

1 October 2021

Hon Nanaia Mahuta
Minister of Local Government
Parliament Buildings
Private Bag 18041
WELLINGTON 6160

Tainui Waka

Tainui Tangata

Tēnei te mihi ki tā tātou Kīngi Māori, rātou te kāhui ariki, Paimārire

Tēnā koe e te Minita

Feedback on Three Waters Reform Proposal

Thank you for the opportunity to provide feedback. Our Council has engaged energetically and wholeheartedly with the information provided by Government, and the opportunities presented by the Department of Internal Affairs (DIA) and Local Government New Zealand (LGNZ) to absorb the complexities of the Three Waters Reform Programme.

In this 'eight-week period' we have established a dedicated staff project team; sought independent analysis to interrogate the financial modelling for our District; participated in a series of Council workshops; held Combined Community Board and staff workshops and reached out to other Councils. Prior to this we had joined the Waikato Bay of Plenty Collaborative Group and we have also engaged in the Entity B Working Group, of which our Chief Executive is a member. Council workshopped and completed the Entity B survey, which added further to our understanding of the reform proposal.

In what has been a very challenging timeframe, amidst the sad reality and necessary restrictions of COVID-19 Levels, we have done all we can to open-mindedly and meaningfully examine what the proposed reform will mean, now and in the future, for all the communities and the people that we serve.

It was not only our Elected Members who eagerly sought an understanding of the proposed reform; the interest from our community was intense. While we understood that the eight-week period was a chance for Council to engage with the information, we felt a moral obligation to create mechanisms for our communities to provide feedback to help us shape our conversation with you. While we attempted to do the best we could to provide platforms to share information and receive community feedback, we found ourselves in an unenviable position of running a time-and-resource constrained process that undermines the concept of genuine engagement that we aspire to and our communities rightly expect of us.

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Council is concerned about the current speed of the reform process which, despite best efforts, has not allowed adequate time for any of the parties to properly absorb the complexities of the case for change.

The Crown is currently leading the engagement with Iwi/Māori, mana whenua. We are unsure if this absolutely vital aspect of the process has been adequate. Council has reached out to our District's Iwi Chairs Forum at this time, however we didn't go beyond, to whānau and hapū, because of the limited timeframe and being cognisant of DIA's responsibility to engage directly with Māori. We acknowledge the willingness and commitment of our District's Iwi Chairs and Chief Executives to be part of this process with us despite their time and resource constraints.

We are surprised given the reforms underway, that Central Government does not have a clear process to engage with and resource effectively Iwi/Māori on such critical matters of national importance.

We are extremely uncomfortable with the level of engagement with our communities and believe there should have been Government-led engagement about the reform with all of our communities. This lack of formal engagement along with a confusing national media campaign has resulted in some angst within our community particularly around whether Council was making a decision on an opt-in/opt-out basis.

Council is concerned about the reliability and accuracy of the Water Industry Commission for Scotland (WICs) modelling based on our independent analysis; the unknowns around drinking water standards and regulations yet to be set by Taumata Arowai (which will also drive stormwater and wastewater standards); the role of the economic regulator; and the late-in-the-piece clarifications of some reform aspects e.g. stormwater scope. Our uncertainty around these aspects has limited our ability to have informed conversations with our communities and also impacted our trust and confidence in the package itself and the proposed benefits. The costs to our ratepayers is difficult to quantify based on the significant unknowns of this reform; and therefore the benefits of the reform, short to long term are equally opaque, in any robust sense.

Our Feedback

We acknowledge that the status quo is no longer sustainable and that some kind of reform is necessary. Our feedback shares with you the key areas of concern Council has identified with the reform model and is framed to propose potential solutions to address those issues.

We have also identified potential opportunities the proposed reform could present for our communities and our people. We provide a high level overview here with details in attachment 1 'Whakatāne District Council Summary Local Concerns-Solutions' to provide the rationale behind the feedback we offer. The feedback received from our community is contained in attachment 2 'Public / Community Feedback'.

High level overview – Our Concerns

Wider process of reforms

Council is concerned about the inter-relationship of Three Waters with the broader reform programme of Government, including health, education, Resource Management Act and indeed the future of Local Government, and feels it must understand this better to assess whether the outcomes will be complementary and of overall benefit.

