

29 September 2021

Hon Nanaia Mahuta  
Minister of Local Government

***By email:***

Tēnā koe Nanaia

### **Response to Government's proposed three waters reform**

Auckland Council appreciates the opportunity to provide feedback on the three waters reform initial proposal. We look forward to a genuine partnership approach which takes into account local Government concerns about the current proposed model.

The council considered the reform proposal at its Governing Body meeting (23 September 2021) and passed the attached resolutions setting out its concerns and the areas which we believe require further discussion. The full report and resolutions are enclosed for your consideration, as well as the resolutions and feedback from Auckland's 21 local boards, the Independent Māori Statutory Board and the Auckland Mana Whenua Kaitiaki Forum.

At the meeting and conveyed in the resolutions, the council acknowledged the Government's commitment to tackling the challenges in the water sector. The council recognises that reform of the sector is needed across the country, and that benefits can be gained from size and scale, and alternative funding and financing arrangements. It noted however that Auckland already exceeds the size and scale sought for the proposed water service entities and leads the country in the quality of its water and wastewater services. The Council supported having a water quality and economic regulator which would allow the government to ensure universally high-water standards across the country and to ensure sufficient investment is being made in water infrastructure and that costs to the consumer are fair.

The council voted overwhelmingly in favour of the resolution that it did not support the governance and ownership model proposed, which removes democratic accountability and the loss of direct control by councils over water service entities. As well as the Council's Governing Body, its 21 Local Boards were unanimously opposed to the governance arrangements set out in the Government's proposal which offers no effective governance powers. The Mana Whenua Kaitiaki Forum comments that the powers of governance of the Regional Representation Group "would not provide effective oversight and accountability". The IMSB also notes the RRG's "restricted governance function". Council supports a model whereby the existing accountability mechanisms used for council-controlled organisations are maintained.

The council was strongly of the view that the governance arrangements of any Water Service Entity that includes Auckland reflect the proportionate investment in the assets and liabilities made by the people of Auckland, and the proportionate size of Auckland's population. Aucklanders should through their elected representatives, maintain majority control over their assets and service delivery.

The council also expressed significant concern about the inclusion of stormwater and has yet to be convinced of the benefits of stormwater integration and transfer into a new water service entity away from Council. In this regard, I note that the stormwater report released by DIA details how stormwater functions would be transferred to the proposed water entities. The report does not assess whether or not responsibility for stormwater functions should be transferred, when stormwater functions closely align with other Council roles.

We seek to work with you on the water reform proposals listed in Resolution j. We also want to include in those discussions how the reforms will address the impacts of climate change.

Finally, the reform has been challenging for our communities to assess and understand. The public information campaign has not helped in this respect, and the council has received not only requests for more information but a widespread expectation that they be able to submit on any proposed changes with some supporting a referendum.

Because the reform proposals have major consequences for Aucklanders and Auckland Council, removing control from them of 28% of Council's asset base and 25% of its expenditure, the final Government proposals must be consulted on with the public of Auckland who own those assets.

There is strong opposition to the current governance proposals. However, we are confident that with appropriate changes, Council's and the public's concerns could be met and the government's fundamental objectives for water reform achieved.

Ngā mihi



Phil Goff  
**MAYOR OF AUCKLAND**

**Copy to:** Rt Hon Jacinda Ardern, Prime Minister  
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