



4 July 2022

To the Marlborough Community

Submissions due to Select Committee on Three Waters Reform

Council accepts that there are significant challenges across New Zealand's Three Waters sector but continues to strongly oppose the Government's mega model for the proposed reform. The proposals can be found on the Department of Internal Affairs (DIA) website at www.dia.govt.nz/Three-Waters-Reform-Programme

The Water Services Entities Bill has had its first reading in Parliament and has been referred to the Finance and Expenditure Select Committee. Submissions can be made, and Council intends to do so.

Our opposition is based on two key concerns:

1. Loss of local democratic influence and control.

Marlborough will be one of 21 local authorities transferring its Three Waters assets (drinking water, wastewater and stormwater) into the management and control of "Entity C."

The Awatere and Seddon water stormwater and sewer assets fall under "Entity D" because Entity D's boundary is defined by the Ngāi Tahu takiwā (territory). They may be managed by "Entity C" depending on the outcome of negotiations DIA is leading.

Three Waters investments are absolutely vital to Marlborough's future. These are critical services not only for the health of our community but also as key drivers of residential housing, industrial development and environmental protection.

Will an entity based in Wellington be able to respond to the Marlborough community's needs?
Will funding come to Marlborough or will the size and scale of larger provinces hold sway?
Will such a large bureaucratic structure be able to respond to Marlborough's needs quickly and effectively?

Council does not think the new governance structure of the Three Waters entities will ensure the required future investment in this critical infrastructure.

2. Inadequate consideration of alternative options for improving Three Waters investment.

As stated earlier, Council accepts that there are significant challenges across the Three Waters sector in New Zealand. A stronger, well-resourced regulator (Taumata Arowai) has been established and is setting out clear expectations about drinking water quality. Council believes that this is a necessary step. We do not accept that the creation of a “one size fits all” four-entity structure to manage Three Waters assets and deliver services will provide the improvements in efficiency or effectiveness which are sufficient to justify the loss of local knowledge and decision making. Council considers this is inevitable as a consequence of the proposed model.

There are other ways to lift investment in the Three Waters sector and catch up on the investment gap.

Council is a member of the Communities 4 Local Democracy (C4LD), a group of 31 councils representing approximately 1.5 million people – in opposing the Three Waters proposals.

With the assistance of Castalia (an international consultancy experienced in large scale infrastructure), C4LD has been developing alternative models to the Government’s four entity proposal. These are based on either:

- a) An improved council owned model; or
- b) Creating regional, council-controlled organisations (CCOs).

A government financial assistance programme is proposed to enable investment shortfalls to be met.

Council’s submission to the Finance and Expenditure Select Committee on the Water Services Entities Bill (closing on 22 July) will be based on the concerns expressed in this letter and the finalised reform options proposed by the C4LD.

Any member of the public can also make a submission to the Committee by 22 July 2022. You can find more details on the New Zealand Parliament website at www.parliament.nz/en/pb/sc/make-a-submission/document/53SCFE_SCF_BILL_124081/water-services-entities-bill

I urge you to do so.

For more information on Marlborough District Council’s position on Three Waters, go to www.marlborough.govt.nz/your-council/three-waters-reform-proposals

Yours sincerely



JOHN LEGGETT
MAYOR