

The Mayor and Councillors

WAIMAKARIRI DISTRICT COUNCIL

SUPPLEMENTARY AGENDA for a meeting of the **WAIMAKARIRI DISTRICT COUNCIL**
to be held in the Council Chamber 215 High Street, Rangiora at **1PM TUESDAY 4 JULY**
2023

Sarah Nichols
GOVERNANCE MANAGER

**Recommendations in reports are not to be construed as
Council policy until adopted by the Council.**

BUSINESS

Page No

MINUTES FOR CONFIRMATION

4.2 Minutes of an extraordinary meeting of the Waimakariri District Council held on Tuesday 20 June 2023

RECOMMENDATION

3 – 19

THAT the Council:

- (a) **Confirms**, as a true and correct record, the circulated Minutes of the meeting of the Waimakariri District Council meeting held on Tuesday 20 June 2023.

REPORTS

7.6 Submission Waka Kotahi Bilingual Signage Consultation – T Allinson
(Senior Policy Analyst) and A Mace-Cochrane (Transportation Engineer)

RECOMMENDATION

20 – 86

THAT the Council:

- (a) **Receives** Report No. 230615088538.
- (b) **Ratifies and approves** the attached submission on the amendment of Waka Kotahi's Land Transport Rule on Traffic Control Devices (Bilingual Signs).
- (c) **Circulates** the report and attached submission to the community boards for their information.

7.7 Submission to the Water Services Entities Amendment Bill – T Allinson
(Senior Policy Analyst)

RECOMMENDATION

87 – 180

THAT the Council:

- (a) **Receives** Report No. 230630097977.
- (b) **Approves** staff to develop a final draft submission on the Water Services Entities Amendment Bill, covering the matters identified in this report, the reports attachments and other matters raised by Council.

- (c) **Indicates** whether Council representatives wish to appear before the Select Committee to present Council's submission at the hearings.
- (d) **Delegates** authority to the Mayor and Chief Executive to approve a final amendment to the Council's submission before being lodged with the Select Committee by 5 July 2023.
- (e) **Notes** that a copy of the final submissions will be provided to the Council for formal receipt at its meeting scheduled for 1 August 2023.
- (f) **Circulates** the submission to community boards for their information.

7.8 Elected Member Remuneration and Expenses Policy – S Nichols (Governance Manager)

RECOMMENDATION

181 – 210

THAT the Council:

- (a) **Receives** Report No. 230630098525.
- (b) **Notes** the remuneration is set by the Remuneration Authority for Waimakariri Mayor, Councillors and Community Board members from 1 July 2023 to 30 June 2024 as follows:

	Oct 22 to June 23	1 July 2023 to 30 June 2024
Mayor	\$146,838	\$146,838
Deputy Mayor	\$69,373	\$69,373
Councillor (with portfolio and chairing responsibilities)	\$53,986	\$53,986
Kaiapoi-Tuahwi Community Board Chair	\$17,991	\$18,710
Kaiapoi-Tuahwi Community Board	\$8,995	\$9,355
Oxford-Ohoka Community Board Chair	\$16,949	\$17,627
Oxford-Ohoka Community Board	\$8,475	\$8,813
Rangiora-Ashley Community Board Chair	\$23,206	\$24,134
Rangiora-Ashley Community Board	\$11,603	\$12,067
Woodend-Sefton Community Board Chair	\$14,863	\$15,457
Woodend-Sefton Community Board	\$7,431	\$7,729

- (c) **Notes** there is sufficient Governance budget to cover the increase in remuneration cost.
- (d) **Approves** the Elected Member Expenses Policy to 30 June 2024.
- (e) **Circulates** a copy of this report and the approved Expenses Policy to all Community Boards for their reference.

12. CORRESPONDENCE

RECOMMENDATION

THAT the Council:

- (a) **Receives** Petition from residents regarding Opposition to Landfill RC215276 Woodstock Quarries Landfill.
- (b) **Approves** staff forwarding a copy of the petition to Environment Canterbury who are considering the Resource Consent.

(Petition to be circulated separately to Councillors)

MINUTES OF A MEETING OF THE WAIMAKARIRI DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, 215 HIGH STREET, RANGIORA ON TUESDAY, 20 JUNE 2023, COMMENCING AT 1.00PM

PRESENT

Mayor D Gordon (Chairperson), Deputy Mayor N Atkinson, Councillors A Blackie, R Brine, B Cairns, T Fulton, J Goldsworthy, N Mealings, P Redmond, J Ward and P Williams.

IN ATTENDANCE

J Millward (Chief Executive), S Hart (General Manager Strategy, Engagement & Economic Development), G Cleary (General Manager Utilities and Roding), C Roxburgh (Project Delivery Manager), M Harris (Customer Service Manager), L Palmer (Credit Controller), and A Smith (Governance Coordinator).

There were several members of the public in attendance in the public gallery.

1. APOLOGIES

There were no apologies.

2. CONFLICTS OF INTEREST

There were no conflicts of interest reported.

3. ACKNOWLEDGEMENT

Mayor Gordon acknowledged the recent passing of Clare Williams from the Te Ngāi Tūāhuriri Rūnanga. Clare had previously been Chair of Te Ngāi Tūāhuriri Rūnanga and was passionate about environmental issues and the Waimakariri district. Clare was held in high regard by the Council and in 2019 was awarded a Waimakariri Community Service Award for her contribution to the district. The Mayor, Deputy Mayor and Chief Executive visited the family, extending condolences and taking flowers on behalf of the Council. Mayor Gordon acknowledged Deputy Mayor Atkinson and others for attending the tangi. Deputy Mayor Atkinson extended thanks to the other elected members who attended and also members of the Council waiata group. The Council stood to observe a minutes silence.

4. CONFIRMATION OF MINUTES

4.1 Minutes of a meeting of the Waimakariri District Council held on Tuesday 30 May 2023

Moved: Councillor Cairns

Seconded: Deputy Mayor Atkinson

THAT the Council:

- (a) **Confirms** as a true and correct record the minutes of a meeting of the Waimakariri District Council held on Tuesday 30 May 2022.

CARRIED

5. MATTERS ARISING FROM THE MINUTES

There were no matters arising from the minutes.

6. REPORTS

6.1 2023/24 Development Contribution Policy for Adoption with Annual Plan – K LaValley (General Manager Planning, Regulation and Environment)

C Roxburgh presented this report on behalf of K LaValley, which sought approval of the 2023-24 Development Contribution Policy as part of the 2023-24 Annual Plan (AP). The Policy included a remission scheme that applied to Māori development in Tuahiwi Reserve MR873, which was included as part of the Annual Plan consultation. Three submissions were received through the public submission process. The report therefore sought approval of the Policy which had been publicly consulted on.

Moved: Mayor Gordon Seconded: Councillor Ward

THAT the Council:

- (a) **Receives** Report No. 230608084300.
- (b) **Approves** the 2023/24 Development Contributions Policy and Maps.
- (c) **Notes** the development contributions MR873 remission in the Development Contributions Policy would apply to all applicable development contributions for qualifying developments of up to 20 dwellings over five years as infill type development.
- (d) **Notes** the remission scheme to be retroactively applied to RC195034 and RC185168 as qualifying developments.
- (e) **Notes** that the remission provisions of the Policy could be reviewed annually with the Policy review.

In supporting the motion, Mayor Gordon noted that there had been a limited number of submissions on this matter and the Council had held several workshop and briefing discussions.

Councillor Ward also acknowledged that this matter had been discussed fully by the Council.

Amendment

Moved: Councillor Redmond Seconded: Councillor Williams

- (a) **Receives** Report No. 230608084300.
- (b) **Notes** the remission scheme to be retroactively applied to RC195034 and RC185168 as qualifying developments.
- (c) **Notes** that the remission provisions of the Policy could be reviewed annually with the Policy review.

LOST

A division was called:

For 2: Councillors Redmond and Williams

Against 9: Mayor Gordon, Deputy Mayor Atkinson, Councillors Blackie, Brine, Cairns, Fulton, Goldsworthy, Mealings and Ward.

Debate on the Amendment

Councillor Redmond stated that development contributions applied over the whole district and this proposal made special provisions for MR873. Councillor Redmond believed the Council's role should extend to the provision of infrastructure, being an enabling Council to enable development to occur in this special area. This started with the Rangiora District Council and Plan Change Rural D, which provided for descendants of Kemps Deed to build within their area. This had continued under the current District Plan and the District Plan Review where the Council was becoming very enabling for MR873. He believed remitting Development Contributions was creating a burden on other ratepayers who would have to cover the loss, noting the report indicated that the loss would be loan funded. In Councillor Redmond's view, the Treaty settlements that Ngai Tahu negotiated were designed to compensate for financial losses and the Council's role as a territorial authority was to provide an enabling environment for that development to occur. Councillor Redmond acknowledged that Tuahiwi and MR873 was a special place with cultural significance in the district and as such, supported the District Plan Review in those provisions however was not in support of losing revenue as a result. Councillor Redmond advised that when the Council used the stimulus funding, of which a large proportion was spent in MR873, he had asked the question at the time of how the Council would recover the funds and was advised at the time that it would be recovered by development contributions. Under this Policy, this would not be the case. Councillor Redmond provided a handout that was circulated to each Councillor outlining Council money that had been spent within MR873 since 2010 and budgeted to 2024 to provide for infrastructure. This showed expenditure totalling nearly \$10 million. Councillor Redmond stated all ratepayers and developers should be treated the same, noting that there was still outstanding money owing from MR873 and believed this needed to be addressed. Councillor Redmond supported the remaining provisions of the Policy.

Mayor Gordon sought clarification from the Chief Executive, and it was confirmed that if the original recommendation (b) was removed for the amendment, this would mean there would be nothing on the table and that this would remove the ability of the Council to collect Development Contributions across the district.

Mayor Gordon expressed his opposition to this amendment and suggested it would have been helpful if these views had been expressed at previous Council workshops. The general provisions of Kāinga Nohoanga and the work undertaken by the Council over a number of years to address past grievances was something that had taken a lot of time and understanding on the Council's behalf. Mayor Gordon noted Kemps Deed which had significant historical background, and that members of Ngai Tuahuriri had been effectively deprived of development. This was a way of reducing this, noting it applied to a maximum of 20 houses over five years. The effect of removing recommendation (b) would mean there would be no Development Contributions Policy and suggested this amendment was ill-thought out and was opposed to it.

Councillor Fulton referred to the timeline (Attachment iv) in the report, noting that this formed his view against this amendment and believed it was time for settlement of the issue.

In reply, Councillor Redmond said he had raised his thoughts on this matter in previous discussions. With regard to submissions received through the Annual Plan public consultation process, these were opposed to the Policy and there were no submissions received in support of it.

The amendment was put and lost.

Debate on the original motion

Councillor Blackie referred to para5.3 of the report, Wider Community, which stated that: *The wider community is not likely to be affected by, or to have an interest in the subject matter of this report.* Councillor Blackie stressed that this wasn't the case, and he had been approached by many members of the community in relation to the matter, as had other Councillors also, and suggested that these words be deleted from the report. He believed that although there was limited response on this matter through the Annual Plan submission process, this was because people were reluctant to voice their true opinion on this matter and be labelled. It was agreed by all members that staff would adjust the wording in the report as per this request.

Furthermore Councillor Blackie requested removal of the first sentence in the first paragraph on page 168 of the agenda, which states that *The Mahi Tahi Joint Development Committee is a further expression of partners working together.* Councillor Blackie pointed out that this Committee had not met for more than 12 months. Mayor Gordon acknowledged that the committee had not met for some time and it was agreed that this statement be removed.

Councillor Williams did not support this motion and that approving this Development Contributions Policy would mean that other ratepayers would be financially supporting any development by Iwi. Councillor Williams did not believe this was fair on the remainder of the ratepayers in the district.

The substantive motion was then put.

Moved Mayor Gordon Seconded Councillor Ward

THAT the Council:

- (a) **Receives** Report No. 230608084300.
- (b) **Approves** the 2023/24 Development Contributions Policy and Maps.
- (c) **Notes** the development contributions MR873 remission in the Development Contributions Policy will apply to all applicable development contributions for qualifying developments of up to 20 dwellings over 5 years as infill type development.
- (d) **Notes** the remission scheme to be retroactively applied to RC195034 and RC185168 as qualifying developments.
- (e) **Notes** that the remission provisions of the Policy can be reviewed annually with the Policy review.

CARRIED

A division was called.

For 8: Mayor Gordon, Deputy Mayor Atkinson, Councillors Brine, Cairns, Fulton, Goldsworthy, Mealings, and Ward.

Against 1: Councillor Williams.

Abstained 2: Councillors Blackie and Redmond.

6.2 Adoption of Final 2023/24 Development Contribution Schedule – C Roxburgh (Project Delivery Manager)

C Roxburgh presented this report which sought approval to adopt the proposed 2023-24 Development Contribution Schedule. This Schedule sat behind the Development Contributions Policy and listed the specific development contributions throughout the district. This schedule also went out for consultation with the Annual Plan. There were four changes which related to either the number of connections to schemes or changes to the budgets as a result of staff submissions which had a growth element that flowed into the development contribution schedule. Apart from these four changes, the schedule had no changes from the draft document that was consulted on.

Councillor Goldsworthy highlighted a change required in the calculation for the Cust figure, and it was agreed that this would be amended. This did not impact on the figure in the recommendation.

Moved: Councillor Goldsworthy

Seconded: Councillor Cairns

THAT the Council:

- (a) **Receives** Report No. 230601080800.
- (b) **Approves** the attached 2023/24 Development Contribution Schedule to be effective from 1 July 2023, at the start of the new financial year (Attachment I TRIM number 230601080792).
- (c) **Approves** the following changes to the Development Contributions Schedule relative to the figures within the Draft 2023/24 Annual Plan consultation document, noting that all Development Contributions not listed below have not changed from the consultation document:
- | | |
|----------------------------------|-----------|
| • Water – Cust | \$ 7,486 |
| • Water – Summerhill | \$ 11,016 |
| • Sewer – North East Kaiapoi SPA | \$ 410 |
| • Roading – District | \$ 12,062 |
- (d) **Notes** that any consent any/or connection applications received prior to 1 July 2023 would include the 2022/23 Development Contribution rate, in accordance with the Development Contributions Policy.

CARRIED

6.3 Adoption of the Annual Plan 2023 - 2024 – J Millward (Chief Executive)

J Millward spoke to this report, which presented the 2023-2024 Annual Plan for adoption by the Council.

Sixty-one submissions were received on the Draft Annual Plan, with 22 submitters being heard on 4 May 2023. After considering the staff and community submissions received, the Council had adjusted the districtwide average rates increase from 5.97% to 6.24%. This was a 2.4% increase from what was indicated in the Long Term Plan, relating to inflation.

Councillor Redmond enquired if there were still references to the United Nations Sustainability Development Goals in the Annual Plan. J Millward confirmed that this was the case and noted that this had no impact on the Annual Plan and projects that the Council undertook. These references were first introduced into the 2021-2031 Long Term Plan, under recommendation from the then Planning Manager and went through a public consultation process at the time. The association with these United Nations measures in the Annual Plan and Long Term Plan was purely a linking exercise. The Council had agreed to review the inclusion of these references as part of the 2024 Long Term Plan. J Millward added that all submissions received in this Annual Plan process would be responded to by the end of July 2023.

Councillor Redmond asked if there would be any consequences to the Annual Plan if the references were removed. J Millward replied that this would not have any impact as it was a linking exercise which showed how the Council was contributing towards the Sustainability Development Goals at a high level.

Following a question from Councillor Williams on how the reference to UN Goals was introduced into the Council Plans, J Millward advised that the format used in the 2021-31 Long Term Plan was the same format that was used now. It was reiterated that the inclusion of the reference to the UN Goals was recommended by staff and the Council adopted the Plan at the time. Councillor Williams expressed concern that he was not aware of the reference being included in the Long Term Plan and did not recall any discussion on this matter at the time.

Moved: Mayor Gordon

Seconded: Councillor Ward

THAT the Council:

- (a) **Receives** report N° 230613086682.
- (b) **Adopts** the 2023-2024 Annual Plan (*Trim document 230526077785*) commencing 1 July 2023;
- (c) **Authorises** the Chief Executive to make necessary minor edits and corrections to the 2023-2024 Annual Plan prior to printing.

CARRIED

Councillor Williams Against

Mayor Gordon, in supporting the motion to adopt the Annual Plan, commended the work of Council staff on this document, noting that the projected rate increase from 5.97% to 6.24%, resulted in real figures for road maintenance. It was pointed out that any funding received from Waka Kotahi would not cover inflation. The Council endeavoured to keep the rates increase low, but also acknowledging that by holding rates back there would be consequence of higher rate increases in future years.

Mayor Gordon recalled discussion on the inclusion of the United Nations Sustainability Development Goals (SDG) at the time they were introduced to the Long Term Plan, which was not an issue at the time. Mayor Gordon did acknowledge that currently there were views in the community about removing reference to the UN but made it clear that there was no conspiracy with the UN. The appropriate place for inclusion of these UN goals to be considered would be as part of the Long Term Plan review in 2024, where it would be decided if those views were still appropriate.

Councillor Ward spoke in support of the motion and congratulated staff on the Annual Plan, and for keeping the average rate increase below inflation. There were significant challenges facing the Council including requirements to meet the water quality regulations and ongoing issues as a result of flooding and road maintenance. Waimakariri was a growth community, and the Council needed to keep up to date with the infrastructure relating to this growth.

Councillor Williams, in not supporting the motion, believed there were efficiencies that the Council could have made throughout several departments, and if these had been introduced, the average rate increase would be less than what was proposed. Councillor Williams also expressed concern with the Council's procurement system, suggesting that there were small businesses in the Waimakariri district that were unable to tender for contracts, as the system was too difficult to access. He believed this process needed to be reviewed.

In supporting the motion, Councillor Blackie congratulated the staff on the Annual Plan, which had been put together in difficult financial times. Regarding the UN Sustainability Development Goals (SDG), Councillor Blackie noted that this matter had been discussed and debated thoroughly in Council workshops over recent months and reiterated a comment he had made previously, that there was nothing in these SDGs that would affect the way that Waimakariri was run. These were a voluntary guideline and did not negatively affect the Council.

Amendment

Moved: Councillor Redmond

Seconded: Nil

- (d) **Remove** references to United Nations Sustainability Development Goals from the Annual Plan.

The amendment lapsed due to lack of a seconder.

Councillor Redmond spoke in support of the Annual Plan, noting that the Council had worked hard to achieve a good outcome. Regarding the SDGs, Councillor Redmond added that these did not have an impact on the Council in terms of operational matters. He would still support the adoption of the Annual Plan with these Goals being included in it, but his preference would have been for them to be removed.

Councillor Fulton supported the adoption of the Annual Plan, noting that the Council had been responsive to the submissions and taken heed of what the community was telling the Council. There had been a call to make improvements on roading and stormwater and the Council had taken account of the submissions that were received on these areas. The proposed average rate increase took into account the need to address infrastructure matters now, rather than trim and delay. Regarding the SDGs, Councillor Fulton believed that it was important to consider value statements and that there may be an argument about the inclusion of these Goals in the Annual Plan, however they are not material in the operational sense on how the Council was run.

Deputy Mayor Atkinson supported the Annual Plan. The 61 submissions received had been well read, as well as all the additional information that had been received since the submission closing date. Deputy Mayor Atkinson stated he was happy with the inclusion of the UN Sustainability Development Goals in this Annual Plan, however agreed with this being reviewed as part of the next Long Term Plan process in 2024. Regarding the projected rates rise, Deputy Mayor Atkinson said he had spoken with many residents in the district, who had indicated that they do not want the level of service lowered for road maintenance on the districts roads and supported funding being included in the Annual Plan.

Councillor Mealings noted that this was an Annual Plan, with the primary role of the document being as a budget for the Council's operations. The last minute increase in the funding of road maintenance was requested by the majority of submitters, for the districts roads. If this maintenance was not continued, it would cost the Council more in subsequent years. Councillor Mealings referred to the audited figures in Council Policies, noting that currently the Council was operating well within all the approved percentages, and was in support of the adoption of this Annual Plan. Originally the budget for this year stood at over 14% and staff were asked to make cuts in their respective areas and came back with this much more palatable figure.

