

Local Water Done Well

EM Workshop 2 October 2024

Purpose of session



Local Water Done Well

To provide an opportunity for Elected Members to share their views on agenda items, ask questions and seek any further information that would help to make direction setting decisions regarding Council's response to Local Water Done Well.

Agenda

- Where we are at
- 3 versus 2 waters
- Consultation approach



Where we are at



■ Policy & Legislation

- *Local Government (Water Services Preliminary Arrangements) Act 2024*
- *Bill 3 anticipated to be introduced in December*

■ Water Services Delivery Plan (WSDP)

- *The 12-month deadline to develop a WSDP has begun*
- *The DIA has issued further guidance & templates on developing a WSDP and outlined the requirements for financial sustainability and ring-fencing that will have to be met regardless if the approach is joint or individual*

■ Regional Engagement

3 versus 2 waters



Councils will retain legal responsibility and control of stormwater services but will have flexibility to choose the arrangements that best suit their circumstances

The Local Government (Water Services Preliminary Arrangements) Act (The Act) provides scope to take either a “three waters’ or ‘two waters’ approach

Councils will be able to:

- Continue to deliver stormwater services;
- Contract a new water organisation to deliver aspects of those stormwater services; or
- Transfer aspects of stormwater service delivery to a water organisation

Stormwater definitions



Extract from Local Government (Water Services Preliminary Arrangements) Act 2024

stormwater network

(a) means the infrastructure and processes that—

(i) are used to collect, treat, drain, reuse, or discharge stormwater in an urban area; and

(ii) are owned by, or operated by, for, or on behalf of a territorial authority, a council-controlled organisation, or a subsidiary of a council-controlled organisation

(b) includes—

(i) an overland flow path:

(ii) green water services infrastructure that delivers stormwater services:

*(iii) watercourses that are part of, or related to, the infrastructure described in **paragraph (a)***

overland flow path *means any flow path taken by stormwater on the surface of land*

green water services infrastructure—

(a) means a natural or semi-natural area, feature, or process that mimics natural areas, features, or processes that are planned or managed to provide water services; and

(b) includes an engineered system that is an area, feature, or process that complies with paragraph (a)

urban area—

means an area identified in a district plan or proposed district plan as being primarily zoned for residential, industrial, or commercial activities, together with adjoining special-purpose and open-space zones, however described; but does not include an area zoned primarily for rural or rural-residential activities, however described

3 versus 2 waters



- Modelling to date has considered 3 Waters
- Officer workshop feedback *(To understand potential operational impacts of transferring 3 vs 2 waters)*
 - To manage wastewater, water supply, and stormwater collectively may offer significant potential benefits in terms of integrated management and resourcing, economic efficiency (i.e purchasing power), and environmental outcomes. However, these benefits may come with increased complexity, higher initial setup costs, and potential risks related to governance and stakeholder concerns.
 - Stormwater and wastewater often share the same operational resources and shared team
 - Infiltration from stormwater into water system may be better managed by single entity
 - If Stormwater assets are transferred to a new CCO this creates scale and would create a larger asset base / debt to revenue ratio
 - Funding mechanism with CCO may support improved investment levels
- What are your views?

Consultation Approach



We have options as to the approach Council can take on consultation

- The Act includes provisions that enable a streamlined consultation and decision-making process for the establishment of WS-CCOs and other local government arrangements, while continuing to provide the opportunity for providing community input
- Councils may choose to use these arrangements as an alternative to some of the standard requirements in the Local Government Act for decisions on the proposed model or arrangements for the delivery of water services and related amendments to the long-term plan (LTP)
- The decision on whether to consult on a LTP depends on the nature of changes proposed in a Plan, relative to what a Council has set out in its LTP

Consultation on delivery model through WSDP



- WSDP must include anticipated or proposed models for delivering water services – Section 13(1)(k), Preliminary Arrangements Act
- For a joint WSDP, must identify parties to arrangements and what services (DW, WW, SW) are subject to the joint arrangement
- **Mandatory consultation** on the part of WSDP outlining service delivery model: consultation on the rest of the document is **optional**
- When consulting on service delivery model, if using the PA Act (not LGA), **must identify** at least two options: status quo and establishing a WS-CCO or joint arrangement
- Consultation is on the proposal; **not** inviting response on **any** delivery model
- Information made publicly available **must include** the proposal, options analysis (advantages and disadvantages) and allow the following to be considered:
 - rates, debt, levels of service and water services charges under the two options
 - For joint WS-CCOs / arrangements, community implication and accountability arrangements

Making use of the "alternative requirements"

Territorial Authority Task/Decision	Relevant Act Provision	Equivalent LGA Provision
<p>Options analysis when deciding service delivery model in the WSDP <i>Benefit of Act; only 2 options need to be identified and analysed</i></p>	<p>Section 61(2)(a)-(c)</p>	<p>Section 77(1)(a) and (b)</p>
<p>Consultation before deciding service delivery model in WSDP <i>Benefit of Act; only need to consult once, no requirement to use Special Consultative Process establishing Water Services CCO</i></p>	<p>Section 62(1), (2) and (3)</p>	<p>Section 56(1)</p>
<p>Consultation on amendment to LTP (proposal) to give effect to service delivery model in WSDP <i>Benefit of Act; no requirement to consult on LTP amendment if already consulted via WSDP and other requirements regarding community views are met</i></p>	<p>Section 63(1) and (2)</p>	<p>Section 97(2)(b)</p>
<p>Information requirements for consultation on service delivery model in WSDP <i>Benefit of Act; simplified information requirements – consultation document assessing all reasonably practicable options not required</i></p>	<p>Section 64(1) - (4)</p>	<p>Section 82A(2)</p>

Alternative requirements vs Local Government Act



- What are your views?