Governance

Council has major concerns around the structure, size, ownership and governance model of the proposed Entity B. We believe the proposed complexity and multiple layers of bureaucracy will lead to inefficiencies and affordability issues for our communities. The burden of compliance costs will further exacerbate this and possibly outweigh the efficiencies that are being sought. In recognising some of the drivers for the proposed reforms are around strengthening long term asset Governance, moving from a control based model to an influence based governance model creates a huge sense of confusion, uncertainty and fear that our communities will lack the appropriate oversight of assets and investment according to community need.

We do not have an assurance that the needs of our growing communities will be met amongst the competing priorities of Councils across the Entity. We need to understand a clear path to support the strategic direction of our Council, particularly in the spatial planning and growth areas. Greater understanding is required around the prioritisation between drinking water and stormwater/wastewater. We seek an assurance on how our communities' projects will be prioritised beyond the current Long Term Plan 2021/31 (Years 4 – 10).

We also have multiple concerns about stormwater, including the asset split between the proposed Entity B and our Council; and how stormwater and wastewater investment, our Districts greatest need, will be prioritised against drinking water.

Whakatāne District Council has incorporated clear ecological principles around its Three Waters investment approach and we would like some certainty that the Entity will give effect to these values. This includes how stormwater systems can add huge value in a placemaking and community wellbeing sense.

Service and cost to our communities

The Whakatāne District covers an area of approximately 4,500 square kilometres, with many remote and isolated rural communities forming part of our district. Council delivers its responsibilities for Three Waters using local staff and contractors who have a great understanding of our local communities, which is especially important given the complex nature of delivering stormwater services. This local support also adds to our local economy, as a lot of the funding for Three Waters is recycled into our wider community. Any reduction of this local service delivery function could significantly reduce service, and also reduce the impact of this spend to local businesses, resulting in business closures and job losses. Our civil contracting sector is vital to deliver the benefits of Government's Provincial Growth Fund investment into our region, any impact on this sector will have significant negative consequences to our communities.

Whakatāne District's median household income is \$63,200, compared with a New Zealand median household income of \$107,196, therefore affordability is a key issue for our community. We are concerned about the impact of Three Waters Reform on the total household costs for our communities. A clear remissions policy needs to be in place to ensure our local communities can afford their rates bills.

Private water supplies

We have an indeterminate, but likely in excess of 3,000, private/rural water supplies. While we recognise that there is an opportunity under the proposed reform for increased safety of these supplies, we have a concern about the significant investment that will be required to identify, liaise with, and meet improved, mandated, water quality standards and the burden that will place on either Council or private suppliers.

Impacts on whānau, hapū, iwi

Whakatāne District Council shared copies of this draft submission with our Iwi Chairs Forum members. The two Iwi Chairs who responded identified that there were no issues of conflict within our feedback. At this point in time, this is encouraging and speaks to the common concerns we hold.

Specific comments were received with concern around the Three Waters Reform and links to the Treaty process. It was noted that an opportunity has been missed around wider reform and how Māori rights can be integrated into how Central and Local Government statutory responsibilities are delivered. Another concern was raised that the reform does not recognise Treaty rights to Māori over taonga, and the control and autonomy that right endows.

High level – Proposed solutions

1. We understand Minister, that after 1 October, you and your colleagues will consider all of the Local Government and Iwi feedback and Cabinet will make a decision on the next steps. We would ask that you communicate a clear process on how you intend to respond to the feedback and allow time for an ongoing programme of communication, engagement and shared development with all of our communities; and provide additional resource for whānau, hapū, iwi to meaningfully engage in the next steps. We believe that allowing sufficient time for engagement and communication may address or ameliorate some of the concerns shared by Council and community.
2. We believe Government should take the time to determine the best alignment of the Three Waters Reform with the RMA and Future of Local Government Reforms (and additionally understand the consequent impacts on regional New Zealand of the parallel reforms in health and education). This will create an opportunity to communicate a clear strategic approach and progress a comprehensive engagement and consultation process with councils and communities across the reform package.