Councillor Cairns, in supporting the adoption of this Annual Plan, acknowledged that as Councillors, they were elected to represent the community and from a wellbeing point of view, trying to deliver the best possible rates for the ratepayers. Councillor Cairns said he was proud of the Council team, both around the Council table and the staff, who do an exceptional job. Supporting this Annual Plan was the right decision.

Councillor Brine, also supported the Annual Plan and took the opportunity to acknowledge the challenges with staffing issues that the Greenspace Team had experienced. There had not been the money spent on staff because several staff in this department had moved onto other jobs and a number of staff positions were vacant. Such a situation was hard to predict and the money covering these vacancies was still going into the Greenspace budget. Councillor Brine noted a review of the Procurement Policy had been undertaken three to four years ago, pointing out that Councillor Williams had been involved with that review which endeavoured to accommodate the smaller local businesses at that time. Councillor Brine noted that staff may be willing to conduct another review of this Policy but he considered that a thorough review was undertaken last time.

In reply, Mayor Gordon acknowledged the work of the Chief Executive and staff in producing the Annual Plan, and extended thanks to J Millward for his first budget as Chief Executive. Mayor Gordon was always willing to hear about ideas for efficiencies and where savings could be made. Mayor Gordon also acknowledged the review of the Procurement Policy in recent years, and that staff adhered to the Policy. If the policy needed to be changed, there could be further discussion on this after the budget round, making sure it was working as effectively as it should be and remarked that all polices do have review timeframes. Mayor Gordon also confirmed that the inclusion of the UN Sustainability Development Goals in the Long Term Plan would be considered as part of the 2024 LTP review of this document. Members of the community would be welcome to submit during that process. Mayor Gordon stated that the rate increase of 6.24% was one of the lower rate increases in New Zealand for 2023-2024.

6.4 **Rates Resolution 2023-2024 – L Palmer (Credit Controller)**

L Palmer and M Harris presented this report, to meet the requirements of Section 23 of the Local Government (Rating) Act 2002 which required that rates must be set by a resolution of Council.

Following a question from Councillor Goldsworthy, it was confirmed that businesses rates were Tax deductible.

Moved: Councillor Williams

Seconded: Councillor Redmond

THAT the Council:

- (a) **Receives** Report No.230607083206.
- (b) **Resolves** to set and assess the following rates under the Local Government (Rating) Act 2002 and in accordance with the relevant provisions of the Annual Plan 2023/2024 and Funding Impact Statement for the 2023-2024 year, on rating units in the Waimakariri District for the financial year commencing on 1 July 2023 and ending on 30 June 2024. Rates were inclusive of the Goods and Services Tax (GST). All section references were to the Local Government (Rating) Act 2002. Targeted rating area boundaries were available at waimakariri.govt.nz.

1. **GENERAL RATES**

- (b) a general rate set under Section 13 as a rate in the dollar on the rateable capital value for all rateable land; and
- (c) a uniform annual general charge set under Section 15 as a fixed amount per rateable rating unit.

Uniform annual general charge per rateable rating unit	\$135.00
General rate in the dollar on rateable capital value	\$0.000396

2. **EARTHQUAKE RECOVERY RATE**

A targeted rate set under Sections 16-18 as a fixed amount per rateable rating unit in the District.

Fixed amount per rateable rating unit	\$139.31
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3. **ROADING RATES**

Targeted rates set under Section 16-18 comprising a fixed amount per rateable rating unit in the District; and a rate in the dollar on the rateable capital value for all rateable land in the District.

Fixed amount per rateable rating unit	\$122.81
Roading rate in the dollar on rateable capital value	\$0.000513

4. NORTH EYRE ROAD & BROWNS ROAD SEAL EXTENSION LOAN RATE

A targeted rate set under section 16-18 as a fixed amount per rateable rating unit in the North Eyre Road and Browns Road Seal Extension rating area where a lump sum contribution has not been previously been paid.

Fixed amount per rateable rating unit	\$1,206.91
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5. THONGCASTER ROAD & BROWNS ROCK ROAD SEAL EXTENSION LOAN RATE

A targeted rate set under sections 16-18 as a fixed amount per rateable rating unit in the Thongcaster Road & Browns Rock Road Seal Extension rating area where a lump sum contribution has not previously been paid.

Fixed amount per rateable rating unit	\$342.60
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6. BARKERS ROAD SEAL EXTENSION LOAN RATE

A targeted rate set under Sections 16-18 as a fixed amount per rateable rating unit in the Barkers Road Seal Extension rating area where a lump sum contribution has not previously been paid

Fixed amount per rateable rating unit	\$232.19
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7. COMMUNITY PARKS AND RESERVES, BUILDINGS AND GRANTS RATES

Targeted rates set under Sections 16-18 on a differential basis according to where the land is situated and the use to which the land is put, and targeted to each rateable rating unit or separately used or inhabited part of a rateable rating unit as follows:

Fixed amount per separately used or inhabited part of a rateable rating unit in the Town Residential category	\$589.70
Fixed amount per rateable rating unit in the Town Commercial category	\$589.70
Fixed amount per rateable rating unit in the Town Vacant category	\$85.00
Fixed amount per separately used or inhabited part of a rateable rating unit in the Rural Residential category	\$504.70
Fixed amount per rateable rating unit in the Rural Commercial category	\$504.70

A full explanation of the differential categories is contained in the Funding Impact Statement.

8. COMMUNITY LIBRARY AND MUSEUMS RATE

A targeted rate set under Sections 16-18 as a fixed amount per rateable rating unit in the District that is used for business purposes; and each separately used or inhabited part of a rateable rating unit in the District that is used for residential purposes.

Fixed charge per rateable rating unit used for business purposes	\$199.29
Fixed charge per separately used or inhabited part of a rateable rating unit used for residential purposes	\$199.29

9. COMMUNITY SWIMMING POOLS RATE

A targeted rate set under Sections 16-18 as a fixed amount per rateable rating unit in the District that is used for business purposes; and per separately used or inhabited part of a rateable rating unit in the District that is used for residential purposes.

Fixed charge per rateable rating unit used for business purposes	\$173.33
Fixed charge per separately used or inhabited part of a rateable rating unit used for residential purposes	\$173.33

10. CANTERBURY MUSEUM OPERATIONAL LEVY RATE

A targeted rate set under Sections 16-18 as a fixed amount per rateable rating unit in the District that is used for business purposes; and per separately used or inhabited part of a rateable rating unit in the District that is used for residential purposes.

Fixed charge per rateable rating unit used for business purposes	\$31.40
Fixed charge per separately used or inhabited part of a rateable rating unit used for residential purposes	\$31.40

11. CANTERBURY MUSEUM REDEVELOPMENT LEVY RATE

A targeted rate set under Sections 16-18 as a fixed amount per rateable rating unit in the District that is used for business purposes; and per separately used or inhabited part of a rateable rating unit in the District that is used for residential purposes.

Fixed charge per rateable rating unit used for business purposes	\$7.90
Fixed charge per separately used or inhabited part of a rateable rating unit used for residential purposes	\$7.90

12. PEGASUS SERVICES RATE

Targeted rate set under Sections 16-18 as a fixed amount per rateable rating unit situated in the Pegasus Town boundary.

Fixed amount per rateable rating unit	\$72.53
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13. ANIMAL CONTROL (STOCK) RATE

A targeted rate set under Sections 16-18 as a rate in the dollar on the rateable capital value on rating units situated in the Residential 4A, Residential 4B and rural zones in the Waimakariri District Council District Plan.

Rate in the dollar on rateable capital value	\$0.000006
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14. COMMUNITY BOARD RATES

Targeted rates set Under Sections 16-18 as a fixed amount per rateable rating unit plus a rate in the dollar on the rateable capital value in each of the Community Board areas.

Rate in the dollar on rateable capital value on each rating unit situated in the Kaiapoi-Tuahiwi Community Board area	\$0.000007
Fixed amount per rateable rating unit situated in the Kaiapoi-Tuahiwi Community Board area	\$21.46
Rate in the dollar on rateable capital value on each rating unit situated in the Rangiora-Ashley Community Board area	\$0.000005
Fixed amount per rateable rating unit situated in the Rangiora-Ashley Community Board area	\$19.50
Rate in the dollar on rateable capital value on each rating unit situated in the Woodend-Sefton Community Board area	\$0.000008
Fixed amount on per rateable rating unit situated in the Woodend-Sefton Community Board area	\$25.42
Rate in the dollar on rateable capital value on each rating unit situated in the Oxford-Ohoka Community Board area	\$0.000005
Fixed amount per rateable rating unit situated in the Oxford-Ohoka Community Board area	\$29.18

15. PROMOTION AND ECONOMIC DEVELOPMENT RATE

A targeted rate set under Sections 16-18 as a rate in the dollar on rateable capital value on each rating unit that is used primarily for business purposes.

Rate in the dollar on rateable capital value	\$0.00014
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16. RANGIORA CBD AREA MAINTENANCE AND STREET WORKS RATE

A targeted rate set under Sections 16-18 as a rate in the dollar on rateable capital value on rating units situated in the Rangiora Central Business District rating area that are used for business purposes.

Rate in the dollar on rateable capital value	\$0.0001046
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17. KAIAPOI CBD AREA MAINTENANCE AND STREET WORKS RATE

A targeted rate set under Sections 16-18 as a rate in the dollar on rateable capital value on rating units in the Kaiapoi Central Business District rating area that are used for business purposes.

Rate in the dollar on rateable capital value	\$0.0002109
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18. KERBSIDE RUBBISH AND RECYCLING COLLECTION RATE

A targeted rate set under Sections 16-18 as a fixed amount per separately used or inhabited part of a rating unit within the Kerbside Collection Contract areas excluding the Ohoka Kerbside recycling area to which the rubbish and recycling service is available.

Fixed charge per separately used or inhabited part of a rating unit to which the Kerbside Rubbish and Recycling Collection service is available	\$113.00
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19. OHOKA KERBSIDE RECYCLING COLLECTION RATE

A targeted rate set under Sections 16-18 as a fixed amount on each separately used or inhabited part of a rating unit in the Ohoka Kerbside Recycling Area.

Fixed charge per separately used or inhabited part of a rating unit in the Ohoka Kerbside Recycling Area	\$103.00
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20. KERBSIDE BIN RUBBISH COLLECTION

A targeted rate set under Sections 16-18 as a fixed amount per rubbish wheelie bin provided to rating units within the Kerbside Collection Contract areas including the Ohoka Kerbside Recycling Area.

Fixed charge per 80 litre rubbish wheelie bin	\$108.00
Fixed charge per 140 litre rubbish wheelie bin	\$144.00

21. KERBSIDE ORGANICS BIN COLLECTION

A targeted rate set under Sections 16-18 as a fixed amount per organics wheelie bin provided to rating units within the Kerbside Collection Contract areas (excluding the Ohoka Kerbside Recycling Area).

Fixed charge per 80 litre organics wheelie bin	\$90.00
Fixed charge per 140 litre organics wheelie bin	\$122.00
Fixed charge per 240 litre organics wheelie bin	\$174.00

22. WATER RATES

Targeted rates for water supply set under Sections 16-19

On a differential basis according to the provision or availability of the service, a fixed amount per separately used or inhabited part of a rating unit that is provided with an unrestricted connection to the Cust, Rangiora, Kaiapoi, Waikuku Beach, Woodend-Tuahiwi-Pegasus, Oxford Township water supplies. A fixed amount (40% of the rate for an unrestricted connection) for each unit of water supplied is set on rating units provided with a restricted connection to the above named water supplies.

A fixed amount per rating unit connected to the Summerhill, West Eyreton, Poyntz Road, Garrymere and Ohoka restricted water supplies together with a fixed amount for each unit of water supplied.

A fixed amount per unit of water supplied from Oxford Rural No. 1, Oxford Rural No. 2 and Mandeville (including the Fernside extension) water supplies.

(1 unit of water = 1,000 litres/day).

Targeted rate for Water UV Treatment set as a fixed amount per rating unit on all rating units connected to a Waimakariri water supply.

Targeted loan rates set under Sections 16-18 on a differential basis according to the provision or availability of a service, on rating units in the Tuahiwi residential area that are serviced by the Woodend-Tuahiwi-Pegasus Water Supply, where a lump sum contribution has not been paid. Loan rates are set as a fixed amount on each rating unit that is connected to the Woodend-Tuahiwi-Pegasus Water Supply, with a reduced amount payable on rating units that are not connected (pipeline share). The lower differential reflects the cost of installing the main pipeline and does not include the cost of property connections.

Targeted loan rate set as a fixed amount per rating unit in the rural land adjacent to the Tuahiwi residential area that have a restricted connection to the Woodend-Tuahiwi-Pegasus Water supply, where a lump sum contribution has not been paid.

Targeted loan rate set as a fixed amount per unit of water in the Fernside Water Loan area.

Cust	\$1,376.50
Cust – restricted supply per unit of water	\$550.60
Summerhill – per unit of water	\$119.10
Summerhill – per rating unit	\$1,001.40
Fernside Loan Rate per unit of water	\$86.00
Rangiora	\$379.40
Rangiora – restricted supply per unit of water	\$151.76
Kaiapoi	\$278.80
Kaiapoi – restricted supply per unit of water	\$111.52
Waikuku Beach	\$483.00
Waikuku Beach – restricted supply per unit of water	\$193.20
Woodend-Tuahiwi-Pegasus	\$435.20
Woodend-Tuahiwi– Pegasus restricted supply per unit of water	\$174.08
Tuahiwi rural water loan rate	\$778.30
Tuahiwi residential area water connection loan rate	\$667.11
Tuahiwi residential area water pipeline loan rate	\$489.22
West Eyreton—per unit of water	\$85.80
West Eyreton—per rating unit	\$868.80
Oxford Township	\$618.90
Oxford Township – restricted supply per unit of water	\$247.56
Oxford Rural Water No 1 per unit of water	\$454.60
Oxford Rural Water No 2 per unit of water	\$412.40
Water UV Treatment rate – per rating unit	\$35.30

Mandeville – per unit of water	\$306.50
Ohoka – per unit of water	\$24.64
Ohoka – per rating unit	\$1,267.11
Poyntzs Road – per unit of water	\$71.00
Poyntzs Road – per rating unit	\$846.00
Garrymere – per unit of water	\$39.00
Garrymere – per rating unit	\$1,556.08
Ashley Rural Water- per unit of water	\$951.74

23. WAIMAKARIRI WATER RACE RATES

Targeted rates set under Sections 16-18 as a fixed amount per rateable rating unit where the Waimakariri water race system is available assessed on a differential basis according to the area of land within each rating unit; together with a targeted rate per hectare of land area.

Small holdings for which special arrangements have been made to pipe water from this scheme are charged the special fixed charge only.

Area Rate (per Hectare)	\$8.28
Fixed amount per rateable rating unit (properties of over .4046 ha land area)	\$132.00
Fixed amount per rateable rating unit (properties less than or equal to .4046 ha)	\$127.00
Special fixed amount per rateable rating unit for piped supply	\$132.00

24. SEWER RATES

A targeted rate under Sections 16-18 per water closet or urinal within a rating unit connected to the Eastern Districts Sewer in Rangiora, Waikuku Beach, Woodend, Woodend Beach, Pines Kairaki, Tuahiwi, Kaiapoi, Pegasus, Swannanoa, Mandeville, Ohoka, Loburn Lea and Fernside.

A targeted rate set under Sections 16-18 as a fixed charge per rateable rating unit in the Oxford sewer rating area.

Targeted loan rates set under Sections 16-18 as a fixed amount per rateable rating unit and as a rate per hectare of land area in each rating unit located in the Southbrook Services (Sewer) Extension Stage 1 area where a lump sum contribution has not been paid.

Targeted loan rates set under Sections 16-18 as a fixed amount per rateable rating unit located in the Ohoka Utilities Connection Loan area and the Fernside Sewer Loan rating area and the Loburn Lea Sewer loan rating area.

Eastern Districts (Rangiora, Waikuku Beach, Woodend, Woodend Beach, Pines Kairaki, Tuahiwi, Kaiapoi, Pegasus, Swannanoa, Mandeville, Ohoka, Fernside, Loburn Lea) per WC or urinal.	\$549.90
Ohoka Utilities Sewer Connection Loan Rate fixed amount per rateable rating unit	\$326.71
Loburn Lea Sewer Loan Rate fixed amount per rateable rating unit	\$1,155.75
Oxford Sewer Operating Rate fixed amount per rateable rating unit	\$1,051.10
Fernside Sewer Loan Rate fixed amount per rateable rating unit	\$978.21

25. URBAN STORMWATER DRAINAGE RATES

Targeted rates set under Sections 16-18 as a rate in the dollar on the rateable land value on each rating unit situated in the Rangiora, Oxford, Pegasus and Coastal Urban (Woodend, Waikuku and Pines/Kairaki) urban drainage rating areas.

Targeted rate set under Sections 16-18 as a rate in the dollar on the rateable land value on each rating unit situated in the Kaiapoi urban drainage rating area on a differential basis according to where the land is situated.

A targeted rate set under Sections 16-18 as a fixed amount per rating unit on the properties in Alexander Lane that benefit directly from the private stormwater pump, to be charged in addition to the Kaiapoi urban drainage rate.

Rate in the dollar on rateable land value in the Kaiapoi urban drainage rating area excluding the Island Road rural extension	\$0.001077
Fixed amount per rating unit in the Alexander Lane Drainage Rating area	\$120.00
Rate in the dollar on rateable land value in the Kaiapoi urban drainage rating area Island Road Extension	\$0.000539
Rate in the dollar on rateable land value in Rangiora urban drainage rating area	\$0.0007521
Rate in the dollar on rateable land value in Coastal Urban (Woodend, Waikuku and Pines/Kairaki) urban drainage rating areas	\$0.0005125
Rate in the dollar on rateable land value in the Oxford urban drainage rating area	\$0.0007406
Rate in the dollar on rateable land value in the Pegasus urban drainage rating area	\$0.0007231

26. RURAL LAND DRAINAGE RATES

Targeted rates for Rural drainage set under Sections 16-18 on all rating units situated within the separate rural drainage targeted rating areas:

Waimakariri Coastal Rural	20% collected as a fixed amount per rateable rating unit and 80% by a rate per hectare of land
Cust	Rate per hectare of land
Clarkville	50% collected as a fixed amount per rateable rating unit and 50% as a rate per hectare of land
Oxford, Ohoka & Waimakariri Central Rural	20% collected as a fixed amount per rateable rating unit and 80% as a rate in the dollar on the rateable land value
Loburn Lea	Rate in the dollar on rateable land value
Ohoka fixed amount per rateable rating unit	\$70.00
Ohoka rate in the dollar on rateable land value	0.0004124
Loburn Lea rate in the dollar on rateable land value	0.0014867
Oxford fixed amount per rateable rating unit	\$44.00
Oxford rate in the dollar on rateable land value	0.0001960
Clarkville fixed amount per rateable rating unit	\$166.00
Clarkville rate on land area (per hectare)	\$43.12
Waimakariri Coastal Rural fixed amount per rateable rating unit	\$68.00
Waimakariri Coastal Rural rate on land area (per hectare)	\$39.64
Waimakariri Central Rural fixed amount per rateable rating unit	\$55.00
Waimakariri Central Rural rate in the dollar on rateable land value	0.0002076
Cust rate on land area (per hectare)	\$53.91

- (d) **Resolves** that rates are due and payable by four equal instalments on the dates listed below and resolves pursuant to Sections 57 and 58 that a penalty amounting to 10% of the amount unpaid will be added to any amount of the current instalment remaining unpaid seven days after the due date of that instalment. No penalty will be applied where a ratepayer has entered into an arrangement by way of a direct debit authority and honours that arrangement so that all current years rates will be paid in full by 30th June in that rating year or such other date agreed to by the Council.

