

Hutt City Council - Three Waters Submission

Water Services Legislation Bill

Water Services Economic Regulation
and Consumer Protection Bill



Contents

- Introduce the two Bills – Water Services Legislation Bill and Water Services Economic Efficiency and Consumer Protection Bill
- Our process
- Our Concerns
- Recommendations

The Bills

- December 2022 – Water Services Entity Bill enacted
- Water Services Legislation Bill and Water Services Economic Efficiency and Consumer Protection Bills are requesting submissions
- Submissions close 17 February 2023, HCC has an extension until **24 February 2023.**
- LGNZ and Taituara have drafted submissions which have been shared with their members
- Wellington Water Limited is providing a submission for both Bills

Suite of Legislation to establish the new service delivery system

Water Services Entities Act 2022

- Established four water services entities, including legal form, ownership structure, objectives, functions, operating principles and service area;
- Established the governance structure – a regional representative group and independent, competency based board;
- Significant protections against privatisation;
- Provides the Minister with oversight and intervention powers, including the power to issue a Government policy statement;
- Protects iwi/Māori rights and interests in water, and enables mana whenua to make a Te Mana o Te Wai statement;
- Provides transitional arrangements, including the requirement to transfer employees on terms no less favourable than their council employment conditions.

Water Services Legislation Bill

- This Bill will amend the Water Services Entities Act 2022. Large, complex reforms often involve a multi-bill process.
- Establishes the functions, powers and duties of the entities. For example:
 - Utility powers relating to land;
 - Pricing and charging;
 - Replacing bylaws with new regulatory functions, enforcement
 - Relationship agreements;
- Provides the mechanisms for the transfer of liabilities and assets from the councils to the water services entities.
- Contains a mechanism for some rural-water supplies to be transferred from water services entities to community schemes, on an exceptions basis.
- Contains changes to local government legislation and other legislation relating to water services.

Water Services Economic Efficiency and Consumer Protection Bill (MBIE leading)

- Sets up economic regulatory regime to offset risks of the entities being natural monopolies;
- Economic regulation is critical to ensuring entities operate efficiently and delivering substantial efficiency gains;
- Gives the economic regulator a range of compliance and enforcement tools for breaches of regulatory requirements;
- Sets up consumer protection regime;
- Establishes minimum service levels;
- Establishes an expert body to advocate on behalf of three waters consumers on technical issues;

ENACTED

HCC Council Submission - process

- We have reviewed the Taituara and LGNZ draft submissions
- Wellington Water Limited has engaged Russell McVeagh Legal to assist in the development of their submission
- WWL to share their submission with its shareholder Councils
- The Three Water Transition Managers representing the shareholder Councils have been meeting and discussing approaches and key concerns of the Bills
- HCC has its own concerns regarding aspects of the Bills. We have our legal team drafting aspects of the submission.
- Submission will be submitted at next Council meeting - 23 Feb

Submission point

Oppose the requirement to collect revenue on behalf of the new Water Services Entity

- The Water Services Legislation Bill stipulates that Councils collect revenue on behalf of the WSE through to 2029
- NTU is foreshadowing that the Water Entities may not be ready to collect revenue from customers from the go live date 1 July 2024
- Additional cost and burden on Councils to manage this.
- Opportunity for customer confusion over accountability for water

Submission Point

Powers of entry

- Under the Bill, entry will be significantly limited onto private land
- Need access to inspect, repair and renew public network
- Will require agreement in writing of property owners
- Otherwise need to apply to the district court
- This is not the case currently under the LGA (s171)
- Significant number of private properties with public network located within them (over 18,000) many of which don't have easements

Powers of Entry – Wastewater example



Other Submission Points

- Alignment of the purpose of WSE and local govt
 - Propose that WSE's promote social, environmental and economic wellbeing
- Relationship agreement not legally binding
 - Councils need to be more than just another stakeholder
- Council voice in aligning planning and investment prioritisation of the WSE