

Taupō District Council

Notes of Council Workshop

Group	Council
Date	Thursday 20 June 2024, 10am – 10.57am
Venue	Council Chamber
Topic	Local Water Done Well
Facilitated by	Acting General Manager Operations and Delivery (T Hale) and Programme Manager (J Walton)
Elected Members present	Mayor David Trewavas (in the Chair), Deputy Mayor Cr Kevin Taylor, Cr Duncan Campbell, Cr Karam Fletcher (via MS Teams), Cr Sandra Greenslade (via MS Teams), Cr Danny Loughlin, Cr Anna Park (from 10.19am), Cr Rachel Shepherd, Cr Kirsty Trueman (via MS Teams), Cr John Williamson
Officers present	Chief Executive (J Gardyne), Acting General Manager Operations and Delivery (T Hale), General Manager People and Community Partnerships (L O'Brien) (via MS Teams), General Manager Strategy and Environment (W Zander), Finance Manager (J Paenga), Project Management Office Manager (P Fletcher), Executive Manager Mayors Office (J Later), Programme Manager (J Walton), Finance Business Partner (H Rowe) (via MS Teams), Senior Financial Planner (J Caldwell) (via MS Teams), Senior Policy Advisor CP (P Caruana), Communications Advisor (R Watts), Legal and Governance Coordinator (D Periam)
Public / media present	One member of the public present
Documents either pre-circulated or tabled	Local Water Done Well PowerPoint Presentation (A3574375) (Item tabled at workshop)
Public or closed¹	Public

Notes²

The purpose of the workshop was to provide elected members with an update on Local Water Done Well. This workshop provided the background information on the bill but due to time constraints was held after Taupō District Council had made a submission to Central Government.

Central Government had introduced the Local Government Water Services Preliminary Arrangements Bill and broadly it covered water service delivery plans, ability for the minister to assist or intervene, requirements to disclose and consultation around Council Controlled Organisations (CCOs)

¹ Workshops are public (and are always advertised whether public or closed), unless there is a good reason(s) for information to be withheld and there is no overriding public interest in holding the workshop in public. Withholding grounds set out in the Local Government Official Information and Meetings Act 1987 (LGOIMA) are a guide. If closed, cite relevant LGOIMA section.

² Workshops are not decision-making forums, therefore this document contains notes of key points discussed only, not decisions.

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Information from Department of Internal Affairs (DIA) explained that Water Services Delivery Plans needed to provide information across three key areas:

1. Current State Assessment
2. Planned Investment Needed
3. Service Delivery Arrangements

Councils were also required to demonstrate financial sustainability by showing that they were able to meet all financial regulatory standards and requirements for delivering water services. Councils were required to be financially sustainable within four years, Taupō District Council felt this was possible however if a CCO was established then it would likely take 10 years and they provided this feedback in the submission.

What a water service delivery plan must contain was shown to elected members and the following points were noted:

- It needed to be developed within 12 months of the bill being passed which was expected to occur in the next month.
- Council already had some of the information required for the water service delivery plan and consultants had explained that the timeframe to get the remaining information required could take Council anywhere from three to twelve months to get.
- The Long-term Plan 2024-34 (LTP) would allow for status quo however if council wanted to do a big change such as establish a CCO or joint venture, it would not be possible.
- There was an extended timeframe for councils if they are looking at establishing a CCO or joint venture but the time frame was not specified.
- Taupō District Council needs to show that it had considered a CCO even if this is not the avenue it chooses to go down.

It was clarified that in the current environment, Council was financially stable however environmental standards were increasing which could mean Council was not financially stable in the future and it was important to focus on the future and prepare for it.

Funding for this work was discussed, and it was highlighted to councillors that central government were not providing any further funding, nor had we put anything into the LTP. It would not be possible to rely on internal staff to complete the water services delivery plan and therefore money would be needed to pay for external consultants. The current funding was expected to run out by the end of 2024, so Council would need to consider this as part of the LTP process, including highlighting the additional burden central government was placing on councils.

Key information from DIA was summarised as follows:

- Water Service Plans were a one-off to set a pathway forward
- Plans must include drinking water, wastewater and stormwater but councils did have flexibility with transferring stormwater in proposed new service delivery arrangements
- Plans could be developed individually or jointly
- It would be up to Councils to determine how best to engage with their communities in the plan development process
- Plans cover a ten year timeframe (Taupō District Council felt this should be 30 years)

Staff thanked elected members for their feedback for the submission. The key points from the submission were:

- The unique position of our district
- Unrealistic timeframes, still waiting on details to be clarified
- Longer term view (30 years) is required, duplication of efforts
- Still need more information on key principles – new class of CCOs, financial sustainability, economic regulator
- Time for community and iwi engagement is needed
- It doesn't address the non-financial factors impacting delivery of water services
- Central Government funding is required

Work and discussion on possible collaboration opportunities has been continuing across Waikato councils. Council was asked in May by the Waikato group what our biggest showstoppers were that would prevent us from moving to a regional CCO. These showstoppers were:

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1. Pricing/Cross-Subsidisation
2. Iwi Buy-in and Decision Making
3. Community Perception and Local Voice
4. Prioritisation
5. Create Scale, Move Quickly

Other Waikato councils' showstoppers were:

1. Local Voice and Influence
2. Distributional Impacts
3. Service Delivery, Scope and Standards
4. Transition Considerations

Auckland Council, Watercare and Central Government have come to an agreement and this was having an impact on larger councils i.e. Hamilton City Council and Tauranga City Council who feel they could do something similar. Council had not yet seen a compelling case that shows establishing a CCO means savings or a better service for rate payers.

A high level roadmap for June 2024 – July 2025 was shown and the following points explained:

- Council needed to start thinking about next steps.
- A third bill would be introduced later in 2024 including the potential financial tools and models.
- Council would need to decide if it would submit an individual or joint plan.
- The cost to set up a CCO was estimated \$1.8 million.

The key activities for the next 12 months included understanding what Council's priorities are, understand the current state, how to achieve financial sustainability and also focus on non-financial considerations such as workforce, assets etc. It was explained that councils across New Zealand are positioning themselves and what would work best for their situation. An elected member felt that for the greater good for all, councils should work together on this situation in some capacity (not necessarily a CCO).

Key Takeaways were the following:

- Still uncertainty with more information to come from central government.
- Doing nothing was not an option. Something will need to be done soon even if it was the minimum.
- Financials was not the only factor to focus on.
- Taupō District Council was in a good position with its current assets and would continue to watch and see what happens from central government.

In answer to questions, the following was clarified:

- It would continue to be business as usual with pipes and required maintenance still being undertaken.
- If central government felt it needed to step in then it would likely start with providing a plan and suggestions for a council rather than a mandate.

Elected members thanked the general manager operations and delivery and the programme manager for providing an update and the work they are completing in this space. They expressed that they would like to ensure that the community was communicated with effectively about local water done well and what it would mean for rates.

The workshop closed at 10.57am.