Instalment	Due Date	Penalty Charge Applies
1	20 August 2023	27 August 2023
2	20 November 2023	27 November 2023
3	20 February 2024	27 February 2024
4	20 May 2024	27 May 2024

- (d) **Resolves** pursuant to Sections 57 and 58 a penalty charge amounting to 10% of the amount of unpaid rates from previous financial years, remaining unpaid at 3 July 2023 will be added on 3 July 2023 and a further penalty charge of 10% will be added on 3 January 2024 to rates for previous years still remaining unpaid as at 3 January 2024.
- (e) **Resolves** pursuant to Section 55 and the Discount for the Early Payment of Rates Policy, a discount amounting to 4% of the General Rate, Uniform Annual General Charge, Rooding Rates, Community Parks and Reserves, Buildings and Grants rate, Community Library & Museums Rate, Community Swimming Pools Rate, Pegasus Services Rate, Canterbury Museum Operational Levy rate and Canterbury Museum Redevelopment Levy Rate, will be allowed if the total year's rates and charges assessed, including those rates collected on behalf of the Canterbury Regional Council are paid in full by 27 August 2023.

Resolves that rates shall be payable by cash or eftpos (debit card) at any of the following places during office opening hours:

Rangiora Service Centre, 215 High Street, Rangiora
 Kaiapoi Service Centre, 176 Williams Street, Kaiapoi
 Oxford Service Centre, 34 Main Street, Oxford

Or online at waimakariri.govt.nz, by a direct debit facility established by the Council, internet banking or direct credit.

CARRIED

7. **MATTERS TO BE CONSIDERED WITH THE PUBLIC EXCLUDED**

Section 48, Local Government Official Information and Meetings Act 1987.

In accordance with section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act (or sections 6, 7 or 9 of the Official Information Act 1982, as the case may be), it is moved:

Moved: Mayor Gordon Seconded: Councillor Ward

(a) That the public is excluded from the following parts of the proceedings of this meeting

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item No.	Subject	Reason for excluding the public	Grounds for excluding the public-
7.1	Confirmation of Council public excluded minutes 30 May 2023 meeting	Good reason to withhold exists under section 7	To protect the privacy of natural persons, including that of deceased natural persons (s7(2)(a) and to carry on without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) as per LGOIMA Section 7(2)(i).

CARRIED

Resolution to Resume Open Meeting

Moved: Councillor Redmond

Seconder: Councillor Fulton

THAT the open meeting resume and the item considered in public excluded remain public excluded.

CARRIED

The public excluded portion of the meeting commenced at 2pm and the open meeting reconvened at 2.01pm.

8. QUESTIONS (UNDER STANDING ORDERS)

There were no questions.

9. URGENT GENERAL BUSINESS (UNDER STANDING ORDERS)

There was no urgent general business.

10. NEXT MEETING

The next scheduled ordinary meeting of the Council is on Tuesday 4 July 2023 commencing at 1pm, to be held in the Council Chamber, Rangiora Service Centre, 215 High Street, Rangiora.

There being no further business, the meeting concluded at 2.02pm.

CONFIRMED

Chairperson
Mayor Dan Gordon

Date

WAIMAKARIRI DISTRICT COUNCIL

REPORT FOR INFORMATION

FILE NO and TRIM NO: EXT-39 / 230615088538

REPORT TO: COUNCIL

DATE OF MEETING: 4 July 2023

AUTHOR(S): Témi Allinson - Senior Policy Analyst
Allie Mace-Cochrane - Transportation Engineer

SUBJECT: Submission: Waka Kotahi Bilingual Signage Consultation

ENDORSED BY:
(for Reports to Council,
Committees or Boards)

General Manager



Chief Executive

1. SUMMARY

- 1.1 The purpose of this report is to provide Council with the formal opportunity to receive a submission that was submitted to meet Waka Kotahi / New Zealand Transport Agency timeframes but was not able to be received at a formal Council meeting prior to that submission date.
- 1.2 The submission was considered by the Management Team and discussed with Councillors at a workshop on 13 June prior to being finalised by staff. The draft submission was also circulated via email to Councillors for their review prior to being lodged for submission.

Attachments:

- i. Document 230622093151 - WDC Traffic Control Devices (Bilingual Signs) Submission
ii. Document 230615088463 - Consultation Document Waka Kotahi Land Transport Rule: Traffic Control Devices (Bilingual Signs)

2. RECOMMENDATION

THAT the Council:

- (a) **Receives** Report No. 230615088538.
- (b) **Ratifies and approves** the attached submission on the amendment of Waka Kotahi's Land Transport Rule on Traffic Control Devices (Bilingual Signs).
- (c) **Circulates** the report and attached submission to the community boards for their information.

3. BACKGROUND

- 3.1. Waka Kotahi has just concluded a public consultation exercise on proposed amendments to its Land Transport Rules on Traffic Control Devices which are also known as road signs.
- 3.2. The deadline for submissions was on 30 June 2023, which did not allow time for Council officers to bring the submission to a formal Council meeting prior to submission. A workshop was however held with Councillors prior to submission and the draft submission circulated via email before being lodged with Waka Kotahi
- 3.3. In 2016, the Government enacted Te Ture mō Te Reo Māori, (the Māori Language Act), which affirmed the Crown's commitment to work in partnership with iwi and Māori to

actively protect and promote this taonga, the Māori language, for future generations. The Act acknowledges that Iwi and Māori are the kaitiaki of te reo Māori and establishes Te Mātāwai, an independent entity, to act on their behalf.

- 3.4. Waka Kotahi, as a Crown agency, has a role and responsibilities to fulfil in delivering on the Crown's commitment to the Māori Language Act (2016). They do this by contributing to advancing the revitalisation of the Māori language and promoting strategic objectives in wider New Zealand society.
- 3.5. They have therefore developed a work programme (Te Reo Rangatira) to deliver on their obligations under the Act. An objective under the work programme is 'Te Reo Kitea' - to make the Māori language visible. The introduction of bilingual road signs Waka Kotahi's contribution in fulfilling the Crown's mandate of ensuring Te Reo Māori is seen, heard and celebrated in our towns and cities.
- 3.6. In its submission, Council highlighted the following key points:
 - 3.6.1. Council acknowledges that a key step in contributing to the revitalisation of Te Reo Māori is the use of the language in daily life and the development of bilingual signage will help to contribute to this. We however note that English remains the most widely spoken language across the country and ask that this is reflected in the design of signs. In particular, we recommend that English names and directions be above the Te Reo Māori versions and where possible be made more prominent to facilitate quick reading and/or way finding.
 - 3.6.2. Council is concerned that there is a risk of some of the signs becoming busy and proving to be a distraction to road safety. We urge that that where there are signs with more text than is considered best practice, these should be pared back and simplified.
 - 3.6.3. Council is mindful of the likelihood of increased costs as part of the signage rollout process. We request that Waka Kotahi and Government make available appropriate funding commensurate with the added costs to support Council in the rollout.
 - 3.6.4. We also agree that the rollout should occur as signs age and need replacing so as to help limit waste and an increased cost burden on Councils.

4. ISSUES AND OPTIONS

- 4.1 Issues and options in relation to the topic and the subject of the submissions have been canvassed as part of preparing the submissions.
- 4.2 There are no anticipated issues with this report. The Council has two options: it may receive the report and the submissions, or not.

Implications for Community Wellbeing

There are no implications on community wellbeing by the issues and options that are the subject matter of this report.

- 4.1. The Management Team has reviewed this report and support the recommendations.

5. COMMUNITY VIEWS

5.1. Mana whenua

Te Ngāi Tūāhuriri hapū are likely to have an interest in the subject matter of this report. Expanding the scope and number of road signs being translated into Te Reo Māori affirms

Waka Kotahi's, and by extension the Crown's, commitment to delivering on the statutory provisions enshrined in Te Ture mō Te Reo Māori 2016 (the Māori Language Act 2016).

5.2. **Groups and Organisations**

There are no known groups or organisations that likely to be affected by, or to have an interest in the subject matter of this report.

5.3. **Wider Community**

The wider community is likely to be affected by, or to have an interest in the subject matter of this report. The likely impacts will unfold over time as existing signs age and are replaced by new signs in the bilingual signage format. It is not anticipated that there will be significant adverse impacts beyond a slight familiarization period.

6. OTHER IMPLICATIONS AND RISK MANAGEMENT

6.1. **Financial Implications**

There are no financial implications of the decisions sought by this report.

6.2. **Sustainability and Climate Change Impacts**

The recommendations in this report do not have sustainability and/or climate change impacts.

6.3 **Risk Management**

There are no risks arising from the adoption/implementation of the recommendations in this report.

6.3 **Health and Safety**

There are no health and safety risks arising from the adoption/implementation of the recommendations in this report.

7. CONTEXT

7.1. **Consistency with Policy**

This matter is not a matter of significance in terms of the Council's Significance and Engagement Policy.

7.2. **Authorising Legislation**

Te Ture mō Te Reo Māori 2016 (the Māori Language Act 2016)

The Land Transport Act 1998

7.3. **Consistency with Community Outcomes**

The Council's community outcomes are relevant to the actions arising from recommendations in this report.

Effect is given to the principles of the Treaty of Waitangi

There is a strong sense of community within our District

The community's cultures, arts and heritage are conserved, developed and celebrated

Transport is accessible, convenient, reliable and sustainable.

7.4. **Authorising Delegations**

The Chief Executive Officer holds delegated authority to make submissions on behalf of the Council.

30 June 2023

Waka Kotahi NZ Transport Agency / Te Mātāwai
Private Bag 6995
Marion Square
Wellington 6141
Aotearoa New Zealand

rules@nzta.govt.nz

WAIMAKARIRI DISTRICT COUNCIL SUBMISSION ON THE HE TOHU HUARAHĪ MĀORI BILINGUAL TRAFFIC SIGNS PROGRAMME

1. Introduction

- 1.1. The Waimakariri District Council (the Council) thanks Waka Kotahi NZ Transport Agency and Te Mātāwai for the opportunity to provide comment on the He Tohu Huarahi Māori bilingual traffic signs programme.
- 1.2. The Council is willing to further engage with Waka Kotahi on the matters raised in this submission.

2. Background

- 2.1. Waimakariri District is located in the Canterbury Region, north of the Waimakariri River. The district lies within the takiwā of Ngāi Tūāhuriri one of the primary hapu of Te Rūnanga o Ngāi Tahu. It extends from Pegasus Bay in the east to the Puketeraki Ranges in the west, sharing boundaries with Christchurch City to the south, Selwyn District to the south and west, and Hurunui District to the north.
- 2.2. Geographically, socio-culturally, and economically Waimakariri District is primarily a rural district. People identify with and are attracted to a 'country lifestyle'. However, the district's proximity to Christchurch City means it has a significant and growing urban and 'peri-urban' population. Approximately 60 percent of residents live in the four main urban areas of Rangiora, Kaiapoi, Woodend/Pegasus and Oxford. The remainder live in smaller settlements or the district's rural area, including approximately 6000 rural-residential or rural 'lifestyle' blocks.
- 2.3. As a territorial local authority, the Council is the administering body for its locality. Bearing responsibility for functions alongside providing a range of services that directly impact on the lives and livelihoods of its residents. The propositions of the draft report have the potential to shape Council's infrastructure and levels of service provided to the community.

- 2.4. Consequently, WDC is interested in this package of bilingual signs, with particular emphasis on how responsibility for meeting the funding requirements needed to implement the delivery of the proposals will be apportioned. We are also mindful of the road safety considerations and the risk of distractions arising from some of the design choices associated with transitioning to bilingual traffic signage.
- 2.5. We however would like to reiterate that road safety is of paramount importance to us as a Council and we strongly urge the agency to ensure that this is not compromised.

3. General Comments on the Proposed Amendments

- 3.1. We note that Waka Kotahi, as a Crown agency, has a role to play and responsibilities to fulfil in delivering on the Crown's commitment to the Māori Language Act, and that this package of bilingual road signs may contribute to advancing the revitalisation of the Māori language in wider New Zealand society. It is important that delivering on the Crown's commitment does not compromise road safety.
- 3.2. The Council acknowledges that a key step in contributing to the revitalisation of Te Reo Māori is the use of the language in daily life and the development of bilingual signage will help to contribute to this. We however note that English remains the most widely spoken language across the country and ask that this is reflected in the design of signs. In particular, we recommend that English names and directions be above the Te Reo Māori versions and where possible be made more prominent to facilitate quick reading and/or way finding.
- 3.3. We also note that English is a universal language and is much more likely to be read by international visitors to New Zealand than the Māori language. We reiterate our comment that English should be made more prominent to aid these road users. We would also ask that careful consideration be given to whether bilingual signage may contribute to an increased accident rate by international visitors.
- 3.4. We are concerned that there is a risk of some of the signs becoming busy and proving to be a distraction to road safety. We urge that where there are signs with more text than is considered best practice, these should be pared back and simplified.
- 3.5. In addition to the signs potentially becoming busy, we also suggest there are likely to be areas of road where adding additional signage and/or wording to signage might pose an increased risk of distraction for drivers, particularly those from overseas. This may be particularly true in areas such as Waimakariri with rural roads.
- 3.6. The issue of driver distraction from signage becoming busier may also negatively impact the Road to Zero campaign. We suggest there may be locations where adding additional wording to signs may increase the risk of driver distraction, inadvertently leading to increased accidents and deaths.
- 3.7. We are mindful of the likelihood of increased costs to Council as part of the rollout process. We request that the agency and Government make available appropriate funding commensurate with the added costs to support Council in any rollout.

- 3.8. Any rollout should occur as signs age and need replacing so as to help limit waste and an increased cost burden on Councils.
- 3.9. Specific feedback on the questions raised in the discussion document are provided in the document that accompanies this covering letter.

4. Conclusion

- 4.1. WDC thanks Waka Kotahi and Te Mātāwai for the opportunity to comment on the proposed amendments. We commend the initiative that has been applied to the work thus far to celebrate and acknowledge Te Reo Maori on signage, however we would caution the use of Te Reo Maori being used universally across all road signs, particularly roads that are busy, subject to tourism or where the signage is already “word busy” and therefore recommend that Waka Kotahi carry out a benefit cost analysis before advancing this work stream..

Our contact for service and questions is Simon Hart - General Manager, Strategy, Engagement & Economic Development (simon.hart@wmk.govt.nz or 021 480 813).

Yours faithfully



Jeff Millward
Chief Executive

He Tohu Huarahi Māori bilingual traffic signs programme

- 1. Do you think that destination family of signs present a good opportunity to achieve the goal of incorporating more te reo Māori onto Aotearoa New Zealand's transport network?**

While the destination family of signs present an opportunity to achieve the goal of incorporating more te reo Māori onto the Aotearoa New Zealand transport network, we stress that doing so should not inadvertently negatively impact road safety and on balance we do not support the initiative in its current form.

- 2. What are your thoughts on the use of colour to differentiate te reo Māori and English text on the destination family of signs?**

From a technical perspective, colour is a suitable way to differentiate between the two languages. This reduces the cognitive demand for drivers, as it allows them to select the text colour and subsequent language to which they are most familiar with.

The yellow text does not contrast as well as white text with the green background (Waka Kotahi RTS 02 – Appendix 1). The contrast between the blue background and the yellow text is more apparent and makes the text more legible.

- 3. Do you have any other feedback on the designs of this overall family or individual signs? Please see Annex 1 and reference any individual signs where applicable in your response.**

Some of the signs in Annex 1 become complex with multiple words and large translations. In the case of the directional signage, these are generally located close to an intersection (i.e., where a driver needs to make a decision). Having complex signs in these locations will increase the cognitive demand required by drivers and may lead to unsafe driver behaviour or reduced awareness of the surrounding area. VicRoads Additional Network Standards and Guidelines: Community Information Signs suggests that no more than six words should be used on a sign, as drivers only have one to two seconds to read the sign as they drive past.

Again, with the text required on some of these signs, the overall size of the sign will have to be increased to accommodate the text. This will make the signs more expensive, due to additional requirements for material and text, as well as the likelihood that they will require more supports to reduce torsion forces. Council would be unwilling to fund over and above what it already pays to replace signs under maintenance. (The below image is an example of a sign which may become very complex, large, and expensive – Translations would need to be provided for 'West', 'Fernside', 'Oxford', and 'Ohoka').



- 4. Do you think that the dual sign option is a suitable way to display both te reo Māori and English messaging on Aotearoa New Zealand's transport network? Can you explain why or why not?**

The use of gated signs, one displaying te reo Māori and one displaying English, reduces the number of words on the sign and subsequently the cognitive demand for drivers. It also enables both languages to be shown in white text, which has better contrast with the background sign colour. It can be seen as a way to achieve cultural emersion and provides drivers the choice of what to look at.

This would be the preferred option for threshold signs, particularly where translations require multiple additional words.

- 5. Do you think that the public and active transport family of signs present a good opportunity to achieve the goal of incorporating more te reo Māori onto Aotearoa New Zealand's transport network?**

While the public and active transport family of signs present an opportunity to achieve the goal of incorporating more te reo Māori onto the Aotearoa New Zealand transport network, we reiterate our comment above that doing so should not inadvertently negatively impact road safety. The example sign in point 3 above would likely be difficult to translate into te reo Māori without adding significant text to an already busy sign.

- 6. What are your thoughts on utilising the one series up method to differentiate te reo Māori and English text on the public and active transport family of signs?**

It is hard to differentiate the one-up text size in a quick glance. Differentiating the te reo Māori by utilising italics, similar to what has been done in the UK, may be a more suitable way to achieve this.

7. What are your thoughts on the use of colour to differentiate te reo Māori and English text on the bus and coach stop signs?

Restricting bus signage to just being red is a great initiative. The use of the two colours provides great contrast between the two languages and the white background of the sign. In keeping with earlier comments, we suggest English is given priority on these signs.

8. Do you have any other feedback on the designs of this overall family or any individual signs? Please see Annex 2 and reference any individual signs where applicable in your response.

No further comments.

9. Do you think that the walking and cycling wayfinding family of signs present a good opportunity to achieve the goal of incorporating more te reo Māori onto Aotearoa New Zealand's transport network?

While the walking and cycling wayfinding family of signs present an opportunity to achieve the goal of incorporating more te reo Māori onto the Aotearoa New Zealand transport network, we reiterate earlier comments that doing so should not inadvertently negatively impact road safety.

10. What are your thoughts on using colour to differentiate te reo Māori and English text on the walking and cycling wayfinding family of signs?

From a technical perspective, colour is a suitable way to differentiate between the two languages. This reduces the cognitive demand for drivers, as it allows them to select the text colour and subsequent language to which they are most familiar with.

11. Do you have any other feedback on the designs of this overall family or any individual signs? Please see Annex 3 and reference any individual signs where applicable in your response.

The increased size of these signs means that Council will incur more costs when installing them, both in manufacture and providing sufficient supporting infrastructure. Council would be unwilling to fund over and above what it already pays to replace signs under maintenance.

12. Do you think that the general advisory family of signs present a good opportunity to achieve the goal of incorporating more te reo Māori onto Aotearoa New Zealand's transport network?

While the general advisory family of signs present an opportunity to achieve the goal of incorporating more te reo Māori onto the Aotearoa New Zealand transport network, we reiterate earlier comments that doing so should not inadvertently negatively impact road safety.

13. What are your thoughts on the use of the one series up method to differentiate te reo Māori and English text on the general advisory family of signs?

As these are only advisory signs, the use of the one up method seems suitable. We reiterate our earlier comments that English should be given priority and prominence on all signage.

14. Do you have any other feedback on the designs of this overall family or any individual signs? Please see Annex 4 and reference any individual signs where applicable in your response.

We have concerns with the A40-7 sign. This is not a commonly used sign and as such, drivers are not necessarily aware of what they mean. The sign itself is already complex with four symbols and two lines of text. Adding two additional lines of text complicates this further and increases cognitive demand for all. This may be off-set by using italics on the te reo Māori portion; however, we still recommend that this sign is removed from the package at this stage.

15. Do you think that the motorway and expressway advisory family of signs present a good opportunity to achieve the goal of incorporating more te reo Māori onto Aotearoa New Zealand's transport network?

