council notes the incorporation of 44 recommendations from the council-iwi governance working group into the proposed legislation, and that the proposed second bill will include arrangements for the transfer of assets, and the establishment of Asset Management Plans, Funding and Pricing Plans, and Infrastructure Strategies.

However, in recognition of the geographical location of Te Tauihu at the top of the South Island and the importance of our association with Te Waipounamu, Nelson City Council submits that the territorial authorities and iwi that make up Te Tauihu are more appropriately part of the Southern Water Services Entity rather than the Eastern-Central Water Services Entity. Nelson City Council makes this submission in support of the initiative proposed by Tasman District Council and after engaging with Marlborough District Council and the eight iwi that make up Te Tauihu. Nelson City Council supports the desire of Tasman District Council and Marlborough District Council to maintain the operational integrity of their respective boundaries, recognising the benefits of aligning with the

recent central government health reforms which were based on a single entity for the whole of Te Waipounamu.

In recognising this is the first Bill of two in the proposed Water Services Reforms, there are specific issues relating to the Governance and Advisory, Accountability, Consumer Interests, Ownership and Privatisation, and Transitional Arrangement areas we would like to bring to the committee's attention.

GENERAL COMMENTS

Representation

 Not all Councils will be represented on the Regional Representative Group, so the Regional Advisory Panel arrangements (geographical and category user) require some amendments to ensure both Territorial Authority and local community voice.

Requirements for reporting to and consultation with Territorial Authorities

• As owners of the Entities, reporting and consultation requirements with Territorial Authorities by the Water Services Entities needs to be increased.

Local Government planning cycles and Council core business

• The Bill should ensure alignment with current Local Government planning cycles and reflect that water services and infrastructure are intrinsically linked to other core Council business.

Territorial Authority affects

 Territorial Authorities will need to retain some level of in-house capability to provide informed commentary on what the Entities are doing in terms of priority setting and to input into land use, consenting and subdivisions. This is not referenced in the proposed legislation.

Public feedback main areas of concern

To inform our submission, Nelson City Council sought feedback from key stakeholders and the wider public. Over 120 items of feedback were received. 87% were opposed to the Three Waters Reforms, with a portion of those providing specific feedback on the Water Services Entities Bill. 13% were in favour of reforms, highlighting the need for change.

Of those that provided feedback, the main concerns included:

- Loss of ownership and control of Nelson's very good water services assets that ratepayers have invested in over many years.
- Nelson will be disadvantaged due to cross-subsidisation.
- Loss of local accountability to make sure that the network is maintained and grown as desired by the residents.
- Concerns around multiple layers of decision making/bureaucracy, increasing costs and slowing maintenance and growth.
- Concerns around the makeup of the strategic oversight being representative of the population.
- No equity return on assets or ownership dividend.
- Lack of opportunity for people to directly influence or engage with decision makers.

CLAUSE SPECIFIC COMMENTS

PART 1 – PRELIMINARY PROVISIONS

6 INTERPRETATION

Financial Year. Nelson City Council (hereafter referred to as Council) questions if the financial year definition should be a specific year (30 June 2022) or if this should read 'the 12 months ending 30 June'

Proposed change: *financial year* means the 12 months ending on the close of 30 June in any calendar year.

9 TREATY SETTLEMENT OBLIGATIONS PREVAIL

Council questions why this is different from the requirements under the Local Government Act 2002. The Select Committee needs to give consideration to how this clause works in practice.

PART 2 – WATER SERVICES ENTITIES

11 Objectives of water services entities

Council believes clarification should be included on how councils can still advocate for local projects.

Council is also concerned that the reference to 'enable' in clause (c) will unfairly place a cost burden on existing customers to fund growth without the apparent ability to recover costs from developers or be assured the developments are in line with Council planning decisions. Council would like a reference to these associated planning processes included. Council believes that provision must also be made to allow the entities to recover costs of growth-related infrastructure through some form of development contributions. It is not expected that councils would collect those costs on behalf of the entities.

Proposed change:

- 11 The objectives of each water services entity are to—
- (a) deliver water services and related infrastructure in an efficient and financially sustainable manner while taking into account the desirability of including a balanced geographical spread of work programmes across the territorial authorities in the entity:
- (c) support and enable housing and urban development in accordance with territorial authority or central government overarching planning documents:

13 OPERATING PRINCIPLES

Council generally supports the operating principles of the water service entities but notes duplication between (a) and (g). Council suggests that clause (a) be deleted.