3. We recommend the establishment of a working group with a mix of local government and governance experts to re-design the proposed governance model to address our multiple concerns, ensuring that affordability, agreeable Governance appointments and consideration that wider well-beings are enshrined in the structure.
4. From a service and cost to our communities perspective :
 - We need additional information in relation to the reform to (i) better understand how Entity B will prepare service level agreements for our communities, and information on how this will be delivered against . And (ii) We also need some assurances that our local ratepayers will be 'no worse off' as a result of this reform; this could be delivered through Government providing additional certainty of the proposed savings for consumers
 - If Government were to progress reform, we recommend (i) sub-regional Governance and consumer groups are set up providing a direct link to the Entity and to the Water Ombudsman, and (ii) We would also like to see a clear plan for local investment in both jobs and contractors, to give certainty that our local staff and contractors will be adequately trained and that our local economy will be boosted through this reform package
5. There is a current \$30m budget for marae/rural potable water trials, noting none of these trials are located in the Whakatane District. We believe this is inadequate to address the significant work programme that will be required to support private suppliers and rural schemes to meet new water quality standards. We suggest that Government acknowledge this issue, invest in an early and urgent work programme to address the issues both from a time/planning and investment/resourcing perspective.

Community Feedback

From 1 September, Council provided mechanisms for community feedback. A total of 220 individual pieces of community feedback were received. Two-hundred-and-twelve have stated opposition to the reform process; a further seven people provided feedback in support of the reform in principle, and one person urged Council to fully support the proposal. In addition to this structured feedback process, Councillors received numerous direct communications.

In the summary document we have quantified where multiple responders have shared the same concern. There were areas of high common concern, one being that our community is extremely concerned about the loss of the assets they have paid for over generations, and future inability to influence and control those assets. Fifty members of the public requested a referendum or vote be held in regard to the Three Waters Reform.

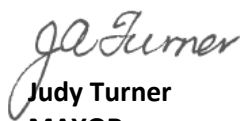
We note that while there are areas of feedback received that associate with the areas of concern that Council has identified, there are also sentiments expressed that do not align with our views as a Treaty partner and as a Council representing a strong diverse community with a 48 percent Māori population.

Subsequent to our public feedback process closing, Councillors have received hundreds of individual submissions, through a Taxpayer Union facilitated platform.

Without knowing many of the details or timing for delivery of already planned Stormwater, Wastewater and Drinking Water projects in our district, and being unsure of future governance structures and asset ownership, we do not feel that at this stage we can 'opt in' with any great confidence. That means we cannot support the proposal in its current form.

Again, I assure you of our Council's diligence in engaging with the information that has been provided in the proposal and our sincere endeavours to achieve the best outcomes for all our people and communities. We thank you for considering this feedback and eagerly await the outcome.

Nāku iti noa, nā



Judy Turner
MAYOR
MANUKURA
WHAKATĀNE DISTRICT

Attachment 1 : Whakatāne District Council Identified Concerns with the Reform Process

Reform Process : Timeframe and engagement	
Concerns	Opportunities
<ul style="list-style-type: none"> Speed of this reform and the lack of consultation with public Lack of engagement with iwi, and no funding for local iwi to engage in this reform adequately Lack of clarity around the definition of Te Mana o Te Wai in the context of this reform 	N/A – Request that central government provide an opportunity for appropriate public engagement as part of this reform, alongside good / robust information
Solutions	<ul style="list-style-type: none"> Government to slow down the process Adequate data and Government led communication programme to support public debate and understanding Additional funding/resource for iwi/hapu to be engaged in the process

Reform Process : Data Confidence / Lack of Data	
Concerns	Opportunities
<ul style="list-style-type: none"> Lack of confidence in the accuracy of data – Unable to have informed conversation with our communities on a sound analytical basis Standards are not set for drinking water by Taumata Arowai, or water quality set which will drive stormwater & wastewater standards (part of NPSFM – due 2024), it is hard to know therefore understand what service levels / costs will be; these standards should have been clearly signalled up front Last minute clarifications – significantly impacted scope (i.e. Stormwater) Volume of data received, and the timeliness of this data being available to support conversation with our communities 	<p>N/A – Recommend as part of requested public engagement, DIA available to answer ongoing queries</p> <p>Extremely hard to make a call on this package, as there are no standards set (and will not be set until 2024) and this will also drive the cost. Note : This should include relevant contaminant levels</p>
Solutions	<ul style="list-style-type: none"> As above