While the motorway and expressway family of signs present an opportunity to achieve the goal of incorporating more te reo Māori onto the Aotearoa New Zealand transport network, we reiterate earlier comments that doing so should not inadvertently negatively impact road safety.

16. What are your thoughts on the one series up method differentiate te reo Māori and English text on the motorway and expressway advisory family of signs?

It is hard to differentiate the one-up text size in a quick glance. Differentiating the te reo Māori by utilising italics, similar to what has been done in the UK, may be a more suitable way to achieve this.

17. Do you have any other feedback on the designs of this overall family or any individual signs? Please see Annex 5 and reference any individual signs where applicable in your response.

18. What are your thoughts on the use of using sentence case for motorway and expressway signs, which enables colour to be utilised as the method of differentiation?

19. Do you think that the temporary family of signs present a good opportunity to achieve the goal of incorporating more te reo Māori onto Aotearoa New Zealand's transport network?

While the temporary family of signs present an opportunity to achieve the goal of incorporating more te reo Māori onto the Aotearoa New Zealand transport network, we reiterate earlier comments that doing so should not inadvertently negatively impact road safety.

20. What are your thoughts on the use of uppercase and sentence case font to differentiate te reo Māori and English text on the temporary family of signs?

There is not sufficient differentiation using uppercase and sentence case font between the two languages. As it is unlikely possible to differentiate using colour on these signs, italicising the te reo Māori and prioritising English above Maori would be beneficial.

21. Incorporating te reo Māori into temporary signs will make them larger. However, increasing the sign size allows the English text to be clearer. How do you think the larger temporary signs may affect transport users and road workers?

Traffic workers vehicles generally have custom made storage areas to prevent TTM equipment shifting during operation of the vehicle. Included in these setups are areas which store signs of a certain type and size. Increasing the size would therefore mean that all vehicles would require changes to the custom storage set-up. This is a substantial cost for any business/government who undertakes TTM.

Dedicated TTM business and other larger contractors store their TTM equipment in yards/warehouses. These again come with custom storage set-ups, which allow for safe tidy storage of their equipment. Increasing the size of signs will require changes to their storage set-up, which is again a major cost for these operators.

The supporting metal stands are fabricated to take the main sign and two-line supplementary plate. A supplementary plate which is greater than two lines will block the main traffic management sign. This will require all businesses to purchase new metal stands.

In general, TTM sites rely on the supplementary plate to inform the general public of safety critical work types being undertaken or when the general public need to be informed of a safety critical temporary change in road condition (e.g., flooding). It is therefore important that the signs relating to these specific conditions are easy to read at a quick glance for the following reasons:

TTM is 'temporary' and as such it is unlikely that drivers will get familiar with the signage. Signs

are placed in close proximity to the site and there is only a short window of time for the driver to read the sign before passing it.

As the supplementary plate is providing safety critical information, it shouldn't be expected that drivers read multiple lines of text. Naturally people read top to bottom and left to right, so having te reo Māori at the top may increase cognitive demand and impact on safety through the site.

Overall, it is recommended that the supplementary plates providing safety critical information retain just the English message, or at least have the te reo Māori moved to the bottom lines and in italicised text. We see no issues with the te reo Māori use on the R1-8, W1-1.9, W7-7, and W7-7.1 signs, as these are a good way to integrate te reo Māori into TTM signs, without compromising on the deliverance of safety critical messages.

22. Do you have any other feedback on the designs of this overall family or any individual signs? Please see Annex 6 and reference any individual signs where applicable in your response.

Covered above.

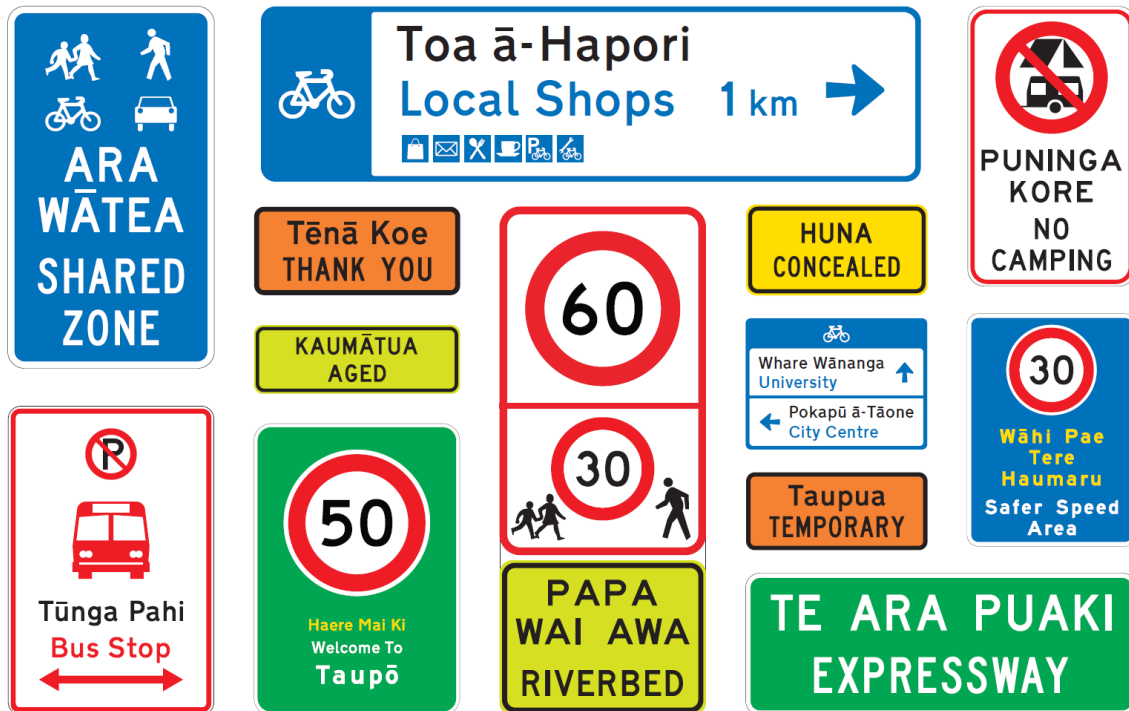
23. The dual approach to temporary signs will increase the number of signs on the network. What are your thoughts as to how this might transport users and road workers?

This would be a better approach for integrating te reo Māori into TTM, without compromising on the deliverance of safety critical messages. Given TTM sites are only temporary, it is unlikely that the additional clutter that these bring will impact on safety. Businesses which own TTM equipment should be allowed to phase out old signs and replace with the te reo Māori signs rather than having to purchase these upfront at the time of the rule change. Some subsidies should be provided to these companies to acknowledge the increase in cost associated with requiring gated signs where they previously were not necessary.

24. Do you have any feedback on the proposed consequential and/or minor changes to be made to the TCD Rule?

Put English translations above te reo Māori translations.

Council expects subsidisation from Waka Kotahi to install these signs.



HE TOHU HUARAHI MĀORI BILINGUAL TRAFFIC SIGNS PROGRAMME

Land Transport Rule: Traffic Control Devices (Bilingual Signs) Amendment 2023

Overview for consultation

22 May 2023

Contents

Copyright information	3
Disclaimer	3
More information	3
FOREWORD	4
THE PROCESS FOR MAKING RULE CHANGES	5
What are land transport rules?	5
Scope and objective of the TCD Rule.....	6
Consultation on proposed rule changes.....	7
MAKING A SUBMISSION	8
Information to include in your submission.....	8
WHY ARE WE DOING THIS?	9
Kura School traffic signs were introduced in April and May 2022	9
Research was undertaken to determine the safety of bilingual signs.....	10
Benefits of bilingual signage.....	12
Implementation approach	12
THE PROCESS SO FAR	13
Deciding which signs would be made bilingual in this phase.....	13
Translation	13
Design principles.....	14
WHAT CHANGES ARE PROPOSED?	16
Families of signs approach	16
Proposal 1: Destination signs	17
Proposal 2: Public and active transport signs	22
Proposal 3: Walking and cycling wayfinding signs	23
Proposal 4: General advisory and permanent warning signs	25
Proposal 5: Motorway and expressway advisory signs	27
Proposal 6: Temporary Warning signs.....	30
Proposal 7: Other proposed changes	33
ANNEX 1: DESTINATION SIGNS	34
ANNEX 2: PUBLIC AND ACTIVE TRANSPORT SIGNS	39
ANNEX 3: WALKING AND CYCLING WAYFINDING SIGNS	41
ANNEX 4: GENERAL ADVISORY SIGNS PERMANENT AND WARNING SIGNS	43
ANNEX 5: MOTORWAY AND EXPRESSWAY SIGNS	46
ANNEX 6: TEMPORARY TRAFFIC MANAGEMENT SIGNS	49

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More information

If you have further queries, call our contact centre on 0800 699 000 or email us at rules@nzta.govt.nz

This document is available on the Waka Kotahi website at <http://www.nzta.govt.nz>

Foreword

Te Ture mō Te Reo Māori 2016, the Māori Language Act 2016, affirms the Crown's commitment to work in partnership with iwi and Māori to actively protect and promote this taonga, the Māori language, for future generations. The Act acknowledges that Iwi and Māori are the kaitiaki of te reo Māori and establishes Te Mātāwai, an independent entity, to act on their behalf.

Maihi Karauna is the Crown's strategy for Māori language revitalisation for 2018–2023 and outlines what the Crown will do to support a strong, healthy and thriving Māori language in New Zealand. The Crown's vision is *Kia māhorahora te reo – everywhere, every way, for everyone, every day.*

Waka Kotahi acknowledges the importance of te reo Māori as the indigenous living language in New Zealand that should be promoted as part of our national heritage and identity. Waka Kotahi also recognises its own role and responsibilities, as a Crown agency, that contributes to advancing the revitalisation of the Māori language by promoting strategic objectives in wider New Zealand society. Te Reo Rangatira – Our Te Reo Māori Policy is the contribution of Waka Kotahi to Maihi Karauna. An objective of which is 'Te Reo Kitea' - to make the Māori language visible.



He Tohu Huarahi Māori Bilingual Traffic Signs programme is a partnership between Waka Kotahi and Te Mātāwai. This programme is also supported by Te Taura Whiri i te Reo Māori (the Māori Language Commission) and Te Manatū Waka Ministry of Transport.

In line with Te Ture mō te Reo Māori (Māori Language Act 2016), Waka Kotahi and Te Mātāwai have partnered to facilitate language revitalisation in Aotearoa. Together, Waka Kotahi and Te Mātāwai have designed and led this programme since its inception. This approach led to the creation of the He Tohu Huarahi Māori Partnership Rōpū, and the establishment of an expert panel of translators and moderation process. This partnership allowed Te Mātāwai to input expert advice and guidance to support engagement. It also enabled the programme to capture the views of iwi and Māori via the community-based panels of Māori language experts, practitioners and champions known as Ngā Pae Motuhake o Te Mātāwai. Their feedback helped to inform the design of the signs, implementation and translation approach. We also engaged with Māori partnership staff in local councils and a group from the traffic industry. This work could not have been put forward for public consultation without the partnership with Te Mātāwai and our expert panel of translators. Mauri ora.

The process for making rule changes

What are land transport rules?

The *Land Transport Act 1998* (the Act) provides the legal framework for making Land Transport Rules. Section 161 sets out the procedure by which the Minister of Transport (the Minister) makes rules.

Land Transport Rules are usually made either by the Minister or by the Governor-General (by Order in Council) on the recommendation of the Minister, under the Act. Rules generally contain detailed legal requirements, such as standards and processes, and cover a range of land transport issues that aim to achieve outcomes like:

- Safeguarding and improving land transport safety and security.
- Improving access and mobility.
- Assisting economic development.

Rules form part of New Zealand transport law and the offences and penalties for each rule are set out in the Act or in regulations. Most rules are drafted by Waka Kotahi working closely with Te Manatū Waka. Waka Kotahi undertakes consultation on proposed changes to rules on behalf of the Minister. The issues raised in submissions on the proposed rule changes are analysed and considered in preparing rules for the Minister to sign.

Matters the Minister must consider when making rules

When making (or recommending) a rule, the Minister must take into account the matters set out in section 164(2) of the Act. In summary, these include:

- the type of proposed activity or service;
- risks to land transport safety, specifically the:
 - level of risk to land transport safety in each proposed activity or service
 - level of risk to land transport safety in general in New Zealand
 - need to maintain and improve land transport safety and security;
- appropriate management of infrastructure;
- whether the proposed rule:
 - assists economic development
 - improves access and mobility
 - protects and promotes public health
 - ensures environmental sustainability
- the costs of implementing the proposed changes;

- New Zealand's international land transport safety obligations, and international circumstances; and
- any other matters the Minister considers right in the circumstances.

When assessing a proposed rule against these criteria, the Minister can give each such weight that the Minister considers appropriate. The proposals outlined below have been developed in accordance with these criteria.

The proposed changes are intended to be made under sections 152 and 157(g) of the Act. Section 157(g) of the Act allows for the setting of rules that provide for the design, construction, maintenance, and operation of traffic control devices.

Scope and objective of the TCD Rule

The layout and content of traffic signs in New Zealand is set out in the *Land Transport Rule: Traffic Control Devices Rule 2004* (TCD Rule). The objective of the TCD Rule is to contribute to a safe and efficient roading environment for all road users by ensuring traffic is controlled by traffic control devices that are safe, appropriate, effective, uniform and consistently applied.

Traffic Control Device means a device used on a road for the purpose of traffic control; and includes any:

- sign, signal, or notice
- traffic calming device
- marking or road surface treatment.¹

A Traffic signs may be:

'Regulatory' - instructing road users by requiring or prohibiting specified actions on a road (including speed limit and parking signs).

'Warning' - informing road users of hazards or of other features requiring a safe response on or near a road.

'Advisory' - giving road users information or guidance (including information about destinations, routes, amenities, distances, street name signs and localities).

The TCD Rule sets out requirements for the design, construction, installation, operation and maintenance of traffic control devices. This includes basic specifications like size, shape, colour and text on signs. Traffic signs can be static signs (i.e., they do not change) or variable signs (e.g., electronic speed limit signs or time-to-destination signs used on motorways).

¹ Marking or road surface treatment does not include 'roadway art' installed in accordance with clause 5.6(1) of the TCD Rule.

Consultation on proposed rule changes

The purpose of this publication is to consult on the draft *Land Transport Rule: Traffic Control Devices (Bilingual Signs) Amendment 2023* (the proposed Rule) and the changes it proposes to make to the TCD Rule. Consultation on the proposed changes to the TCD Rule will ensure legislation is sound and robust, and the rule development process takes account of the views of, and the impact on, people affected by the proposed changes.

He Tohu Huarahi Māori bilingual traffic signs programme and this consultation has only been made possible because of the willing partnership of Te Mātāwai. Te Mātāwai has provided valuable input as this document has been developed. Waka Kotahi is undertaking this consultation in accordance with section 161(2) of the Act.

This consultation has two parts:

This overview, which sets out the proposed amendments; and

The draft *Land Transport Rule: Traffic Control Devices (Bilingual Signs) Amendment 2023* (the proposed Rule).

These documents can be found at <https://nzta.govt.nz/about-us/consultations/>.

Please read this overview carefully and consider the effects the proposed changes to the TCD Rule would have on you or your organisation.

Making a submission

If you wish to make a submission on the proposed changes, please read the information provided in this overview and the draft of the proposed Rule. Submissions can be made in te reo Māori.

Information to include in your submission

- The title of this consultation
- Your name, and title if applicable
- Your organisation's name if applicable
- Your email address (preferred) or postal address.

Sending your submission

You can send your submission via the online submission form or by email to rules@nzta.govt.nz. The online submission form is available at nzta.govt.nz/about-us/consultations/he-tohu-huarahi-maori-bilingual-traffic-signs-consultation

Deadline for submissions

The deadline for submissions is **5pm, 30 June 2023**.

Submission is public information

Please note your submission may become publicly available. Waka Kotahi may publish any information you submit and may identify you as the submitter if your submission is published or given to a third party.

Please clearly indicate if your comments are commercially sensitive or, if for some other reason, they should not be disclosed, or the reason why you should not be identified as the submitter. Any request for non-disclosure will be considered under the *Official Information Act 1982*.

Why are we doing this?

Despite te reo Māori being the indigenous language of Aotearoa New Zealand, there are a very small number of traffic signs that combine both te reo Māori and English text (i.e., bilingual traffic signs). The exact text for most traffic signs is set out in Schedule 1 of the TCD Rule. Except in specific circumstances, these words are in English. Many Māori communities have been asking for te reo Māori to be used on traffic signs for some time.

Waka Kotahi, with support from Te Manatū Waka, has partnered with Te Mātāwai to undertake a programme of work to support the use of te reo Māori on traffic signs in Aotearoa New Zealand. He Tohu Huarahi Māori Bilingual Signs programme forms part of the transport sector's contribution to Maihi Karauna, the Crown strategy for Māori language revitalisation 2018–2023. Maihi Karauna is aimed at ensuring there are everyday opportunities for New Zealanders to engage with and use te reo Māori. This programme of work aligns with Aotearoa Reorua – the Department of Internal Affairs' bilingual towns and cities project, which looks to strengthen relationships between Iwi-Māori and local government to ensure te reo Māori is seen, heard, and celebrated in our towns and cities.

This programme recognises the importance of partnership, co-operation, and the leadership role that iwi and Māori play in relation to Māori language revitalisation. Waka Kotahi and Te Manatū Waka also recognise the importance of the Crown's role in supporting iwi and Māori in their efforts to ensure te reo Māori is a living language, especially within homes and communities.

He Tohu Huarahi Māori Bilingual Signs programme is a long-term programme of work. For this reason, we intend for this work to progress in two phases:

- Phase 1: identify, consider, and enable a prioritised selection of bilingual signs by the end of 2023.
- Phase 2: undertake a process to consider and, where appropriate, implement the rest of the signs from 2024.

Kura School traffic signs were introduced in April and May 2022

As part of our early work in Phase 1, an opportunity was identified to implement bilingual Kura School signs ahead of the rest of the selection. Feedback from the public consultation on the new Kura School signs late last year indicated overwhelming support, not only for these signs, but for bilingual traffic signs generally. The TCD Rule was amended on 5 April 2022 and 19 May 2022 to enable Kura School signs (two examples are provided in the table below) and they are already making their way onto the transport network. We estimate that there are around 14,000 English-only School signs across the transport network, which will eventually be replaced by Kura School signs.



W16-5.1



R1-6.2

We estimate around 1,000 new Kura School permanent speed signs (R1-6.2 as shown above) will be implemented on the roading network before July 2024, and another 3,000 before 2028.

Research was undertaken to determine the safety of bilingual signs

International experience and outcomes with bilingual traffic signs are important to consider and research has been undertaken to help inform our thinking on the introduction of bilingual traffic signs in Aotearoa New Zealand. The research report is available online at <https://www.nzta.govt.nz/resources/research/notes/005/>.

There have been some concerns that bilingual traffic signs might cause harm. Early research done internationally suggested that when reading bilingual traffic signs people may take longer to read a sign and react to it, vehicle following distances may shrink, and driving speeds increase in some instances.

However, research demonstrates that bilingual signs have not led to increased deaths and serious injuries (DSIs) where this has been measured (for example in Scotland and Wales). Instead, much of the effect on driving performance seems to be the result of sign complexity, which can be mitigated through effective design.

Aotearoa New Zealand follows international best practice in traffic sign design. We use transport series fonts for traffic signs in New Zealand, which are internationally recognised and applied by most countries. These fonts are proven to be the most legible for both daytime and night-time driving. Research has shown sign complexity and the quantity of text have an impact on reading comprehension, contributing to a decrease in driver performance. Keeping terms/phrases as short and simple as possible, preferably under four lines in total, can significantly lessen negative safety effects.

Welsh example



Bilingual traffic signs are deeply embedded in Wales. Advisory, regulatory, and warning signs largely feature both Welsh and English text. Supplementary or secondary signage is used in combination with signs that use icons and images.