Proposed change:

13 Operating principles

The operating principles of a water services entity for the purposes of section 73 are—

(a)developing and sharing capability and technical expertise with other water services entities and throughout the water services sector; and

- (a) being innovative in the design and delivery of water services and water services infrastructure; and
- (b) being open and transparent, including in relation to.
- (i) the calculation and setting of prices; and
- (ii) determining levels of service delivery to communities and consumers; and
- (iii) reporting on the performance of the water services entity; and
- (c) partnering and engaging early and meaningfully with Māori, including to inform how the water services entity can.
- (i) give effect to Te Mana o te Wai; and
- (ii) understand, support, and enable the exercise of mātauranga Māori, tikanga Māori, and kaitiakitanga; and
- (d) giving effect to Treaty settlement obligations to the extent that the obligations apply to the duties and functions of the entity; and
- (e) partnering and engaging early and meaningfully with territorial authorities and their communities; and
- (f) co-operating with, and supporting, other water services entities, infrastructure providers, local authorities, and the transport sector.

15 STATUS OF WSE

Council suggests sec 15 is amended to confirm that entities are network utility operators and that sec 166 of the Resource Management Act is amended to include the entities as requiring authorities. This will improve the ability of entities to meet the operating objectives by efficiently establishing the status of entities in terms of district and regional plan development.

Proposed change: New clause (6) is added

Network Utility Operator

(6) A water services entity is a network utility operator.

17 CORE THINGS WATER SERVICES ENTITIES CAN DO

Council notes that the entities are not able to develop bylaws to regulate activities that may impact the operation of their assets and suggests that the Bill makes provisions for entities to request/require territorial authorities to make bylaws to support the entities lawful operations. As noted in clause 15 requiring authority status will mean they could also have the power to designate sites under the Resource Management Act 1991 for activities where a bylaw was not required.

Proposed change:

17(a)A water services entity may do anything that is authorised by this Act.

(b)A water services entity may request territorial authorities to make bylaws that are necessary to support the water services entity to successfully meet its objectives set out in section 11.

26 MINISTER'S ROLE

Council supports ensuring the Minister's role within the new Water Service operating model is clearly defined, with GPS issued, and Crown appointments to perform functions in circumstances if required.

27 ESTABLISHMENT AND MEMBERSHIP OF REGIONAL REPRESENTATIVE GROUP

Council would like this clause to include consideration of regional balance, including requirements of balance of members throughout the geographical area of the Water Services Entity. Making this a requirement will safeguard communities where not every Council is represented on the Water Services Entity, noting in Entity C a maximum of 7 out of 21 Councils will have representation. See sec 91(a).

28 ROLE OF REGIONAL REPRESENTATIVE GROUP

Council supports the role of the Regional Representative Group.

29 COLLECTIVE DUTY OF REGIONAL REPRESENTATIVE GROUP

Council supports the requirement for the Regional Representative Group to act for the benefit of the whole community including consideration of diversity of communities and future interests. Council would like the words '…or mostly…' to be deleted from clause (a) to remove a source of potential ambiguity from the Bill.

Proposed change:

29(a) wholly or mostly for the benefit of all communities in the entity's service area; and

40 BOARD APPOINTMENT REMUNERATION POLICY

Council believes there may be a role for the Remuneration Authority or State Services Commission in the preparation of the remuneration policy for Board members, similar to their involvement in setting local government elected member fiscal envelopes. This could provide more certainty to the public.

Proposed change:

40 (c)a remuneration and expenses framework for members of the entity's board subject to the approval of the state services commission.

41 REGIONAL REPRESENTATIVE GROUP CHAIR APPOINTMENTS

Council believes a requirement should be included in this clause so as to exclude the Chair and Deputy Chair being from the same Territorial Authority, or at minimum, a consideration given to geographical representation.

See sec 91 (a)(x).

44 LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987 FOR REGIONAL REPRESENTATIVE GROUPS

Council supports bringing the Regional Representative Group into the Local Government Official Information and Meetings Act 1987 regime, including for information held by the entity and meeting requirements.

45 ESTABLISHMENT AND MEMBERSHIP OF REGIONAL ADVISORY PANELS

Council supports the establishment of Regional Advisory Panels. The number and membership of these panels should include geographical and user group representation to best serve local and diverse communities, as these will be fundamental to the responsiveness of the Water Services Entity to local concerns. See 91.