Reform Process : Wider Reform	
Concerns	Opportunities
<ul style="list-style-type: none"> Uncertainty around relationship with broader Reform programme – needed to provide confidence that the programme of reform has complementary outcomes that will benefit us The impacts of these reforms could undermine the viability of local government 	N/A for this reform
Solutions	<ul style="list-style-type: none"> Delay Three Waters reform and align timeframe with Local Government / RMA reforms decision making Government to prepare & communicate clear strategic approach on how reforms align / deliver benefits to communities Ensure adequate consultation on wider reform packages with councils / communities

Whakatāne District Council : Impact on levels of service change to communities

Levels of Service change : Private Water supplies	
Concerns	Opportunities
Amount of investment required for our private / rural supplies to meet improved standards, especially as Taumata Arowai has given more time for these schemes to be compliant	Increased drinking water and water quality standards for our private / rural schemes
Solutions	As part of the Reform package include funding to support private & rural schemes to meet new standards.

Levels of Service change : Stormwater Complexity	
Concerns	Opportunities
<p>Mechanism for providing enhanced stormwater services, including staffing is challenging, as assets which deliver the service is split between Council and the new entity</p> <p>Stormwater management is complex, and requires a significant amount of local knowledge</p> <p>As the Stormwater and wastewater regulations come into effect at a later date, initial service will focus on drinking water. In the Whakatāne District most of the investment is needed in stormwater and wastewater (as identified in LTP)</p>	Due to increased up-front investment, opportunity to fast track projects, as identified in the LTP

Solutions	<p>Consider excluding stormwater from the proposal, noting in Scotland stormwater resides with councils, same with Australian models.</p> <p>Reform package to include details on how stormwater objectives will give effect to ecological principles</p> <p>Reform proposal to specify how local projects (e.g. Murupara, Matatā and other improvements in the district) for stormwater and wastewater as identified in the LTP will be prioritised and delivered against by the new Entity.</p>
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Levels of Service change : Delivery concerns	
Concerns	Opportunities
<ul style="list-style-type: none"> • Delivery organisation will not be able to gear up effectively in first 10-15 years, due to lack of available resources, therefore services will not be improved • Need to understand how responsive the Entity will be for addressing service issues in rural and remote locations (e.g. Minginui), including for emergency situations 	None
Solutions	<ul style="list-style-type: none"> - If reform goes ahead - clearly define how the Entity will resource up - Clear levels of service defined for all local communities so they can assess against current levels of service & also track against - As part of transition funding, each local council receives funding and support to prepare robust spatial plans

Levels of Service change : Increase in Standards	
Concerns	Opportunities
<ul style="list-style-type: none"> • Certainty from central government, once NPSFM limits are set, which will impact wastewater discharges; Eastern Bay of Plenty (which has good water quality) is not de-prioritised for other areas with poorer water quality (i.e. Waikato) 	Improved drinking water / wastewater standards for our community, based on the significant up-front investment the Entity will be able to make, while taking on the responsibility for future standards improvements mandated by Taumata Arowai / NPSFM
Solutions	<ul style="list-style-type: none"> - Government guarantee and backing that objectives and outcomes promised by this reform are delivered, including costs savings as well as increased standards