Safety testing was conducted in Wales, and it was observed there could be an increase in reading comprehension time. This was counteracted by drivers slowing down when passing new bilingual signs. Following implementation, no evidence has been found that bilingual signs have increased road safety harm in Wales.

Irish example



Bilingual text is used in Ireland for advisory signage providing directional and tourist information, with Irish Gaelic (in italics) above English (in capitals) and equal font size.



The fonts themselves differ. The font used for Gaelic is used on other signs, not just traffic signs. Advisory signs giving directional information are differentiated for regional and national roads, as well as for motorways (left). Regulatory and warning traffic signs remain predominantly icon-based. Some regulatory signs are in English (e.g., the stop sign), while 'yield' or give-way signs may be in either English or Irish Gaelic only. If written language is used for a warning sign, this tends to be English.

Benefits of bilingual signage

“Ko te reo te mauri o te mana Māori” – Tā Hemi Henare.

The language is the lifeforce of the mana Māori – Sir James Henare.

There is evidence that bilingual signs, bilingual traffic signs and similar initiatives can impart wide ranging benefits. According to a sample of evidence, a variety of benefits are likely to accrue from bilingual traffic signs in Aotearoa New Zealand, not only for people whose language is newly included, but for all people.

These benefits are:

- Safety enhancement
- Tourism promotion
- Language protection
- Cultural enhancement
- Enhanced social/societal cohesion.



This research is available online at: <https://www.nzta.govt.nz/assets/resources/research/research-notes/005/memo-likely-benefits-of-bilingual-traffic-signs-in-aotearoa-new-zealand.pdf>

Implementation approach

The implementation approach for the traffic signs in the prioritised package is to require them to be used when a traffic sign is replaced or introduced onto the transport network. Road Controlling Authorities² will be responsible for implementing these new signs as they are required across the transport network. Costs are minimised under this implementation approach as these signs are going to replace existing signs or introduced onto the transport network as they are needed.

² Road Controlling Authorities (RCAs) are the body responsible for the management of particular sections of road. For local roads, local councils are the RCA and for State Highways, Waka Kotahi is the RCA.

The process so far

Deciding which signs would be made bilingual in this phase

The following factors were considered to help decide which families of signs (and individual signs within these families) should be included in the prioritised package:

1. **Frequency:** A higher number of particular types of signs on the transport network indicates a higher level of exposure and support for revitalisation of the language.
2. **Visibility:** The more visible a sign is, the more value it adds to te reo Māori revitalisation (i.e., sign size, quantity of text and user visibility all contribute to a sign's visibility).
3. **Sign complexity:** More complex signs may require more substantial trade-offs to maintain safety, this in turn may require additional testing.
4. **Thematic/cultural importance:** Some words, messages or themes may have higher importance for te reo Māori revitalisation (e.g., every day and simple language).
5. **Community aspiration:** For some signs, there is a high level of desire or aspiration within communities for them to be made bilingual.
6. **Timing of implementation:** Traffic signs that might be implemented relatively quickly would provide faster support for revitalisation of the language (e.g., increased investment in certain modes of transport may indicate higher numbers of mode-related signs soon to come onto the network).
7. **Funding opportunity:** Taking advantage of traffic signs that are slated for replacement (regionally or nationally) helps to minimise costs associated with implementing them as bilingual signs.

Assessing the value of a sign family as a whole helps us to determine where our attention and resources would be best focused for the prioritised package. It also enables consistency both within and across the different traffic signs families so that we are considering this work at the wider transport system level.

Translation

A panel of te reo Māori experts, the Pae Whakamāori, has considered and proposed the translations utilised in this prioritised package of signs. The mana of te reo Māori, safety of our hapori and consistency across the motu were key considerations for the Pae Whakamāori. The Pae Whakamāori also considered the length of the translations provided. A moderation process was undertaken to ensure translation consistency across all different traffic signs and their respective messages for users.

For some particular signs that have messages of cultural significance, two translations are being provided for each to account for dialectal differences. The relevant signs are the "Welcome to" signs (**Haere Mai Ki** and **Nau Mai Ki**) in Proposal 1 and the aged sign (Kaumātua and Ahungaru) in Proposal 4 and the funeral sign (Tangihanga and Hui Mate) in Proposal 6.3.

It should be noted that the scope of work for the Pae Whakamāori did not include determining te reo names of towns or cities. Naming of places is the responsibility of the New Zealand Geographic Board Ngā Pou Taunaha o Aotearoa. Te reo Māori and English names of places are not usually translations of names in any case.

Design principles

The following five principles have informed the designs utilised in the prioritised package:

1. The design of signs must be safe for transport system users

- Safety is a consideration for all aspects of sign design. A design must first be safe before any other factors can be considered.
- Safety considerations include the size of the signs as well as ensuring that messaging is clearly and quickly comprehensible.
- Safety considerations informed a variety of sign design practices, including ‘chunking’ most like elements (e.g., all te reo Māori messaging) of the text together has been incorporated to help people focus on the section of the sign they are most confident reading.

2. Te reo Māori is presented in a culturally appropriate way

- Te reo Māori must be presented in a culturally appropriate way to reflect the mana of the language.³

3. Languages must be differentiated

- Te reo Māori and English must be sufficiently differentiated for transport system users to quickly identify the language they are most confident reading and understanding. This is especially important for signs used in high-speed environments.
- Three methods of differentiation have been used for the prioritised package and have been deemed to meet safety standards.
 - Differentiating by increasing the font series used for te reo Māori** was consulted on and adopted for the Kura School signs. As noted earlier in this document, New Zealand uses transport series fonts for traffic signs (ranging from series A to E).⁴ The approach differentiates the two languages by having te reo Māori presented in one series up from the English (e.g., if English is transport series C, then te reo would be presented in transport series D). This approach would only be used where English is currently presented in capital case.

³ An example of cultural importance in sign design considerations can be seen in the decision to not present te reo in italics on any road sign following the Kura School consultation. Use of italics can create the impression that italicised text is outside the norm or presents it in a way that renders it foreign looking.

⁴ Each transport series font is capital case, but two of them also provide a modified sentence case option. Our most common traffic signs are guide signs, and these utilise the sentence case modified series E).

- ii. **Differentiating languages by colour** is another method that has been adopted for some of the signs in this package. This approach maintains English text in its current colour on the traffic signs and presents te reo Māori in a different colour. Consultation with the NZ Association of Optometrists was undertaken. The proposed colour combinations within this package were confirmed to provide sufficient colour and/or contrast differentiation for people with colour vision deficiency to safely discern the critical information presented.
- iii. **Differentiating the casing of languages** is the final differentiation method that has been used in this package. This approach presents te reo Māori in sentence case and English is in capital case. In some circumstances this form of differentiation has the benefit of reducing the overall size of signs compared to having both languages in capital case. Sentence case has also been found to enhance the legibility of text for users.

4. Signs should be consistent across families

- Consistency in design elements has been maintained within and across sign families. Consistency enables transport system users to easily identify the sign type by family and associate those design elements with the functions of that family.

5. Familiarity of signs should be maintained:

- Familiarity emphasises the importance of maintaining the key design elements of the current signs on the network to ensure that road users can quickly recognise and adjust to the new signs. This includes maintaining, where possible, elements such as the font size, font type and font colour and background colour.

These design principles have been considered in the design process for the families of signs included in this prioritised package. The design of traffic signs must always be safe and the presentation of te reo Māori culturally appropriate – these are bottom lines and so no compromise will be made. Differentiation of the languages is required for bilingual signs, but there is room for alternative approaches to be taken to achieve an appropriate and sufficient level of differentiation. The principles of familiarity and consistency in sign design are important to adhere to, but in certain circumstances other principles may have a higher priority or take precedence for some design decisions (e.g., to achieve a better level of differentiation, cultural appropriateness).

What changes are proposed?

Families of signs approach

As noted above, a range of factors were considered to help decide which families of signs (and individual signs within these families) should be included in the prioritised package. The proposed families are:

- Destination signs (Proposal 1)
- Public and active transport signs (Proposal 2)
- Walking and cycling wayfinding signs (Proposal 3)
- General advisory and permanent warning signs (Proposal 4)
- Motorway and expressway advisory signs (Proposal 5)
- Temporary traffic management signs (Proposal 6).

We are also proposing several changes to the TCD Rule which are considered minor (Proposal 7).

Each proposal is discussed in the sections below with some examples of the signs provided. Annexes at the end of the document identify all proposed signs, and the proposed Rule specifies any variations or options for particular signs.

Some highly desired signs by the community will be considered in the next phase

From our engagement with stakeholders and communities, we are aware of a number of signs for which there is significant community aspiration to be made bilingual. These signs include 'School Patrol' and temporary traffic management 'stop/go/slow' signs. Waka Kotahi is working with Waikato University to undertake research on design options and driver responses to these signs. The outcomes of this research will be used to inform proposals for phase two of this programme.

Some monolingual signs are proposed or being considered

As part of our work for the design of signs in this prioritised package, we identified some opportunities where monolingual sign options may be possible and appropriate (i.e., a standalone sign in te reo Māori, and a standalone sign in English). Where applicable, these are included as part of a proposal (see Proposal 1). While these are not bilingual signs, they still provide opportunities for te reo Māori and English to be presented on traffic signs and so we are interested in feedback from stakeholders.

Proposal 1: Destination signs







Destination signs inform road users of directions and distances to destinations and are commonplace throughout the roading network. Some of these destination signs include a speed threshold. These signs must give road users their message clearly and in a way that allows adequate time for the intended response from road users. These signs have added benefits of being large and having high exposure to transport system users. Displaying Māori localities alongside the English place name will recognise the mana of (and increase general knowledge of) Māori localities. Note that street name signs are not included in this prioritised package.

Please note that the destinations shown in some of the proposed signs for this family are for illustrative purposes only. The TCD Rule does not specify actual destinations to be used on signs, but we have utilised some examples to indicate what the proposed signs would look like. While efforts have been made to ensure the accuracy of the examples used, the New Zealand Geographic Board Ngā Pou Taunaha o Aotearoa is the authoritative source of information regarding official and unofficial names of places.

Design principles applied to this family

We are proposing to use colour to differentiate the two languages on this family of signs as the current signs utilise sentence case. Te reo Māori text is proposed to be shown in yellow and English in white. These colours are suitable with both the green and blue sign background colours for this family. If there is only one name for a destination it will continue to be shown in white text - this applies regardless of whether the localities are te reo Māori (e.g., Rotorua, Whakatane) or English.

We are proposing 17 bilingual traffic signs for this family and a complete list is provided in Annex 1. Some examples are provided below:

	Current	Examples of proposed signs
<p>R1-5.2 Rural Threshold (Option A)</p> <p>Proposed Rule reference: clause 2.4(5)(b)</p>		
<p>R1-5.5 Safer Speed Area Threshold</p> <p>Proposed Rule reference: clause 2.4(5)(e)</p>		
<p>A11-4 Advanced direction 'map'</p> <p>Proposed Rule reference: clause 2.4(5)(mmm)</p>		

With respect to destination signs that include the phrase ‘Welcome To’ in English (including R1-5.2 Rural Threshold) we are providing two translations that RCAs can choose from – ‘Haere Mai Ki’ and ‘Nau Mai Ki’. This gives RCAs flexibility to determine which translation is appropriate in their rohe.

Background colours for this sign are currently blue, green, black or white. We are proposing to remove black and white given feedback we have received from industry stakeholders and that these background colours are rarely used. The blue and green background colours will continue to be available for the proposed bilingual signs.

We have taken the opportunity to improve design consistency for one of the signs (i.e., the **R1-5.2 Threshold Urban/Rural** sign is now entirely sentence case), but all other design elements for the family of signs remain unchanged (e.g., the font, background colours).

Directional signage currently permits the use of route indicator numbers (see examples in A11-4 table above which has red shields indicating the state highway number). In addition to route indicators, we are proposing that directional signs can also use the following two service symbols:

Service symbols to be permitted on directional signage



Hospital symbol



Airport symbol



Enabling these particular service symbols for directional signage saves space and allows road users to quickly identify the direction to these important destinations. These service symbols are internationally recognised. Please refer to the proposed Rule regarding the particular signs that are able to use these symbols.

Consultation questions:

1. Do you think that destination family of signs present a good opportunity to achieve the goal of incorporating more te reo Māori onto Aotearoa New Zealand's transport network?
2. What are your thoughts on the use of colour to differentiate te reo Māori and English text on the destination family of signs?
3. Do you have any other feedback on the designs of this overall family or individual signs? Please see **Annex 1** and reference any individual signs where applicable in your response.

A dual option is also proposed for 'Welcome to' signs

In addition to the bilingual 'Welcome To' sign described above (R1-5.2 Rural Threshold), we are also proposing a dual language option. This proposed option will allow for one of the signs to be in te reo Māori and the other retaining its current messaging in English. We are proposing that the sign presenting te reo Māori text be installed on the left-hand side of the road, with English sign on the right (see example below).

	Proposed	
<p>R1-5.2 Rural Threshold (Option B)</p> <p>Proposed Rule reference: clause 2.4(5)(b)</p>		
	To be used on the left side of road	To be used on right side of road

Given that this dual approach does not require differentiation between languages, the text on both signs will be presented in the same colour (i.e., white) and in sentence case. The signs will be available in **green and blue backgrounds as is currently the case. Generally**, the overall size of a dual approach sign is smaller than the equivalent bilingual ‘Welcome To’ option.

Two translation options will again be available for the te reo Māori sign - ‘Haere Mai Ki’ and ‘Nau Mai Ki’.

A dual approach for these signs was approved in 2018 and they are currently being utilised on the transport network across various regions. The main differences from what is being proposed are that:

- **the English signs is currently on the left, and**
- **a number of different translation options for te reo Māori are being utilised.**

The proposed dual approach will promote better consistency for these signs and its use formalised in the TCD Rule itself.

Consultation questions:

4. Do you think that the dual sign option is a suitable way to display both te reo Māori and English messaging on Aotearoa New Zealand’s transport network? Can you explain why or why not?

Use of localities on destination signs

The TCD Rule does not specify which language must be used for localities, but official names must be used where one exists (as required under the New Zealand Geographic Board (Ngā Pou

Taunaha o Aotearoa) Act 2008.) Where there is no official name, an unofficial name can be used.⁵ Road Controlling Authorities are responsible for correctly displaying localities on traffic signs.

The New Zealand Geographic Board Ngā Pou Taunaha o Aotearoa grants some places and features a name that incorporates both English and te reo Māori (e.g., Aoraki / Mount Cook). These 'dual names' recognise the equal and special significance of both an original Māori and non-Māori name to a community. These are official names and must be used by RCAs on their road signs. Although these localities consist of two languages, they are recognised as a single name (i.e., these are not two translations of the same name).

To support the intention of these localities being recognised as a single name, we are proposing that the TCD Rule requires that the name be presented in white font (see clause 2.4(1) of the draft amendment Rule) as indicated in the example below.



**Dual name example with A15-1 Confirmation
direction - 2 locations**

The forward slash is part of the official name for these places and must be displayed on the sign.

Currently Waka Kotahi has guidance in the Traffic Control Devices Manual on how dual names should be displayed, but we will be updating our information if the changes in the proposed Rule are approved following consultation.⁶ Given that a requirement will be included in the TCD Rule regarding how these names must be displayed, the revised guidance in Traffic Control Devices Manual may focus more on matters that help RCAs to understand their obligations for names of places and where further information or support can be obtained.

⁵ More information on official and unofficial localities is available on the New Zealand Geographic Board Ngā Pou Taunaha o Aotearoa website <https://www.lin.govt.nz/regulatory/place-names/about-new-zealand-geographic-board/nzgb-place-name-maps-and-publications>.

⁶ See Appendix A of the TCD Manual regarding current guidance <https://www.nzta.govt.nz/assets/resources/traffic-control-devices-manual/docs/part-2-draft-direction-service-and-general.pdf>.

Proposal 2: Public and active transport signs





Public and active transport signs provide information relating to special vehicle routes (such as bus and cycle routes). These signs are relatively simple and use mostly symbols to convey information, with minimal text. Early feedback has indicated significant community aspiration for these signs to be bilingual due to wide range of people that regularly interact with these different types of transport (e.g., cyclists, public transport users). The land transport system is becoming more multi-modal (i.e., involving different modes of transport) and so these types of signs are likely to become more common across the network.



Design principles applied to this family

Two methods of differentiation have been used in this family of signs and this has been dependent on the current design elements of the sign. For some signs, such as bus and cycle 'lane' or 'only' signs (see R4-9 and R4-7.1 below), capital case is currently used for English and so it is proposed that capital case is maintained and te reo Māori is differentiated using one font size up from the English.

For the bus stop and coach stop signs, unlike the rest of this family, colour is the method proposed to differentiate te reo Māori and English. Te reo Māori is presented in black and English in red, which maintains elements of the original colour design of the sign and is suitably differential (see R6-2B below). Given that the English text on the sign is currently in sentence case, the one series up approach is not applicable.

We are proposing seven bilingual traffic signs for this family and a complete list is provided in Annex 2. Some examples are provided in the following table:

	Current	Examples of proposed signs
R4-9 Cycle Lane Proposed Rule reference: clause 2.4(5)(n)		
R4-7.1 Bus Only Proposed Rule reference: clause 2.4(5)(k)		

	Current	Examples of proposed signs
<p>R6-2B Text or symbols that may appear below or beside Symbol R6-1B (Bus stop)</p> <p>Proposed Rule reference: clause 2.4(2)</p>		

Currently the bus and coach stop signs provide RCAs two options for the colour of the bus/coach – red or black. We understand that black is rarely used. We are proposing that only the red bus symbol is permitted with these signs as the red image provides a better contrast with the black te reo Māori text that is positioned directly under it.

Consultation questions:

5. Do you think that the public and active transport family of signs present a good opportunity to achieve the goal of incorporating more te reo Māori onto Aotearoa New Zealand's transport network?
6. What are your thoughts on utilising the one series up method to differentiate te reo Māori and English text on the public and active transport family of signs?
7. What are your thoughts on the use of colour to differentiate te reo Māori and English text on the bus and coach stop signs?
8. Do you have any other feedback on the designs of this overall family or any individual signs? Please see **Annex 2** and reference any individual signs where applicable in your response.

Proposal 3: Walking and cycling wayfinding signs

This family of signs provides directional information to people using active modes of transport, such as walking and cycling. These wayfinding signs are usually found on shared paths and cycleways. Walking and cycling wayfinding signs are designed to deliver messages to pedestrians and cyclists clearly and in a way that allows adequate time for the intended response. The land transport system is becoming more multi-modal (i.e., involving different modes of transport) and so these types of signs are likely to be more common across the network.


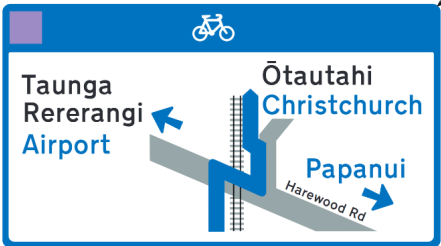




Please note that the destinations shown in some of the proposed signs for this family are for illustrative purposes only. The TCD Rule does not specify actual destinations to be used on signs, but we have utilised some examples to indicate what the proposed signs would look like. While efforts have been made to ensure the accuracy of the examples used, the New Zealand

Geographic Board Ngā Pou Taunaha o Aotearoa is the authoritative source of information regarding official and unofficial names of places.

Design principles applied to this family

The walking and cycling wayfinding signs will utilise colour to differentiate the two languages. On these signs, te reo Māori text is shown in black and English in blue. Colour differentiation is used for this family of signs as the previous blue/white colour scheme lent itself to easy font colour differentiation, while still maintaining the familiar colour design for the rest of the sign. The font sizes and the sentence casing has been maintained from the previous sign design.

We are proposing six bilingual traffic signs for this family and a complete list is provided in Annex 3.