53 APPOINTMENT OF REGIONAL ADVISORY PANELS CHAIR(s) and CO-CHAIR(s)

Comment as per 41. Especially if the Regional Advisory Panels have no reference to geographical location in the establishment. See 91.

55 LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987 FOR REGIONAL ADVISORY PANELS

Council supports bringing the Regional Advisory Panels into the Local Government Official Information and Meetings Act 1987 regime, including for information held by the entity and meeting requirements.

57 MEMBERSHIP OF BOARD

Council supports competency-based board appointments by expertise and skill. Where possible, the board appointment criteria should include the desirability of understanding the needs of rural, provincial, and metro water services users. Council believes that each board member should be able to demonstrate qualifications, skills and experience in at least two of the areas 57(2)(a)-(d). See 63(2) and (3).

61 LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987 FOR BOARDS

Council supports bringing the Water Services Entity Board into the Local Government Official Information and Meetings Act 1987 regime, including for information held by the entity and meeting requirements.

62-67 BOARD APPOINTMENTS

Council believes that these clauses should include a requirement to notify the Territorial Authorities, as owners of Water Services Entities, of Board appointments. Council also believes that clause 65 should include a maximum limit of two five year terms for board members to allow development of new board members and ensure ongoing innovation in the governance area.

Proposed change:

- 63 Criteria for appointments by board appointment committee
- (2) The board appointment committee may only appoint a person who, in the committee's opinion, has the appropriate knowledge, skills, and experience in at least two of the areas identified in section 57 (2) to assist the water services entity to achieve its objectives and perform its functions.
- (3) In making an appointment, the board appointment committee must take into account the desirability of promoting diversity and of understanding the needs of rural, provincial, and metro water services users across the entity service area in the membership of the board.

(2) A board member may only be reappointed once.

91 WHAT CONSTITUTION MUST CONTAIN

Council generally supports the composition, procedures, remuneration, costs and meeting requirements of Regional Representative Groups, Regional Advisory Panels, and any other committees.

Council notes each Water Services Entity Constitution can be amended, and this potentially enables each Entity to favour one area over another when carrying out their functions. Council believes that clauses 91(a)(ii) and (x) and (f)(iii) and (x) should require balanced geographical representation across territorial authorities in the entity reflecting the different communities at a sub-region level— with a least one representative from Te Tauihu. The latter would recognise the unique geographical position of the three territorial authorities in the top of the South Island.

Proposed change:

91 What constitution must contain

Composition of regional representative group

- (a) the composition of the regional representative group, including—
- (i) whether the group consists of 12 or 14 regional representatives (see section 27(2) and (3)); and
- (ii) the procedures for the appointment of territorial authority representatives to the group to include a balanced geographical representation across the territorial authorities in the entity reflecting the communities of interest in the entity sub-regions— with a least one representative from Te Tauihu (see section 32); and

(iii).....

- (x) how the group's chairperson and deputy chairperson are elected or appointed or, if the constitution provides that the group has co-chairpersons and deputy co-chairpersons, how they are elected or appointed to include a balanced geographical representation across the entity (see sections 41 and 42):
- (f) the composition of a regional advisory panel, including—
- (iii) the procedures for the appointment of territorial authority members to the panel to include a balanced geographical representation across the territorial authorities in the entity service area (see section 50); and
- (x) how the panel's chairperson and deputy chairperson are elected or appointed or, if the constitution provides that the panel has co-chairpersons and deputy co-chairpersons, how they are elected or appointed to include a balanced geographical representation across the entity service area (see sections 53 and 54):

94 FIRST CONSTITUTION OF WATER SERVICES ENTITY

Council believes that important detail on the development of the entities resides in the first constitution and that in the interests of making an informed decision this document should be developed before the Bill completes its parliamentary process.

95 PROCESS FOR AMENDING OR REPLACING CONSTITUTION

Due to the importance of the Water Services Entity constitution, Council believes a requirement for public notification of change should be included in this clause. This would align with current practice of similar entities such as the Network Tasman Trust. Consideration should also be given to the public's ability to challenge changes to the Water Services Entity constitution.

Proposed change:

95(3) A draft constitution, or a proposed amendment to the entity's constitution, must

be-

- (a) in writing; and
- (b) developed in consultation with the territorial authorities and mana whenua that make up the water service entity in the service area; and
- (c) approved at a general meeting of the group by a resolution passed by a 75% majority of all of the group's regional representatives; and
- (d) otherwise proposed in accordance with the constitution.