Whakatāne District Council : Impact to Finance and Funding

Financial : Cost to Ratepayer	
Concerns	Opportunities
<ul style="list-style-type: none"> As standards are not set for drinking water by Taumata Arowai, or water quality set which will drive stormwater & wastewater standards (part of NPSFM – due 2024), it is hard to know and therefore understand what service levels / costs will be Cost of this reform (up to \$185Bn). This will need to be paid for by someone and can our communities afford this? The cost of governance could be significant, it is another layer of cost that we currently don't have, this could result in significant cost over-run and affordability issues for our communities The Entity will have to meet a significant amount of regulation, this will drive significant cost for the Entity Concern that the reform package does not deliver the benefits as stated, and Entities have to be wound down Some metros have large debt levels (over 500%) in Entity B, whereas Whakatāne has debt levels of 250%, there is a need to ensure if debt capacity is 800%, that smaller councils that have been prudent are not penalised Entities cost of delivery is complex and could be costly with expectations arriving from regulators (Taumata Arowai / Regional Council / Economic), central government, Entities governance, Te Mana o Te Wai statements etc Concern there will be an overall cost increase for households/rate payers, with two invoices for stormwater services (one from the Entity and one from Council) As stormwater is driven by peak demands, increasing due to climate change, it is hard to see how savings can be made We need to ensure that what is being delivered is prudent for our local ratepayers, that solutions are not 'gold plated', however meet the standards Creation of more bureaucracy – how does that create efficiencies? At the end of the day Councils will always consider affordability to their ratepayers before setting rates. This will mean that it will still consider the cost of Three Waters, even though they cannot control it. Meaning that some other "Wellbeing" focused expenditure of Council might suffer as a result of these considerations Potential for cost overruns – bureaucratic inefficiencies of model Need certainty that our communities will not be 'worse off' through this reform Need to ensure there are mechanisms to look at overall cost to ratepayer to ensure they are 'better off' There are benefits stated within reform, however there is low trust / confidence in realising these benefits. 	<p>Ratepayers will pay less for their water services through efficiency savings generated by the Reform process, and potential cross subsidisation. While noting it may not be as high as stated in dashboards – it will still be significant.</p>

Solutions	<ul style="list-style-type: none"> - Entity to have a remissions policy, as part of its Standard Operating Procedures - Efficiencies are driven by economies of scale through procurement. Are there other opportunities to get these efficiencies without amalgamation? - Clarity on the cost build up of this governance structure, mapped against savings – increase understanding - Need to ensure there is a clear ‘fall back plan’ if reform package fails, with adequate risk funding put aside to address this. Standard business practice - Central government ‘guarantee’ the savings that have been identified, and fund any shortfalls - Sub-regional consumer groups set up for first 5-10 years to feed into Ombudsman – direct local link - Need to ensure that Water Service Entities consider “Total Household Costs” as a part of setting their charges to communities
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Financial : Government funding of Reform		
Concerns		Opportunities
<ul style="list-style-type: none">Transition costs currently have \$296m put aside as part of the reform package, while the WICS analysis states that approx. \$1bn is needed for transition costsOppose \$1bn component of ‘Better off’ fund being paid for by rate payers through the WSEs. This is a central government reform and should be funded as such		N/A
Solutions	<ul style="list-style-type: none">Significant shortfall should be funded through central government‘Better off’ fund should be fully funded by central government not the Water Service Entities, which would only load more debt onto communities	
Financial : Ability of Council to support community development		
Concerns		Opportunities
<ul style="list-style-type: none">A situation may occur, when a community growth project is funded by the Entity but local council cannot afford parks / reserves / roads etc, - puts Council in a difficult positionIs there going to be a financial benefit for Council? If we transfer over the debt, and lose the revenue and the ability to borrow against the asset– For Whakatāne we cannot see any gain?		Council’s financial position will be improved with Council Three Waters related debt transferred over to Entity B
Solutions	Reform package needs to consider how these issues will be addressed	

Whakatāne District Council : Impact to Workforce, Capability and local economy

Workforce, Local capability, Strong local Economy : Skills Development	
Concerns	Opportunities
<ul style="list-style-type: none"> How will this new Entity get the additional skilled people to help deliver this significant programme of work (especially in the early years)? There is an existing skills shortage 	<ul style="list-style-type: none"> Three Waters staff will have improved career opportunities / training & development / tools, noting we have an ageing workforce
Solutions	<ul style="list-style-type: none"> Government to include within transition plan, clear plan on how skills gap will be addressed, with immediate start date Consider local mechanisms to run training programmes to retain staff and contractors in smaller communities

Workforce, Local capability, Strong local Economy : Local Economic development	
Concerns	Opportunities
<ul style="list-style-type: none"> 9,000 new jobs for capital programme of work, delivered by a large organisation, not located in the Whakatāne District Clarity that reforms will ensure delivery of services at a local level that provides local jobs (Three Waters staff / contractors and indirect staff) and maintains levels of service for our district, which has a large land area and rural and remote communities 	Increased investment in Three Waters funding in our local area will have a positive economic outcome for Whakatāne
Solutions	<ul style="list-style-type: none"> Reform to include guarantees for local delivery methods for contractors & staff Need to focus on upskilling contractors - not lowest price conforming. Need guarantees that local contractors will be supported through sub-contracting clauses contained within larger contracts