<p>A51-2 Cycle route advance direction map – primary route</p> <p>Proposed Rule reference: clause 2.4(3)(y)</p>		
<p>A51-3 Cycle route intersection direction – primary route</p> <p>Proposed Rule reference: clause 2.4(3)(z)</p>		
<p>A51-5 Cycle route direction – primary route</p> <p>Proposed Rule reference: clause 2.4(3)(bb)</p>		

If there is only one name being used for the destination, it will continue to be shown in blue text - this applies regardless of whether the localities are te reo Māori (e.g., Rotorua or Whakatāne) or English (e.g., Wellington). This approach of maintaining the current colour of text for places with only one name is consistent with the destination sign family in Proposal 1.

It should be noted that terms used in the images in the table above, and also in **Annex 3**, are not required words or messages that have to be used. They are simply examples to illustrate how the sign is designed. However, we have provided translations to reflect as accurately as possible how these signs might be observed with both languages.

Given the introduction of the proposed cycle wayfinding signs above, the following signs which are currently in the TCD Rule are no longer needed and are proposed for removal (Proposed Rule reference: clause 2.4(4)):

- A11-5 Cycle route direction
- A13-1.2 Intersection direction cycle route – arrow board
- A13-3.2 Intersection direction cycle route – arrow board two direction
- A15-2 Confirmation direction cycle route.

Consultation questions:

9. Do you think that the walking and cycling wayfinding family of signs present a good opportunity to achieve the goal of incorporating more te reo Māori onto Aotearoa New Zealand's transport network?
10. What are your thoughts on using colour to differentiate te reo Māori and English text on the walking and cycling wayfinding family of signs?
11. Do you have any other feedback on the designs of this overall family or any individual signs? Please see **Annex 3** and reference any individual signs where applicable in your response.













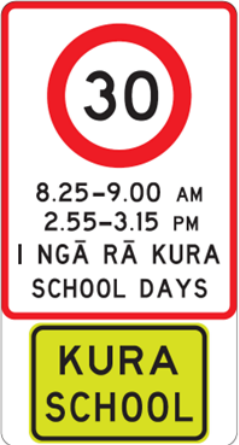
Proposal 4: General advisory and permanent warning signs



This family of signs provide information about features adjacent to roads and warn of associated hazards.

Design principles applied to this family

Te reo Māori and English will be differentiated by displaying te reo Māori in one series up from English. This approach has been adopted given English messaging is currently in capital case and that is proposed to remain in place. All other design elements remain unchanged (e.g., background colour).

We are proposing 10 bilingual traffic signs (or parts thereof) for this family and a complete list is provided in Annex 4. Some examples are provided in the following table:

	Current	Examples of proposed signs
<p>W16-5.2 Kindergarten</p> <p>Proposed Rule reference: clause 2.4(5)(fff)</p>		
<p>W16-5.3 Aged</p> <p>Proposed Rule reference: clause 2.4(5)(ggg)</p>		 
<p>W11-3.2 Intersection sign supplementary - concealed</p> <p>Proposed Rule reference: clause 2.4(5)(eee)</p>		
<p>W17-1.1 School bus - 'school bus'</p> <p>Proposed Rule reference: clause 2.4(5)(hhh)</p>		
<p>W17-1.2 School bus - 'school'</p> <p>Proposed Rule reference: clause 2.4(5)(iii)</p>		
<p>R1-6.1 Kura School static variable speed limit</p> <p>Proposed Rule reference: clause 2.4(5)(f)</p>		

	Current	Examples of proposed signs
<p>A40-7 Shared zone</p> <p>Proposed Rule reference: clause 2.4(5)(www)</p>		

We are proposing that two translations be available for the W16-5.3 'Aged' sign shown in the table above – 'Kaumātua' and 'Ahungaruā'.

With respect to the R1-6.1 Kura School static variable speed limit, we are proposing that the term 'school days' is made bilingual. Due to time pressures, it was not possible to consult on this proposal as part of the suite of Kura School signs late last year, but the one series up approach is obviously consistent with the Kura School family of signs. We have also taken the opportunity to improve the readability and consistency of this sign by ensuring that the times of day have the same number of place values (i.e., 9.00 AM is proposed instead of 9 AM).

Similarly, we are proposing to make two vehicle mounted school bus signs bilingual (W17-1.1 'School Bus' and W17-1.2 'School'). The same approach is taken with the Kura School family of signs with a one series up approach. There will be an increase in the size of these signs, and because they are attached to vehicles, we are interested in receiving any feedback from stakeholders on these two proposals.

Consultation questions:

12. Do you think that the general advisory family of signs present a good opportunity to achieve the goal of incorporating more te reo Māori onto Aotearoa New Zealand's transport network?
13. What are your thoughts on the use of the one series up method to differentiate te reo Māori and English text on the general advisory family of signs?
14. Do you have any other feedback on the designs of this overall family or any individual signs? Please see **Annex 4** and reference any individual signs where applicable in your response.











Proposal 5: Motorway and expressway advisory signs

These signs provide information about motorways and expressways.

Design principles used for this family

The preferred option for differentiating motorway and expressway advisory signs is the one series up method in order to preserve the capital case messaging that is currently used for these signs. All other design elements remain unchanged (e.g. background colour).

We are proposing 12 bilingual traffic signs for this family and a complete list is provided in Annex 5. Some examples are provided in the following table:

	Current	Examples of proposed signs
<p>A41-2 Expressway</p> <p>Proposed Rule reference: clause 2.4(5)(bbbb)</p>		
<p>A41-1 Motorway</p> <p>Proposed Rule reference: clause 2.4(5)(xxx)</p>		
<p>R1-5.3 Motorway ends threshold</p> <p>Proposed Rule reference: clause 2.4(5)(c)</p>		
<p>A12-3 Exit only supplementary</p> <p>Proposed Rule reference: clause 2.4(5)(ppp)</p>	 	 



Consultation questions:

- 15. Do you think that the motorway and expressway advisory family of signs present a good opportunity to achieve the goal of incorporating more te reo Māori onto Aotearoa New Zealand’s transport network?
- 16. What are your thoughts on the one series up method differentiate te reo Māori and English text on the motorway and expressway advisory family of signs?
- 17. Do you have any other feedback on the designs of this overall family or any individual signs? Please see **Annex 5** and reference any individual signs where applicable in your response.

Alternative approach for motorway and expressway signs we have considered

A number of different design options were considered for the motorway and expressway signs, in addition to the proposed one series up approach outlined above. One of the other options involved using sentence case for both English and te reo Māori, which enables the use of colour as the method of differentiation.

The following signs are examples of the possible use of sentence case and colour for motorway and expressway signs:

Examples for motorway and expressway signs using sentence case and colour	
	
R1-5.3 Motorway ends threshold	A41-1.1 Motorway

Taking this approach for these types of signs would bring them into alignment with signs in Proposal 1 (as the same font has been adopted), which have similar design elements (e.g., background colour, some incorporate speed thresholds). As indicated earlier in this document, sentence case has been shown to improve legibility so there may be an overall benefit to all users interacting with these signs.

This approach would however deviate from our design principle of maintaining consistency and familiarity of signs by not retaining capital case for the sign family. The signs would also be slightly

larger under this option compared to the proposed one series up approach, but this is not considered to be significant.

Consultation questions:

18. What are your thoughts on the use of using sentence case for motorway and expressway signs, which enables colour to be utilised as the method of differentiation?

Proposal 6: Temporary Warning signs










Temporary traffic management signs are used by contractors working with the road corridor to ensure safe management of traffic around their worksite. These signs have a high level of visibility due to their prevalence on every type of road and they constantly move around the network. This family of signs is large, with some signs having relatively straightforward messaging.

Design principles applied to this family

The two languages on these signs will be differentiated through different case types, with te reo Māori displayed in sentence case and English in upper case. Sentence case differentiation has been used to minimise the size increase of the bilingual temporary signs, which is crucial for signs that are used on roads with a higher crash risk. Minimising the increase in the sign size also reduces the likelihood of the signs being blown over and makes them easier to move around.

As indicated earlier in this document, sentence case has been shown to improve legibility. We have maintained the font colour and background colour for this family to promote consistency and familiarity. This approach would however deviate from our design principle of maintaining consistency and familiarity of signs by not retaining capital case for the entire sign family.

We are proposing 42 bilingual traffic signs for this family and a complete list is provided in Annex 6. Some examples are provided in the following table:

	Current	Examples of proposed signs
R1-8 Temporary speed limit Proposed Rule reference: clause 2.4(5)(g)		
W7-7 Thank You Proposed Rule reference: clause 2.4(5)(ccc)		
W5-4 Detour Ends Proposed Rule reference: clause 2.4(5)(zz)		
W2-1.21 Hazard warning supplementary - Funeral Proposed Rule reference: clause 2.4(5)(mm)		 

We are proposing that two translations be available for the W2-1.21 'Funeral' shown in the table above – 'Hui Mate' and 'Tangihanga'.

Schedule 1 of the TCD Rule currently provides for A and B sizes for W1 temporary supplementary warning signs. The A size is a minimum and the B size is an upscale which is intended to be used on higher traffic roads where a larger sign may be needed. Clause 4.4(2) of the TCD Rule already permits the increase in sign sizing, therefore we are removing the B size from Schedule 1 of the TCD Rule. These will however still be shown on the signs specifications website as is the current practice with other signs.

Consultation questions:

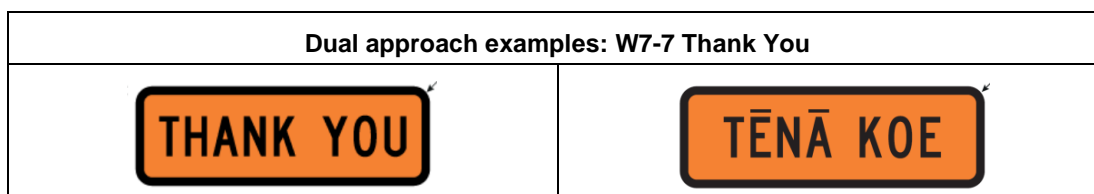
19. Do you think that the temporary family of signs present a good opportunity to achieve the goal of incorporating more te reo Māori onto Aotearoa New Zealand's transport network?

20. What are your thoughts on the use of uppercase and sentence case font to differentiate te reo Māori and English text on the temporary family of signs?
21. Incorporating te reo Māori into temporary signs will make them larger. However, increasing the sign size allows the English text to be clearer. How do you think the larger temporary signs may affect transport users and road workers?
22. Do you have any other feedback on the designs of this overall family or any individual signs? Please see **Annex 6** and reference any individual signs where applicable in your response.

Consideration of a dual approach for temporary signs

Given the possible implications of increasing the size of temporary signs, a dual approach was one of a number of other options considered for this family (i.e., a single sign for each language). This is similar to our proposed dual approach for the “Welcome to” signs outlined in Proposal 1, but instead of the signs being on the right and left sides of the road, the temporary warnings signs would be set up on the same side of the road, with a distance between them.

The following signs are examples of the possible dual approach for temporary signs:



Supporting infrastructure such as frames, stands and trucks may not need to change significantly under this dual approach. It would however effectively double the number of these signs on the network and have a potential cluttering effect. There would be a significant cost increase to implement this option compared to the current implementation approach for this programme which is based on replacing the existing signs when needed with the new bilingual signs.

No differentiation is needed for this option as the two languages will be displayed on different signs. The colours and font types of the existing English-only sign will also be used on the te reo Māori-only sign. This will mean that the size of this additional sign will (in most cases) be either the same, or only slightly bigger than the existing sign.

Consultation questions:

23. The dual approach to temporary signs will increase the number of signs on the network. What are your thoughts as to how this might transport users and road workers?

Proposal 7: Other proposed changes

We are proposing some consequential and/or minor changes to be made to the TCD Rule as part of this rule change. To review these in detail, please review the draft proposed rule.

For example, these include:

Sign specifications / requirements

- changes to the shape and size of signs
- changes to border sizes
- changes to colours and text size
- formatting specifications for macrons (new)
- Consequential changes to other signs (for example a consequential change was made to R1-8.3 as a result of the changes to W1-1.13) or the body of the rule.

Definitions

- Definition of 'Public holiday' being replaced
- Definition of 'School bus' being amended
- Definition of 'Official geographic name' being added.

General










- Inserting new clause 4.4(3A):
 - More than one language may only be used on a traffic sign if explicitly provided for in Schedule 1, and the traffic sign complies with the details of that sign (as set out in Schedule 1).









Further minor or consequential changes to the schedule or the body of the TCD rule may be proposed following consultation (for example any consequential changes needed to the shape and size of a sign, following post-consultation changes).








Consultation questions:


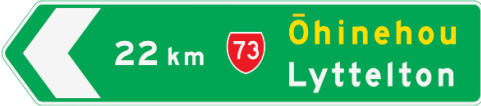




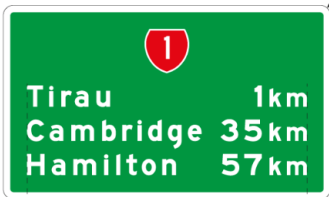

24. Do you have any feedback on the proposed consequential and/or minor changes to be made to the TCD Rule?



Annex 1: Destination signs

	Current	Proposed
<p>R1-5.1 Urban threshold</p> <p>Proposed Rule reference: clause 2.5(5)(a)</p>		
<p>R1-5.2 Rural threshold (Option A)</p> <p>Proposed Rule reference: clause 2.4(5)(b)</p>		 
<p>R1-5.2 Rural threshold (Option B)</p> <p>Proposed Rule reference: clause 2.4(5)(b)</p>	<p>This is a new sign in the TCD Rule.</p>	 
<p>R1-5.5 Safer Speed Area Threshold</p> <p>Proposed Rule reference: clause 2.4(5)(e)</p>		









	Current	Proposed
<p>A11-1 Advanced direction – word message</p> <p>Proposed Rule reference: clause 2.4(5)(jji)</p>		
<p>A11-2 Advanced direction - 2 localities</p> <p>Proposed Rule reference: clause 2.4(5)(kkk)</p>		
<p>A11-3 Advanced direction – stack</p> <p>Proposed Rule reference: clause 2.4(5)(lll)</p>		
<p>A11-4 Advanced direction - map</p> <p>Proposed Rule reference: clause 2.4(5)(mmm)</p>		









	Current	Proposed
<p>A11-4.1 Advanced direction – map - overhead</p> <p>Proposed Rule reference: clause 2.3(6)</p>	<p>This is a new sign in the TCD Rule.</p>	
<p>A12-1 Advanced lane designation – word message</p> <p>Proposed Rule reference: clause 2.4(5)(nnn)</p>		
<p>A12-2 Advanced lane designation – overhead</p> <p>Proposed Rule reference: clause 2.4(5)(ooo)</p>		
<p>A13-1 Intersection direction – arrow board</p> <p>Proposed Rule reference: clause 2.4(5)(qqq)</p>		

	Current	Proposed
<p>A13-1.1 Intersection direction – arrow board with distance</p> <p>Proposed Rule reference: clause 2.4(5)(rrr)</p>		
<p>A13-2 Intersection direction - arrow</p> <p>Proposed Rule reference: clause 2.4(5)(sss)</p>		
<p>A13-3 Intersection direction – arrow board two directions</p> <p>Proposed Rule reference: clause 2.4(5)(ttt)</p>		
<p>A15-1 Confirmation direction</p> <p>Proposed Rule reference: clause 2.4(5)(uuu)</p>		

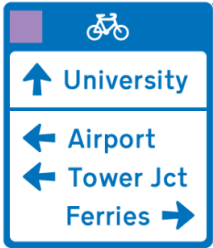
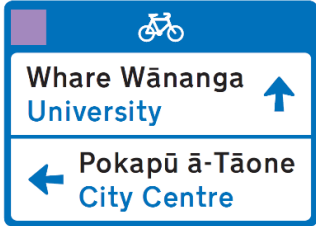
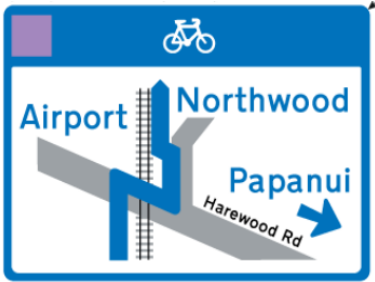
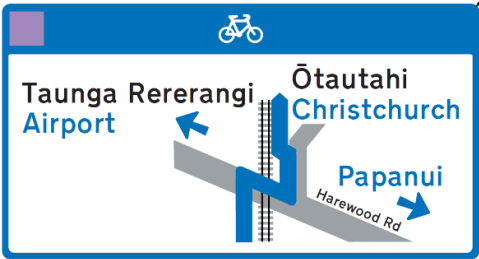




	Current	Proposed
A17-1 Place name Proposed Rule reference: clause 2.4(5)(vvv)		




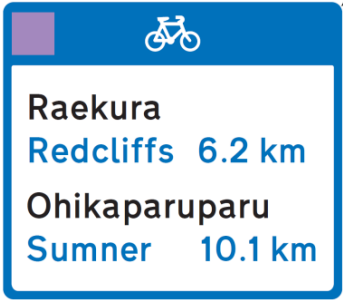
Annex 2: Public and active transport signs

	Current	Proposed
<p>R4-7 Bus lane</p> <p>Proposed Rule reference: clause 2.4(5)(j)</p>		
<p>R4-7.1 Bus only</p> <p>Proposed Rule reference: clause 2.4(5)(k)</p>		
<p>R4-7.2 Bus Lane or Bus Only - single period</p> <p>Proposed Rule reference: clause 2.4(5)(l)</p>		
<p>R4-7.3 Bus Lane or Bus Only - two periods</p> <p>Proposed Rule reference: clause 2.4(5)(m)</p>		







	Current	Proposed
<p>R4-9 Cycle lane</p> <p>Proposed Rule reference: clause 2.4(5)(n)</p>		
<p>R4-9.1 Cycle only</p> <p>Proposed Rule reference: clause 2.4(5)(o)</p>		
<p>R6-2B Text or symbols that may appear below or beside Symbol R6-1B (Items 'Bus stop' and 'Coach stop')</p> <p>Proposed Rule reference: clauses 2.4(2) and 2.4(3)</p>	 	 








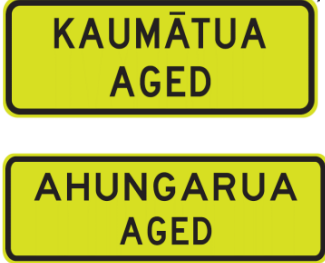


Annex 3: Walking and cycling wayfinding signs





	Current	Proposed
<p>A51-1 Cycle route advance direction – primary route</p> <p>Proposed Rule reference: clause 2.4(5)(ffff)</p>		
<p>A51-2 Cycle route advance direction map – primary route</p> <p>Proposed Rule reference: clause 2.4(5)(gggg)</p>		
<p>A51-3 Cycle route intersection direction – primary route</p> <p>Proposed Rule reference: clause 2.4(5)(hhhh)</p>		
<p>A51-4 Cycle route advance direction arrow – local route</p> <p>Proposed Rule reference: clause 2.4(5)(iiii)</p>		

	Current	Proposed
<p>A51-5 Cycle route direction–primary route</p> <p>Proposed Rule reference: clause 2.4(5)(jjjj)</p>		
<p>A51-8 Cycle route confirmation direction–primary route</p> <p>Proposed Rule reference: clause 2.4(5)(kkkk)</p>		








Annex 4: General advisory signs permanent and warning signs










	Current	Proposed
<p>R1-6.1 Kura School static variable speed limit</p> <p>Proposed Rule reference: clause 2.4(5)(f)</p>		
<p>R1-9.1 Beach variable speed limit</p> <p>Proposed Rule reference: clause 2.3(6)</p> <p><u>Note</u> the current sign was published in the Gazette - May 2022</p>		
<p>R1-9.2 Riverbed variable speed limit</p> <p>Proposed Rule reference: clause 2.3(6)</p> <p><u>Note</u> the current sign was published in the Gazette - May 2022</p>		