99 to 112 CONFLICT OF INTEREST DISCLOSURE

Council notes the Governance/Advisory Group obligations and interest registers. Any interest register should be consistent with proposed changes to the local government pecuniary interest registrar currently before parliament. Consideration should also be given to the Office of the Auditor-General guidelines and templates. All other matters should reflect local government practice.

114 DUTIES TO PROVIDE FUNDING AND INFORMATION

114 (2) Water Services Entities Information provision is outlined for Regional Representative Groups or Regional Advisory Panels, but not Territorial Authorities or mana whenua (as owners).

Proposed change:

Duty to provide information

- 114(2) A water services entity must provide information that the entity holds if that information is required—
- (a) by any territorial authority or mana whenua in the entity's service area, the entity's regional representative group or a regional advisory panel for that group; and
- (b) to help the territorial authority, mana whenua, group or panel perform or exercise its duties, functions, or powers.

PART 3 – OPERATION OF WATER SERVICE ENTITIES

115 SAFEGUARDING INDEPENDENCE OF WATER SERVICE ENTITIES

While supportive of this clause in general, Council believes clarification should be included on how councils can still advocate for local projects. See 11(a).

116 OBLIGATION TO MAINTAIN WATER SERVICES

Council supports clause 116, reflecting the current requirements on Territorial Authorities under the Local Government Act. Council notes the Bill should include a provision to remove this related section under the Local Government Act once the transition has been completed, to avoid conflicting references in two legislative instruments. See 214.

117 CONTRACTS RELATING TO PROVISION OF WATER SERVICES

Council supports the requirements for the Water Services Entities to continue to be legally responsible and retain control of pricing and policy. Council asks the Select Committee to consider s17A of the Local Government Act and the requirement to review contracts to ensure efficiency at regular intervals (this Bill stipulates the ability to enter into contracts up to 35 years).

Council supports joint arrangements, or joint Water Services Entity arrangements up to 35 years (as per Part 6 of Local Government Act).

Proposed change:

- 117 Contracts relating to provision of water services
- (2) If a water services entity enters into a contract under subsection (1), it must—
- (a) continue to be legally responsible for providing the water services; and
- (b) maintain ownership of the infrastructure and assets relating to the water services; and
- (c) retain control over—
- (i) the pricing of water services; and
- (ii) developing policy related to the delivery of water services; and
 - (d) review the terms and conditions of the contract every six years [in-line with s17A Local Government Act 2002] to confirm the contract is still the most appropriate mechanism for delivering services.

118 JOINT ARRANGEMENTS FOR PURPOSE OF PROVIDING WATER SERVICES

Council supports the ability for Water Services Entities to enter into joint arrangements to help drive efficiencies and ensure consistency across the country.

120 to 126 WATER SERVICES ENTITY GOOD EMPLOYER

Council supports Chief Executive employment and Good Employer statements for all employees, including liability protections. Noted there is no provision for guarantee or longevity of employment within a Water Services Entity.

128 ADDRESS FOR SERVICE

Council suggests the clause should include the requirement for this address to be within the Water Services Entity boundary.

Proposed change: The address for service in respect of a water services entity is the address of the head office of the entity which must be within the water entity service area.

PART 4 – FINANCIAL AND ACCOUNTABILITY MATTERS

132 GOVERNMENT POLICY STATEMENT GIVE EFFECT

Council questions the lack of an implementation timeframe within the legislation, unless such timeframes will be provided within the Government Policy Statement itself.

134 GOVERNMENT POLICY STATEMENT PUBLISH AND PRESENT

Council believes that section 134(1) should be expanded to include a copy to each Territorial Authority.

Proposed change:

134 As soon as practicable after issuing a Government policy statement, the Minister must—
(a) present a copy to the House of Representatives; and

(b) arrange for a copy to be given to each water services entity and every territorial authority within the entities service areas.

138 REGIONAL REPRESENTATIVE GROUP PUBLISH AND PRESENT STATEMENT OF STRATEGIC AND PERFORMANCE EXPECTATIONS

Council believes that section 138(2) should be expanded to include supplying a copy of the statement to each Territorial Authority.

Proposed change:

138(2) The board must make the statement of strategic and performance expectations publicly available as soon as practicable after it is issued by publishing a copy on an Internet site maintained by, or on behalf of, the entity in a format that is readily accessible. A copy is also to be supplied to territorial authorities within the entity's service areas.