Workforce, Local capability, Strong local Economy : Systems	
Concerns	Opportunities
<ul style="list-style-type: none"> N/A 	The Entity will enable improved asset management, data, ICT systems and information for future decision making
Solutions	<ul style="list-style-type: none"> Reform to include 'national approach' to asset management, data & ICT

Whakatāne District Council : Impact to Social, Community and Wellbeing

Community : Accountability to the community / Prioritisation of Investment	
Concerns	Opportunities
<ul style="list-style-type: none"> • We need to ensure projects (as identified in our LTP) get funded and delivered in the planned timeframe • How will we ensure that early funding goes to rural and provincial councils, and not the large councils? • The governance arrangements to allow the strategic direction of Council to be realised – needed to ensure our priorities and planning are supported by Entity B (especially spatial planning and growth related work) • Concern that voice of consumers is disconnected from Entity decision making, and not addressed adequately by Ombudsman • Entity B seen as a distant organisation that has no local connection to our communities • Concern that Entity focus is prioritised on Drinking Water investment, and planned wastewater and stormwater investment will be deferred or ignored • Concern that Entity set up will take time to get underway, and that the early part of its operation will be looking for efficiencies, with less of a focus on investment in key infrastructure • Entity B area has significant growth planned; concerns that the Whakatāne District growth is overlooked due to the smaller scale of growth in comparison to Entity B metro growth (Tauranga / Hamilton) 	N/A
Solutions	<ul style="list-style-type: none"> - Reform proposal to specify how local projects (e.g. Murupara improvements, Matatā wastewater solution) once identified will be prioritised and delivered against by the new entity - Also how entities will interface with DHBs / Waka Kotahi / Kāinga Ora and rural communities - Sub regional Water Consumer Council set up (at least for 5-10 years) as service delivery is embedded, then decide if this is required ongoing - Entity has to include a local presence / local face - Government to provide some guarantees that the WSEs will be plan led, from Local Authorities, and that spatial planning will determine what WSEs deliver and when

Community : Governance		
Concerns		Opportunities
<ul style="list-style-type: none"> It is unclear what 'ownership' looks like with this new Entity & what rights as owners councils will have Entity B is too large, with 22 councils, 78 iwi, large rural areas and remote and isolated communities. There will be competing demands between the rural areas, provincial towns and metros across Entity B Entity B has a significant amount of growth identified, and the prioritization of investment for delivering against this growth will be challenging Governance is complex, with many layers, there is a lack of accountability, with complex regulatory arrangements Lack of control with new governance, unclear where control lies (current model, electorate votes for Councillors, Councillors select CE & approves plans) 		N/A
Solutions	<ul style="list-style-type: none"> Set up sub-regional shareholder groups that have direct link into Entity and delivery organisation for at least 5 years – ensure local shareholders initiatives are being delivered & tracked against Set up a working group with a mix of local government and governance experts to re-design the proposed governance model, including considerations for local communities of interest 	

Community : Social / Ecological lens to decision making		
Concerns		Opportunities
<ul style="list-style-type: none"> New Entity will have a very corporate structure, and not be focused on what is best for the community 		N/A
Solutions	<ul style="list-style-type: none"> Require there is a clear culture in the Entity organisation, with a social and ecological lens to decision making Encourage the WSEs to consider the Wellbeings that we as Local Government are required to deliver. These core services form significant aspects of our residents wellbeing 	

Community : Privatisation		
Concerns		Opportunities
<ul style="list-style-type: none"> Are there enough protections in place against future privatisation of Three Water services? 		N/A
Solutions	- Remove the provision for privatisation in the reform	

Community : Constitutional Issues		
Concerns		Opportunities
<ul style="list-style-type: none"> This reform may raise constitutional issues if communities are losing meaningful ownership without agreement or adequate compensation 		N/A
Solutions	- None identified	

Attachment 2 : Public / Community Feedback – Three Waters Reform
received via online form and direct email address