	Current	Proposed
<p>R5-11 No camping</p> <p>Proposed Rule reference: clause 2.4(5)(p)</p>		
<p>W11-3.2 Intersection sign supplementary 'Concealed'</p> <p>Proposed Rule reference: clause 2.4(5)(eee)</p>		
<p>W16-5.2 Kindergarten</p> <p>Proposed Rule reference: clause 2.4(5)(fff)</p>		
<p>W16-5.3 Aged</p> <p>Proposed Rule reference: clause 2.4(5)(ggg)</p>		
<p>W17-1.1 School bus - 'school bus'</p> <p>Proposed Rule reference: clause 2.4(5)(hhh)</p>		

	Current	Proposed
<p>W17-1.2 School bus - 'school'</p> <p>Proposed Rule reference: clause 2.4(5)(iii)</p>		
<p>A40-7 Shared zone</p> <p>Proposed Rule reference: clause 2.4(5)(www)</p>		













Annex 5: Motorway and expressway signs













	Current	Proposed
<p>R1-5.3 Motorway ends threshold</p> <p>Proposed Rule reference: clause 2.4(5)(c)</p>		
<p>R1-5.4 Motorway begins threshold</p> <p>Proposed Rule reference: clause 2.4(5)(d)</p>		
<p>A12-3 Exit only supplementary</p> <p>Proposed Rule reference: clause 2.4(5)(ppp)</p>		
<p>A12-4 Exit number supplementary</p> <p>Proposed Rule reference: clause 2.3(6)</p>	<p>This is a new sign in the TCD Rule.</p>	



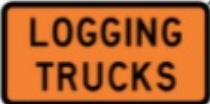





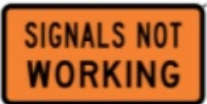



	Current	Proposed
<p>A41-1 Motorway</p> <p>Proposed Rule reference: clause 2.4(5)(xxx)</p>		
<p>A41-1.1 Motorway begins</p> <p>Proposed Rule reference: clause 2.4(5)(yyy)</p>		
<p>A41-1.2 Motorway ends advance information</p> <p>Proposed Rule reference: clause 2.4(5)(zzz)</p>		
<p>A41-1.3 Motorway ends (Option A and Option B)</p> <p>Proposed Rule reference: clause 2.4(5)(aaaa)</p>	 	 













	Current	Proposed
<p>A41-2 Expressway</p> <p>Proposed Rule reference: clause 2.4(5)(bbbb)</p>		
<p>A41-2.1 Expressway begins</p> <p>Proposed Rule reference: clause 2.4(5)(cccc)</p>		
<p>A41-2.2 Expressway ends advance information</p> <p>Proposed Rule reference: clause 2.4(5)(dddd)</p>		
<p>A41-2.3 Expressway ends (Option A and Option B)</p> <p>Proposed Rule reference: clause 2.4(5)(eeee)</p>		














Annex 6: Temporary traffic management signs













	Current	Proposed
R1-8 Temporary speed limit Proposed Rule reference: clause 2.4(5)(g)		
R1-8.4 Emergency speed limit Proposed Rule reference: clause 2.3(6)		
W1-1.2 New Seal supplementary Proposed Rule reference: clause 2.4(5)(q)		
W1-1.3 Road works supplementary – mobile machinery (1-line) Proposed Rule reference: clause 2.4(5)(r)	 	 
W1-1.9 Road works supplementary - works end Proposed Rule reference: clause 2.4(5)(s)		















	Current	Proposed
<p>W1-1.13 Road works supplementary - bridge repairs</p> <p>Proposed Rule reference: clause 2.4(5)(t)</p>		
<p>W1-4 Road works supplementary – temporary speed limit ahead</p> <p>Proposed Rule reference: clause 2.4(5)(u)</p>		
<p>W2-1.1 Hazard warning supplementary - flooding</p> <p>Proposed Rule reference: clause 2.4(5)(v)</p>		
<p>W2-1.2 Hazard warning supplementary - washout</p> <p>Proposed Rule reference: clause 2.4(5)(w)</p>		
<p>W2-1.3 Hazard warning supplementary - line crew</p> <p>Proposed Rule reference: clause 2.4(5)(x)</p>		
<p>W2-1.5 Hazard warning supplementary - tree felling</p> <p>Proposed Rule reference: clause 2.4(5)(y)</p>		


	Current	Proposed
<p>W2-1.6 Hazard warning supplementary - trucks crossing</p> <p>Proposed Rule reference: clause 2.4(5)(z)</p>		
<p>W2-1.7 Hazard warning supplementary - logging trucks</p> <p>Proposed Rule reference: clause 2.4(5)(aa)</p>		
<p>W2-1.8 Hazard warning supplementary - no road marking</p> <p>Proposed Rule reference: clause 2.4(5)(bb)</p>		
<p>W2-1.9 Hazard warning supplementary - signals changed</p> <p>Proposed Rule reference: clause 2.3(5)(cc)</p>		
<p>W2-1.10 Hazard warning supplementary - signals not working</p> <p>Proposed Rule reference: clause 2.3(5)(dd)</p>		
<p>W2-1.11 Hazard warning supplementary - new road layout</p> <p>Proposed Rule reference: clause 2.4(5)(ee)</p>		

	Current	Proposed
<p>W2-1.13 Hazard warning supplementary - cycle race</p> <p>Proposed Rule reference: clause 2.4(5)(ff)</p>		
<p>W2-1.14 Hazard warning supplementary - runners</p> <p>Proposed Rule reference: clause 2.4(5)(gg)</p>		
<p>W2-1.15 Hazard warning supplementary - walkers</p> <p>Proposed Rule reference: clause 2.4(5)(hh)</p>		
<p>W2-1.16 Hazard warning supplementary - cyclists ahead</p> <p>Proposed Rule reference: clause 2.4(5)(ii)</p>		
<p>W2-1.17 Hazard warning supplementary - runners ahead</p> <p>Proposed Rule reference: clause 2.4(5)(jj)</p>		
<p>W2-1.18 Hazard warning supplementary - walkers ahead</p> <p>Proposed Rule reference: clause 2.4(5)(kk)</p>		

	Current	Proposed
<p>W2-1.20 Hazard warning supplementary - fire</p> <p>Proposed Rule reference: clause 2.4(5)(ll)</p>		
<p>W2-1.21 Hazard warning supplementary - funeral</p> <p>Proposed Rule reference: clause 2.4(5)(mm)</p>		 
<p>W2-1.23 Hazard warning supplementary - hidden queue</p> <p>Proposed Rule reference: clause 2.4(5)(nn)</p>		
<p>W2-1.25 Hazard warning supplementary - pedestrians</p> <p>Proposed Rule reference: clause 2.4(5)(oo)</p>		
<p>W3-2.1 slippery surface supplementary – ice/grit</p> <p>Proposed Rule reference: clause 2.4(5)(pp)</p>		
<p>W3-2.2 Slippery surface supplementary - slow when wet</p> <p>Proposed Rule reference: clause 2.4(5)(qq)</p>		

	Current	Proposed
<p>W3-3.1 Gravel surface supplementary – new seal</p> <p>Proposed Rule reference: clause 2.4(5)(rr)</p>		
<p>W3-3.2 Gravel surface supplementary – seal repairs</p> <p>Proposed Rule reference: clause 2.4(5)(ss)</p>		
<p>W3-6.1 Supplementary – please stop on request</p> <p>Proposed Rule reference: clause 2.4(5)(tt)</p>		
<p>W3-7 Site access distance ahead</p> <p>Proposed Rule reference: clause 2.4(5)(uu)</p>		
<p>W3-8 Site access</p> <p>Proposed Rule reference: clause 2.4(5)(vv)</p>		
<p>W4-7.1 One lane - supplementary sign</p> <p>Proposed Rule reference: clause 2.4(5)(ww)</p>		

	Current	Proposed
<p>W5-1 Road closed ahead</p> <p>Proposed Rule reference: clause 2.4(5)(xx)</p>		
<p>W5-2 Detour ahead follow 'symbol'</p> <p>Proposed Rule reference: clause 2.4(5)(yy)</p>		
<p>W5-4 Detour ends</p> <p>Proposed Rule reference: clause 2.4(5)(zz)</p>		
<p>W6-6 Breakdown</p> <p>Proposed Rule reference: clause 2.4(5)(aaa)</p>		
<p>W7-2 Vehicle mounted sign – road work</p> <p>Proposed Rule reference: clause 2.4(5)(bbb)</p>		
<p>W7-7 Thank you</p> <p>Proposed Rule reference: clause 2.4(5)(ccc)</p>		
<p>W7-7.1 Works end thank you</p> <p>Proposed Rule reference: clause 2.4(5)(ddd)</p>		

WAIMAKARIRI DISTRICT COUNCIL**REPORT FOR DECISION****FILE NO and TRIM NO:** EXT-39 / 230630097977**REPORT TO:** COUNCIL**DATE OF MEETING:** 4 July 2023**AUTHOR(S):** Témi Allinson
Senior Policy Analyst**SUBJECT:** Submission on Water Services Entities Amendment Bill**ENDORSED BY:**
(for Reports to Council,
Committees or Boards)


 General Manager



 Chief Executive
1. SUMMARY

- 1.1. The purpose of this report is to provide the Council with the basis for a submission to the Water Services Entities Amendment Bill.
- 1.2. The Government enacted its Water Services Entities Bill in December 2022
- 1.3. Following extensive and consistent feedback, in April 2023, the Government announced a set of proposed changes to the Water Services Entities Act. This Amendment Bill is the next step in the process of transitioning the proposed changes into actual statutory legislation.
- 1.4. The Water Services Entities Amendment Bill forms part of the suite of bills to reform New Zealand's drinking-water, wastewater, and stormwater services. The bill would mainly amend the Water Services Entities Act 2022, which provides for the creation of new water services entities. This bill would disestablish the four water services entities that were established on enactment of the Act and replace them with 10 water services entities which roughly align with regional locations.
- 1.5. Council has made previous submissions on every piece of legislation in the suite and this report is intended to guide Council in deciding whether to make a submission on the Amendment Bill or not.
- 1.6. This report describes the key proposed changes in the Bill and matters which Council may wish to consider in terms of a submission. While Council remains opposed to Affordable Water Reform, a submission on this Bill (much like all the other previous submissions) is an opportunity to continue to raise concerns pertaining to: rights and guarantees for consumers or users of these services; efficient and effective process; and addressing matters that remain ambiguous or unaddressed.
- 1.7. The Bill itself is lengthy, and the consultation period is even more truncated compared to previous consultations. The Bill was referred to the Governance and Administration Committee by the House of Representatives on 22 June 2023, with a deadline of 5 July for public consultation. The Government intends to pass all legislation to give effect to the water services reforms before the House rises for the General Election on 31 August 2023.
- 1.8. This timeframe does not allow sufficient time for staff to brief Council on the content of the Bill and return with a draft submission for Council approval before submissions close.

Therefore, this report is to inform Council of the content of the Bill and key potential matters for a submission, and to seek Council agreement that the submission proper be approved by the Mayor and Chief Executive for lodgement and reported to the next Council meeting.

Attachments:

- i. Overview of the Water Services Entities Amendment Bill and related transitional matters
- ii. Draft C4LD Submission on the Water Services Entities Amendment Bill
- iii. Water Services Entities Amendment Bill

2. RECOMMENDATION

THAT the Council:

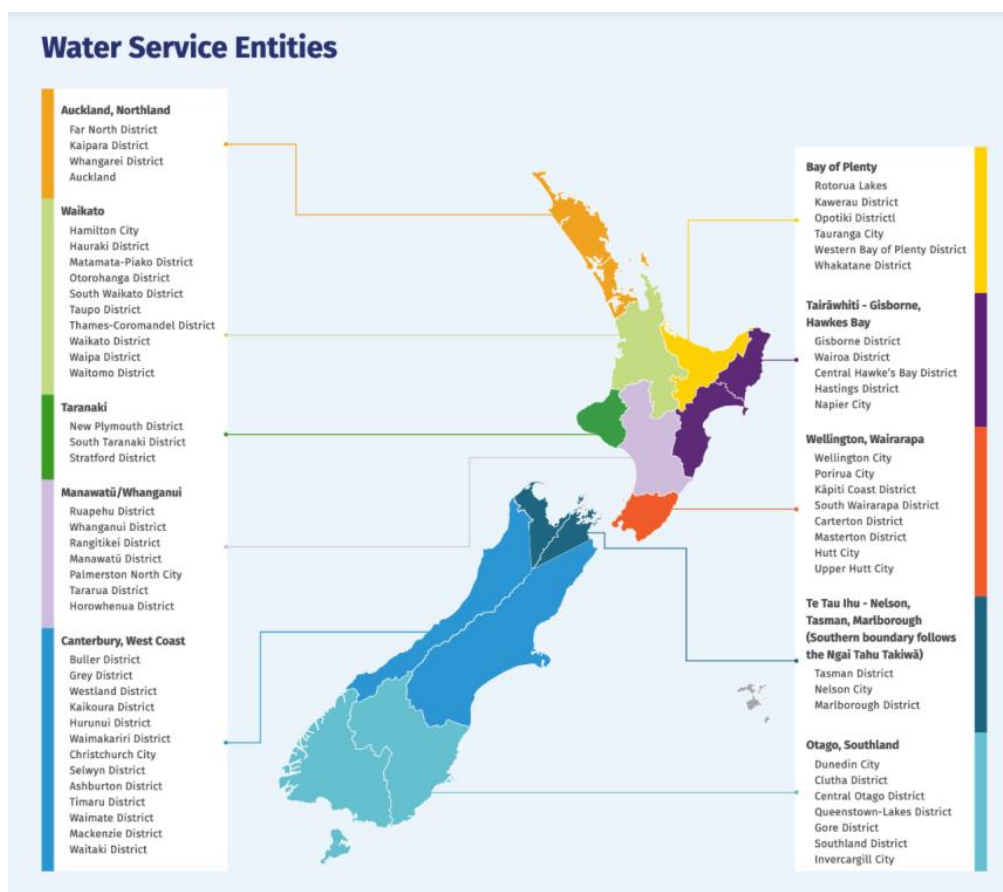
- (a) **Receives** Report No. 230630097977
- (b) **Approves** staff to develop a final draft submission on the Water Services Entities Amendment Bill, covering the matters identified in this report, the reports attachments and other matters raised by Council.
- (c) **Indicates** whether Council representatives wish to appear before the Select Committee to present Council's submission at the hearings.
- (d) **Delegates** authority to the Mayor and Chief Executive to approve a final amendment to the Council's submission before being lodged with the Select Committee by 5 July 2023.
- (e) **Notes** that a copy of the final submissions will be provided to the Council for formal receipt at its meeting scheduled for 1 August 2023.
- (f) **Circulates** the submission to community boards for their information.

3. BACKGROUND

- 3.1. The Government is continuing its reform of the delivery of services and infrastructure for drinking water, wastewater, and stormwater. This process was formerly known as the Three Waters Reform and has since been renamed the Affordable Water Reform. The underlying rationale for the reform has been to change the way water services are delivered to enable communities meet future challenges posed by ageing infrastructure, long-term under-investment, the growing impacts of climate change and the need to accommodate population growth.
- 3.2. A key cornerstone for the reform is the transfer of statutory responsibility for delivering these services and managing the associated infrastructure from Territorial Authorities to purposely established Water Service Entities (WSEs) across the country. The original intention was to create four WSEs across the country, this has now been revised upwards to 10.
- 3.3. The Affordable Water Reform has been a staged process with the creation of a suite of enabling legislation -
 - 3.3.1. The Water Services Act 2021 established Taumata Arowai – a dedicated regulator for drinking water standards.
 - 3.3.2. The Water Services Entities Act 2022 established the structure, governance, and some of the powers, functions and duties of four WSEs.
- 3.4. There are also two additional Bills that are expected to be progressed before the House rises for the General Election on 31 August 2023
 - 3.4.1. Water Services Economic Efficiency and Consumer Protection Bill
 - 3.4.2. Water Services Legislation Bill

Water Services Entities Amendment Bill Provisions

- 3.4 The Water Services Amendment Bill proposes a number of changes to the existing Water Services Entities Act 2022. The key aspects of these changes are briefly discussed below. The overview document that accompanies this report delves into these proposed changes in greater detail.
- 3.5 The Water Services Entities Act legislated the establishing of four new water service entities across all of New Zealand. As part of that arrangement, Council would fall under Entity D which covered majority of the South Island and Chatham Islands. With the proposed amendment, the number of new water services entities increases to 10 and are largely formed based on existing regional boundaries.
- 3.6 This means the Waimakariri District will fall under the Canterbury, West Coast Entity. Other member councils would be Buller District, Grey District, Westland District, Kaikoura District, Hurunui District, Christchurch City, Selwyn District, Ashburton District, Timaru District, Waimate District, Mackenzie District and Waitaki District.



- 3.7 From the map above, it is understood that Marlborough, Nelson and Tasman Districts will be under a separate WSE - Te Tau Ihu. However, the Southern boundary of the WSE does not align with the boundaries of the districts, but rather along Ngāi Tahu takiwā boundaries. This suggests that parts of the Canterbury West Coast WSE that Council comes under could be within the regional boundaries of these three districts.
- 3.8 In the previous legislation, all entities were expected to begin operations by 1 July 2024. The Amendment Bill proposes a staggered approach to entity 'go live' dates, with all entities going live between 1 July 2024 and 1 July 2026.

- 3.9. The Amendment Bill now provides an opportunity for every territorial authority to be represented on the regional representative group of their entity, together with an equal number of mana whenua representatives. The 50/50 split of mana whenua and council representation remains unchanged.
- 3.10. The Amendment Bill now introduces 'Community Priority Statements'. A mechanism to provide communities with a way to communicate their interests in a body of water, and their priorities for how the environmental impacts of the Water Service Entities' activities on that body of water might be managed.
- 3.11. The Bill now includes a process to enable locally led, voluntary mergers of two or more Entities. The Entities can choose to merge with adjacent entities subject to a 75% vote.
- 3.12. The Bill proposes to set up a Water Services Entities Funding Agency (the Funding Agency) as a backstop financing mechanism, if required. The Funding Agency will operate on a similar basis to the Local Government Funding Agency by pooling risk and achieving scale and market access benefits relating to entity financing. The Bill also proposes that the Crown may lend money to the Funding Agency if the Minister of Finance considers it necessary or expedient to do so in the public interest. The Crown may also guarantee debts of the Funding Agency.
- 3.13. The Bill enables shared services arrangements between water services entities, to provide a means to achieve scale and efficiency gains under a 10-entity model. Shared services may be entered into voluntarily or by ministerial direction where collaboration or a whole of sector approach is required. Examples of when shared services may be appropriate include:
- 3.13.1. Debt funding and management (for example, through the Funding Agency):
 - 3.13.2. Information and communication technology, and digital infrastructure procurement and management:
 - 3.13.3. Other procurement, and supply chain management:
 - 3.13.4. Risk management and insurance:
 - 3.13.5. Workforce development and management.
- 3.14. The Bill proposes to amend local government legislation to reflect that changes to the entity establishment date mean most local authorities will continue to have responsibilities for water service delivery beyond 1 July 2024, and likely into the first 2 years of their 2024 - 34 long-term planning and reporting cycle. The Bill also proposes to amend the transitional arrangements in the Act to ensure that those arrangements align with the establishment of 10 water services entities between 1 July 2024 and 1 July 2026.

4. ISSUES AND OPTIONS

Issues

- 4.1. Council's position has been to oppose the Affordable Water Reform to date. It is a member of 'Communities 4 Local Democracy' (C4LD), a collective of 30 Territorial Authorities across New Zealand who oppose the Reform. C4LD has developed an alternative model to improve the delivery of Three Waters services while maintaining local management of these community-owned assets through Territorial Authorities.
- 4.2. In addition to this foundational position, there are a number of issues and points for clarification which Council may wish to raise in a submission on the Amendment Bill. The submission proper may include a suggestion that all progress on the water reform exercise

be halted till after the upcoming general elections or suggest alternative wording, where appropriate.