144 BOARD MUST PREPARE STATEMENT OF INTENT

Council considers that there should be a requirement for the content of statement of intent to be presented at both Water Services Entity and geographical regional levels so local communities can have access to information at a level that reflects their needs.

Proposed change:

144(3) (c) be prepared at both entity and geographical regional levels across the entity service area;

146 BOARD PUBLISH STATEMENT OF INTENT

This should include a requirement for a copy of all statements to be sent to Territorial Authorities as owners of the entity, where they can be publicly available.

Proposed change:

146 The board of a water services entity must, as soon as practicable after providing a statement of intent to the entity's regional representative group, make the statement publicly available by publishing a copy on an Internet site maintained by, or on behalf of, the entity in a format that is readily accessible and providing a copy to territorial authorities within the entity's service areas.

147-148 PREPARATION AND CONTENT OF ASSET MANAGEMENT PLANS

Council suggests consideration of a name change to Asset and Activity Management Plan, which signals provision of services alongside assets/infrastructure. Council supports the 10 year plan period, the requirement for a new plan every 3 years, and the content required (as currently required by councils).

151 CONTENT OF FUNDING AND PRICING PLANS

Council suggests consideration to expand 151(2)(a)(ii) to include operating expenditure.

Proposed change:

151(2)(a)(ii) the expected capital and operating expenditure on network infrastructure that is required to maintain existing levels of service currently provided by the entity; and

152 PUBLISH FUNDING AND PRICING PLANS

152(b) should be expanded to include Territorial Authority input specifically, alongside consumer and community input. Noted Water Service Entity equivalency to a Local Government Act financial strategy.

Proposed change:

152(b) prepare and publish a report on how the entity considered consumer, territorial authorities within the entity's service areas, and community input into, and feedback on, the plan and incorporated it into the plan.

153, 154 PREPARATION AND CONTENT OF INFRASTRUCTURE STRATEGIES

Council supports the requirement of Water Services Entities to develop infrastructure strategies, as is currently required from Territorial Authorities as a Local Government Act Infrastructure Strategy. It identifies significant issues and main options, approach to maintenance and renewals, and gives effect to Te Mana o te Wai. Alignment to the Infrastructure Commission's strategies should be considered.

155 PUBLISH INFRASTRUCTURE STRATEGY

155(b) should be expanded to include Territorial Authority input, alongside consumer and community input.

Proposed change:

155(b) prepare and publish a report on how the entity considered territorial authorities within the entity's service areas, consumer and community input into, and feedback on, the strategy and incorporated it into the strategy.

157 FORM AND CONTENT OF ANNUAL REPORT

Council believes the annual report should be in a form which allows communities to understand the Water Services Entity activities within their local community. Consideration should be given to how to include a requirement for geographical regional sections.

Proposed change: 157 An annual report of a water services entity must contain the following information and reports in respect of the financial year to which it relates and be presented in a form that reflects both entity and geographical regional levels across the entity service area:

166 FINANCIAL INDEPENDENCE – EQUITY RETURNS

166 (1) (b) While the profit and 'non-beneficial interest in the security' requirements may be necessary for balance sheet separation, this bottom line has created large concern in the community that Territorial Authorities will not be in control or 'own' the assets. A nominal return may support the concept of ownership and may be considered, as per the Tasmanian model.

PART 5 – MONITORING

169 to 173 MONITORS APPOINTMENTS

Council supports the ability to appoint Monitors.

174 to 180 MINISTER INTERVENTION

Council supports the ability to appoint Monitors and Crown reviewers, observers, and managers (similar to current Local Government Act 2002).

182 to 185 MINISTER MAY CONSULT

Council believes overarching monitoring gives certainty to the public that systems are in place to ensure proper performance of Water Services Entities. However, this should be balanced with Territorial Authorities' roles as owners of Water Services Entities, eg clause 182 should include Territorial Authorities when a Minister is consulting.

Territorial Authority Consultation if Government intervention. Noted 183(5)(a) that list of matters must be consulted with Local Government New Zealand before publication. Noted:185(1)(a) proposed appointment of ministerial body requires notice to Water Services Entity and the Regional Representative Group:

Proposed change:

182 The Minister shall consult territorial authorities within the entity's service areas and may consult any other person, organisation, or group—

PART 6 – MISCELLANEOUS PROVISIONS

203 CONSUMER FORUM

Council supports Consumer Forums, and believes these should be protected in Water Services Entity Constitutions. 203(4): The appointment process should give consideration to geographical representation and the different categories of consumers.