Area	Community Feedback Received
Reform Process : Timeframe and engagement	<ul style="list-style-type: none"> 20 believe <u>central government should work with local government to achieve improvements</u> to Three Waters without the entity structure/incl. alternative funding models 21 noted the current service delivery by local Council works – <u>not broken, don't fix it</u> 41 requests for <u>full consultation process</u> 50 requests for a <u>referendum or vote</u> 45 requests for <u>Government to slow down the process</u>, and highlighting a lack of information 16 consider the reform process is <u>undemocratic</u> 9 respondents believe <u>Government has already made up its mind</u> to proceed with this reform 3 highlighted that reform is the <u>result of councils historically not investing</u> adequately in Three Waters 13 noted that <u>centralisation</u> not always the best solution 19 concerned that <u>previous Government reforms did not result in the savings or improvements intended</u> 7 <u>support</u> the reform process 1 believes the <u>water regulator should be funded to support individuals' compliance</u> 2 respondents believe there is <u>no case for change</u>, Havelock North in an anomaly
Reform Process : Data Confidence / Lack of Data	<ul style="list-style-type: none"> 16 responses highlighted a concern with the Government advertising campaign, noting it has been <u>misleading</u>. 19 responses were concerned with the <u>financial modelling on which reform benefits</u> are based 2 concerned with <u>lack of clarity</u> of what's 'in and out' of reforms ie septic tanks 1 concerned about who the <u>decision maker for fluoridation</u> will be
Reform Process : Wider Reform	<ul style="list-style-type: none"> 3 responses concerned with the timing of Three Waters reform, and <u>disconnect with RMA reform / LG Futures</u> 1 concerned about <u>Council financial viability</u> without Three Waters assets
Levels of Service change : Private Water supplies	<ul style="list-style-type: none"> 14 responses were concerned with private water supply schemes and rural supplies, including future ownership of these
Levels of Service change : Stormwater Complexity	<ul style="list-style-type: none"> 1 concerned that <u>amenity stormwater areas will be closed to public</u> use if they become an Entity asset
Levels of Service change : Delivery concerns	<ul style="list-style-type: none"> 2 responses concerned with a <u>loss of direct contact and service</u> for small and rural communities 8 concerned that <u>appropriate maintenance and upgrades are delivered</u>
Financial : Cost to Ratepayer	<ul style="list-style-type: none"> 14 highlighted concerns that '<u>creation of more bureaucracy</u>' will drive inefficiencies 12 concerned with a decline <u>in efficiency of operations and increased costs</u> 2 highlighted that all <u>costs will be borne by the consumer</u> (Local Council rates and Entity charging)

Area	Community Feedback Received
	<ul style="list-style-type: none"> 1 queried if this <u>reform was affordable, especially with ongoing COVID-19 costs</u> 1 believes the Entity should have a remissions policy
Workforce, Local capability, Strong local Economy : Skills Development & Local Economy	<ul style="list-style-type: none"> 11 concerns raised regarding local companies ability to contract for work (and therefore <u>business sustainability</u>)/ <u>Three Waters jobs; loss of institutional knowledge</u> (as below)
Community : Accountability to the community / Prioritisation of Investment	<ul style="list-style-type: none"> 36 concerned that <u>assets will be lost</u> to Entity 2 concerned about the the <u>future of the Matatā wastewater solution</u> under the reform 5 think the Entity Board structure will mean <u>local influence over assets will be lost</u> 12 concerned with <u>loss of local voice</u> within the larger Entity
Community : Governance	<ul style="list-style-type: none"> 6 believe <u>indeterminate accountabilities</u> in governance model 1 response <u>concerned how iwi be fairly represented</u> in the Entity
Community : Privitisation	<ul style="list-style-type: none"> 28 concerned that <u>privatisation will occur</u> under a future government law change
Community : Is this constitutional	<ul style="list-style-type: none"> 8 consider the <u>reform process is undemocratic</u>
Community : Public Concern that iwi will control water	<ul style="list-style-type: none"> 41 people strongly hold the view that this reform gives '<u>power to iwi</u>'
Community : Political opposition	<ul style="list-style-type: none"> 16 respondents clearly expressed their <u>political opposition</u> to the reform process