Proposed change:

203(4) (g) to include a balanced representation of geographical and consumer categories across the entity service area; and

(h) any other matters not inconsistent with the purpose of a consumer forum

204 CONSUMER ENGAGEMENT STOCKTAKE

Council considers that clause 204 needs to include requirements for geographical representation and different categories of consumers. Publications should also be made available at Territorial Authority level for the community to access.

Proposed change:

204(2)(a) capture feedback from different consumer categories and community - at both entity and geographical regional levels across the entity service area on, and satisfaction with, how the entity is performing; and

(3) The chief executive must make the consumer engagement stocktake publicly available as soon as practicable after it is issued by publishing a copy on an Internet site maintained by, or on behalf of, the entity in a format that is readily accessible. A copy must be supplied to all territorial authorities in the entity service area.

206 REGULATIONS

Council believes that clause 206 (2) should be amended to require the Minister to consult with the territorial authority owners of the entity and mana whenua of the service area rather than just engage.

Proposed change:

206(2) The Minister must, before recommending the making of regulations under subsection (1)(a) in relation to a water services entity, consult with the territorial authority owners of the entity and mana whenua of the service area.

207 to 222 ACT AMENDMENTS

From 116. Council suggests that reference in section 130 of the Local Government Act 2002 to the requirement for local government organisations that provide water to continue to maintain water services be removed - to avoid duplication in two pieces of legislation.

Proposed change:

Amendment to Local Government Act 2002

214 (a) New section 159A inserted and repealed (Review of water services bylaws 30 may be deferred during transition period) (1) After section 159, insert:(2) Repeal **section 159A** on **1 July 2028**.

(b)After section 130, insert:

Repeal section 130 on 1 July 2024.

SCHEDULE 2 – WATER SERVICES ENTITIES AND THEIR SERVICE AREAS

Part 3

Eastern-Central Water Services Entity

Delete Marlborough District Council, Nelson City Council and Tasman District Council

Proposed change:

'.....

- Manawatu District Council:
- Marlborough District Council (excluding those parts included in the service area of the Southern Water Services Entity under Part 4 of this schedule):
- Masterton District Council:
- Napier District Council:
- Nelson City Council:
- Palmerston North City Council:
- Porirua City Council:
- South Wairarapa District Council:
- Tararua District Council:
- Tasman District Council (excluding those parts included in the service area of

the Southern Water Services Entity under Part 4 of this schedule):

- Upper Hutt City Council:
- Wairoa District Council:
- Wellington City Council.

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Part 4 Southern Water Services Entity

Proposed change:
<i></i>
Mackenzie District Council:
 Marlborough District Council
● Nelson City Council
Queenstown-Lakes District Council:
Selwyn District Council:
• Southland District Council:
• Tasman District Council
• Timaru District Council:
Waimakariri District Council:
Delete reference to 'the parts of the districts of the following territorial authorities within the
boundaries of the takiwa of Ngai Tahu'
<i>'</i>
Waimakariri District Council:
• Waimate District Council:
• Waitaki District Council:
• Westland District Council; and
• the parts of the districts of the following territorial authorities within the boundaries
of the takiwā of Ngāi Tahu as described in section 5 of Te Runanga o
<mark>Ngai Tahu Act 1996:</mark>
-• Marlborough District Council:

SCHEDULE 3 – PREPARATION OF PLANNING DOCUMENTS

Part 2 Preparation of asset management plan

'Tasman District Council.

9 CONSIDERATION OF REGIONAL REPRESENTATIVE GROUP COMMENTS

Council believes that the regional representative group should provide comments to the board of the water services entity at least 6 months before the start of the relevant period to enable the Board sufficient time to respond.

Proposed change:

(1) The regional representative group must provide comments to the board of the water services entity at least 6 months before the start of the period to which the draft plan relates.

(2) The board of the water services entity must consider any comments on the draft asset management plan that are made by the regional representative group 2-months before the start of the period to which the draft plan relates.

SCHEDULE 4 – DIVESTMENT PROPOSALS

Council notes protection layers of any Water Services Entity disposal with the requirements (1) 75% vote in support by Regional Representative Group, (2) Unanimous consent of all Water Services Entity owners, (3) Referendum of the Water Services Entity area (75% majority). However, parliament may change the law by a simple majority.

We thank you for the opportunity to submit on the Bill.

Nāku iti noa, nā

Rachel Reese

Mayor of Nelson: Te Koromatua o Whakatū