- 4.3. The potential submission points pertain to the following themes:
- 4.3.1. Reiterate that as a Council we are still of a position that the Affordable Water Reform processes are flawed, and the process should be stopped.
 - 4.3.2. Acknowledge amendments as concessions but they do not go far enough.
 - 4.3.3. Urge a stop to the process till after the general elections in October.
 - 4.3.4. Clarity on the boundaries for the WSEs, and whether any parts of the upper South Island Councils (of Nelson, Marlborough, and Tasman Districts) will fall within the Canterbury West Coast WSE that Waimakariri District comes under.
 - 4.3.5. Although the Bill now provides for all councils to have a seat on the regional representative group, there remains a lack of proportionality between population size and the number of representatives to the regional group.
 - 4.3.6. Equal votes for each council, regardless of population size, raises the risk of perverse outcomes when smaller councils band together to reach the 75% threshold against the will of the larger ones with larger population bases.
 - 4.3.7. Need for clarity on why community priority statements are linked to water bodies vs WSEs themselves. Limiting priority statements to water bodies, also assumes people value water bodies over built water infrastructure that may potentially have greater impact on them.
 - 4.3.8. Timing of go live date for the Canterbury, West Coast Entity which Waimakariri District falls under is preferred to be no earlier than 1 July 2026; and failing that, at the start of a financial year rather than mid-way.
 - 4.3.9. Need for clarity around how Councils will work with WSEs to ensure that identified future development areas have the required infrastructure to support land use planning as at when they need it.

Options

- 4.4. Last year, Council made a submission on the Water Services Entities Bill and a deputation made an oral presentation in support of that submission to the Select Committee. The Council also supported the position and submission of C4LD.
- 4.5. Council officers have been in discussion C4LD member councils and received a copy of a first draft of C4LD's submission on the Water Services Entities Amendment Bill. At the time of writing, a draft C4LD submission on the bill has been circulated and is attached to this report.
- 4.6. Council is asked to determine whether it wishes to make a submission on this new Bill and if so, its nature and content. There are three options:
 - 4.6.1. Council makes no submission on the Bill.
 - 4.6.2. Council supports the submission of C4LD on the Water Services Entities Amendment Bill.
 - 4.6.3. Council supports the submission in Option 2 and makes its own submission on the Bill.
- 4.7. If Council wishes to raise any of the issues listed in 4.3 above, it needs to do so as part of a submission to the Select Committee.

- 4.8. Option 3 requires the most resources of the three options. However, the Council has resources available to prepare the submissions within its current operational budget.

Implications for Community Wellbeing

- 4.12 There are implications on community wellbeing from the issues and options that are the subject matter of this report. As described in this report (and attachments) the Affordable Water Reform proposes significant change to how three waters assets are operated and administered across the country.
- 4.13 The Management Team has reviewed this report and supports the recommendations.

5. COMMUNITY VIEWS

5.1. Mana whenua

Te Ngāi Tūāhuriri hapū are likely to be affected by, or have an interest in, the subject matter of this report. However, te rūnanga are anticipated to be making their own submission on the Bill.

5.2. Groups and Organisations

There are groups and organisations likely to be affected by, or to have an interest in, the subject matter of this report.

5.3. Wider Community

The wider community is likely to be affected by, or to have an interest in, the subject matter of this report.

6. OTHER IMPLICATIONS AND RISK MANAGEMENT

6.1. Financial Implications

There are no direct financial implications from the decisions sought by this report, although ultimately, there will be significant financial implications from the reform process if they proceed as planned.

A budget to prepare submissions in response to central government proposals is included in the Annual Plan/Long Term Plan.

6.2. Sustainability and Climate Change Impacts

The recommendations in this report do not have sustainability and/or climate change impacts.

6.3 Risk Management

There are risks arising from the adoption/implementation of the recommendations in this report, but these are risks associated with opposing the Affordable Water Reform and have already been recognised and assessed by the Council in foundational decision-making around its position on the Affordable Water Reform. Making a submission on this Bill is unlikely to increase that risk.

6.3 Health and Safety

There are no health and safety risks arising from the adoption/implementation of the recommendations in this report.

7. CONTEXT

7.1. Consistency with Policy

The matter of making a submission on this Bill is not a matter of significance in terms of the Council's Significance and Engagement Policy. The wider Affordable Water Reform

program is itself a matter of significance for the Council's Significance and Engagement Policy, but that matter has been superseded by legislation.

7.2. **Authorising Legislation**

Local Government Act 2002

7.3. **Consistency with Community Outcomes**

The Council's community outcomes are relevant to the actions arising from recommendations in this report, in particular the following:

- *People have wide-ranging opportunities to contribute to the decision-making that affects our district.*
- *There is a healthy and sustainable environment for all.*
- *Core utility services are sustainable, resilient, affordable and provided for in a timely manner.*

7.4. **Authorising Delegations**

The Mayor and Chief Executive Officer hold delegated authority, to approve and lodge submissions on behalf of the Council.

Overview of the Water Services Entities Amendment Bill and related transitional matters

June 2023

The Water Services Entities Amendment Bill gives effect to Cabinet decisions on the water services reforms made in April and May 2023.

The Bill forms part of the legislation that will reform the delivery of New Zealand's drinking water, wastewater and stormwater services.

This document provides an overview of recent policy decisions and key aspects of the Bill, as well as other transitional matters that may be of interest to local authorities.

It is based on the provisions of the Bill as introduced in June 2023.

What the Bill covers

The Bill includes changes to the Water Services Entities Act 2022. Key changes include:

- Establishing **10 new water services entities** based on existing regional boundaries
- A **staggered approach to entity 'go live' dates**, with all entities going live between 1 July 2024 and 1 July 2026
- Confirming the **Northland and Auckland Water Services Entity will go live on 1 July 2024**
- Providing for **every territorial authority to be represented on the regional representative group** of their entity, together with an equal number of mana whenua representatives
- Introducing '**Community Priority Statements**', which can be presented to regional representative groups by persons that have an interest in water bodies within the entity area
- A process to enable **locally led, voluntary mergers** of two or more entities
- **Entity financing arrangements**, including provision for a dedicated Water Services Funding Agency to be established as a backstop financing mechanism, if required
- **Shared services arrangements**, including a provision for the responsible Minister to direct entities where collaboration or a whole of sector approach is required
- **Councils will continue to provide and fund water services** during the extended establishment period for the entities, including transitional arrangements to be inserted in local government legislation to deal with long-term and annual planning, reporting, and rate setting obligations over this period.

Entity go-live approach

The Northland and Auckland Entity – which covers the Far North, Kaipara, Whangārei and Auckland – will start delivering water services from 1 July 2024.

Other entities will start delivering water services in a staggered fashion, by 1 July 2026 at the latest, depending on council owners' readiness for this to happen and National Transition Unit (NTU) guidance.

The NTU will be working with council officers, iwi collectives and formally mandated organisations (PSGEs, mandated iwi organisations and iwi authorities) in each entity area to commence discussions around suitable go-live dates via the upcoming NTU workshops, and these are expected to be confirmed before the end of the year.

We recognise the need to work with councils and iwi to get the best outcomes for the entities and the communities they serve, while providing certainty at the earliest opportunity.

Once confirmed by Cabinet, the go-live dates for the remaining entities will be set through an Order in Council process.

Community priority statements

A new mechanism – ‘Community Priority Statements’ – has been introduced to provide communities with a way to communicate their interests in a body of water, and their priorities for how the environmental impacts of the entities’ activities on that body of water might be managed.

These statements will be a valuable source of information for the entities, for planning, engagement purposes, and decisions about investment in infrastructure.

Community Priority Statements are distinct from, and complementary to, Te Mana o te Wai statements for water services. This distinction recognises the status of water as taonga to mana whenua, and the rights and interests of iwi and hapū in relation to water.

Process for locally led, voluntary mergers of entities

While fewer entities and greater scale create greater affordability and efficiency benefits, the 10-entity model recognises the importance of entities having clear and direct links with their communities, to ensure New Zealanders have confidence that the entities will listen and respond to their needs.

The Bill includes a process to support and guide voluntary mergers between two or more entities (once established), recognising that in time, councils and communities in higher cost regions may wish to see the benefits of further amalgamation.

This would be a locally led process, with merger proposals initiated and agreed by entities’ regional representative groups.

Entity financing arrangements

Under the 10-entity model, efficiency gains are still needed to keep water services affordable to consumers, as entities take on more debt to upgrade critical infrastructure and better provide water services.

This is particularly important for communities in rural and provincial areas, with relatively small and geographically dispersed populations.

The Government has been considering additional mechanisms to help to achieve the affordability benefits and efficiencies as part of a 10-entity model, including financing support and shared services arrangements.

To ensure smaller entities can access the finance required to enable greater investment in water services infrastructure on a cost-effective basis, the Bill provides for a dedicated Water Services Funding Agency to be established as a backstop financing mechanism, if required.

Shared services arrangements

The Bill provides for the Minister to direct entities to enter into shared services arrangements in defined areas, where there are clear benefits associated with sharing arrangements instead of duplicating services for 10 entities across the country.

This direction may occur where collaboration or a whole of sector approach is required to ensure business continuity; improve (directly or indirectly) the provision of water services; develop expertise and capability; or manage risks to the water services entities’ financial position, the Government’s financial position, or both.

The areas where the Minister may direct entities to establish shared services are ICT and digital infrastructure; procurement and supply chain management; risk management and insurance; workforce strategy and development; and debt funding and management.

Transitional arrangements relating to local government planning and reporting

As a result of Cabinet decisions on the water services reforms made in April and May 2023, most territorial authorities will continue to be responsible for delivering and funding water services during the first year or two of the 2024-34 long-term plan – until the establishment date of their water services entity.

This means territorial authorities will need to include information on water services in long-term planning, annual planning, and annual reporting documents over this period – and to continue to set and collect rates, and require development contributions.

The Bill includes transitional provisions that modify local government legislation during the 2024/25 and 2025/26 financial years.

These provisions are intended to clarify obligations and information requirements in relation to long-term and annual planning, reporting, and rating for water services over this period. They apply instead of the usual legislative requirements.

The provisions:

- Clarify the information about water services that is required to be included in planning and reporting documents
- Modify and/or remove some standard processes, such as consultation and decision-making requirements, where these relate to the water services reforms and legislation
- Clarify situations in which responsibilities might be transferred to a water services entity part-way through a financial year – including with regards to setting and collecting rates.

To help local authorities, their staff, and other interested stakeholders to understand what is proposed in the Bill, so they can make informed submissions during the select committee process, we have prepared a summary of the transitional provisions in the Bill that affect local government planning, reporting and rating obligations relating to water services during the 2024/25 and 2025/26 financial years. Please refer to this document for further detailed information.

The Department will also be working with Taituarā to prepare updated guidance, following the enactment of the Bill when the final details of the transitional provisions are known.

Asset management planning

Councils may have questions about what the transitional provisions in the Bill mean for council planning and key documents, particularly during the entity establishment period.

Under the transitional provisions proposed in the Bill, councils will not need to include information on water services in their infrastructure strategies.

This approach reflects that these are strategic planning documents with 30-year horizons, and councils will only be responsible for planning for, funding and delivering water services for two years – at most – before these responsibilities are taken on by the new water services entities.

There are no requirements under the Local Government Act 2002 for councils to prepare or adopt an asset management plan, so the Bill does not include transitional provisions on this matter. However, asset management plans are often developed by councils as part of their strategic planning.

Asset management plans consolidate the data and information required to make effective decisions and show the financial requirements to deliver the levels of service, which then informs and feeds into council long-term plans. As such, asset management plans are often referred to in the audit process.

The NTU is already working in collaboration with councils to develop drafts of the entities' initial asset management plans, which include specific information on individual councils.

If councils choose to – and in discussion with auditors, as appropriate – they may use relevant content from the corresponding drafts of the entities' initial asset management plans (as provided by the NTU) as supporting information for their own 2024-34 long-term plans.

This could reduce the need for councils to develop separate asset management plans for the 2024-2026 period, relating to drinking water, wastewater and stormwater services.

The draft initial asset management plan for the Northland and Auckland Entity is expected to be completed by July 2023, and the draft initial asset management plans for the other nine entities will be prepared between June 2023 and March 2024. These will be based on information already provided to the NTU by councils.

Next steps

Transition programme

The establishment of 10 entities requires a coordinated and planned approach. We are focused on the seamless transition of all 10 entities to ensure benefits are delivered for all New Zealanders.

The NTU is looking forward to engaging with representatives from councils, iwi collectives and formally mandated organisations (PSGEs, mandated iwi organisations and iwi authorities) in each entity area later this month and in early July, to provide an update on the transition programme and to discuss suitable go-live dates.

Involving councils and iwi in this process will ensure that the entity establishment dates reflect the individual circumstances of each of the regions and will enable alignment of their entity's establishment date with other planning arrangements.

The constitution development process is being revised in light of the 10-entity model and staggered establishment timeframe, and more information about this will also be shared with representatives from councils, iwi collectives and formally mandated organisations (PSGEs, mandated iwi organisations and iwi authorities) as part of the upcoming NTU workshops.

Council transition funding

We are aware that council transition support funding has been useful in enabling councils to proactively engage with the transition work programme.

In light of the recent changes to the number of entities and the extended establishment timeframe, further additional transition support funding for councils is being considered under the new model.

Further details will be shared directly with councils at the upcoming NTU workshops.

Legislative process

The Bill is expected to receive its first reading and be referred to select committee shortly, giving councils and other interested parties the chance to provide feedback.

The Government intends to pass all legislation to give effect to the water services reforms before the House rises for the General Election on 31 August 2023.

Further information

The Water Services Entities Amendment Bill is available at www.legislation.govt.nz.

For further information about the Water Services Reform Programme, visit www.waterservicesreform.govt.nz.

Submission

to

**Governance and Administration
Select Committee**

on

**Water Services Entities Amendment
Bill**

DRAFT - 27 June 2023

5 July 2023

1. Introduction

1.1 Communities 4 Local Democracy - He hapori mō te Manapori ("C4LD") welcomes the opportunity to submit on the Water Services Entities Amendment Bill ("the Bill").

1.2 C4LD has made three previous submissions (to the Finance and Expenditure Committee) on the suite of Bills introduced by the Government to advance its poorly evidenced, and ill-thought through, reforms to the Three Waters sector. Had the Government listened to the concerns previously expressed by C4LD, and adopted the modified reform proposal C4LD set out in its first submission¹ on the Water Services Entities Bill (now Act), then 3 Waters reform might have achieved both widespread public support and bipartisan support in Parliament. To achieve a stable investment climate in respect of such long-lived assets, this ought to have been a sensible and attainable objective. Instead, the opposite is true.

1.3 The matter will now be decided at the upcoming General Election. If the Opposition parties are successful at the General Election then this Bill (if passed prior to Parliament rising for the General Election), and the previous legislation it purports to amend, is likely to be repealed within 100 days of the new Government taking office.

1.4 The Government's reforms continue to be widely opposed in the local government sector and in the broader community. C4LD's reform proposals advanced a model that would have respected council property rights and better preserved local voice. It is some consolation that the Opposition parties have adopted in their Three Waters policy many aspects of C4LD's model. Given the substantial amount work that has gone onto developing the C4LD model, we consider that a new Government should be able to move quickly to advance a new regime based on that model.

1.5 Given the useful assistance of an independent adviser to the Finance and Expenditure Select Committee's consideration of the Water Services Legislation Bill, C4LD recommends that the Governance and Administration Select Committee engages independent advisers to advise it on the submissions it receives on this Bill.

1.6 The remainder of this submission:

- a. Briefs the Governance and Administration Select Committee on C4LD;
- b. Summarises the key points of C4LD's critique of the Government's approach to Three Waters reform;
- c. Summarises the key elements of C4LD's proposals; and
- d. Comments briefly on some aspects of the Bill.

1.7 A delegation from C4LD wishes to appear before the Select Committee to speak to its submission.

¹ [Insert link to original C4LD submission](#)

2. Background

2.1 C4LD is a coalition of like-minded territorial and unitary local authorities formed to develop and propose a set of reforms to Three Waters policy settings that will deliver similar outcomes to those proposed by the Government whilst respecting community property rights and local voice.

2.2 The 30 participating councils are:

1. Far North District Council;
2. Kaipara District Council;
3. Whangarei District Council;
4. Matamata-Piako District Council;
5. South Waikato District Council;
6. Thames-Coromandel District Council;
7. Waipa District Council;
8. Kawerau District Council;
9. Opotiki District Council;
10. Whakatane District Council;
11. South Taranaki District Council;
12. Central Hawke's Bay District Council;
13. Napier City Council;
14. Wairoa District Council;
15. Horowhenua District Council;
16. Manawatu District Council;
17. Ruapehu District Council;
18. Tararua District Council;
19. Masterton District Council;
20. Upper Hutt City Council;
21. Marlborough District Council;
22. Grey District Council;
23. Westland District Council;
24. Ashburton District Council;
25. Hurunui District Council;
26. Kaikoura District Council;
27. Mackenzie District Council;
28. Timaru District Council;
29. Waimakariri District Council; and
30. Waimate District Council.

2.3 All participating councils are the current owners of Three Waters assets on behalf of their respective communities. These assets have been bought and paid for by these communities over many generations. In all cases, C4LD participating councils wish to retain meaningful control and influence over the property that they own on behalf of their communities.

2.4 To be clear, C4LD supports reform of the Three Waters sector. Our disagreement with the Government is centred on its approach to asset reconfiguration in the sector. We do not disagree with achieving appropriate health and environmental outcomes nor do we disagree with ensuring local iwi and hapū have appropriate input into Three Waters decision-making at a local level.

3. Recommendation

3.1 C4LD opposes the Bill and recommends that it not proceed any further pending the outcome of the 2023 General Election (currently set down for 14 October 2023).

3.2 The Government's Three Waters policy is widely opposed by communities in New Zealand. The breadth of the assault on community property rights by first, the Water Services Entities Act 2022, then the Water Services Legislation Bill (awaiting its second reading), and now this Bill, has never received an electoral mandate from the people of New Zealand. With less than 100 days until advance voting opens for the General Election it is appropriate that a pause now occur and that any further work on the establishment of the water service entities ("WSEs") cease until either the Government receives an electoral mandate for its policy or a new Government has the opportunity to recalibrate policy settings.

4. Critique of Government's Three Waters Reform Approach

4.1 Appendix 5 of our original submission (link provided in footnote 1 to this submission) set out a critique of the Government's proposals. This was prepared by Castalia on behalf of C4LD. Castalia has a 40-year history as the world's pre-eminent advisors on reform in the water sector. Castalia is headquartered in New Zealand and has a global presence. Castalia is expert in the major institutional structures for water (French, British, and US), and has advised on more than 300 water projects in over 96 countries.

4.2 Castalia noted that there are five key flaws in the Government's proposals, namely:

- i. The belief that massive investment is needed in New Zealand water services. Unfortunately, the analysis it relies upon is flawed, as numerous case studies illustrate. (see section 2 of Appendix 5). Neither the present is Bill nor its predecessors alter in any way that analysis;
- ii. There are high risks of higher water charges. This is because the Government's claimed cost savings are highly implausible, and its institutional structure will be ill-suited to managing costs (see section 3 of Appendix 5). Neither the present is Bill nor its predecessors alter in any way that analysis;
- iii. Critically, the proposed water service entities will be unaccountable to the public and communities of interest, which undermines their long-term sustainability (see section 4 of Appendix 5). This Bill belatedly acknowledges this fact by introduced six more water entities and providing for a mechanism known as a "Community Priority

Statements.” However, these measures do not address the expropriation without compensation of councils assets. Ownership control remains the most potent way to ensure local community wants and needs are addressed;

- iv. The reforms also increase fiscal risk because the Crown is providing a fiscal backstop for the water service entities who will become some of the largest corporates in New Zealand. Given the weak accountability framework, the risks are elevated and it is possible that the Crown takes a more direct governance interest in the entities over time, further weakening local involvement, as has occurred overseas where similar reform models were experimented with (see section 5 of Appendix 5). Neither the present is Bill nor its predecessors alter in any way that analysis. In fact, the present Bill acknowledges this risk and tries to mitigate it by creating a new funding mechanism to raise debt finance (essentially spreading the risk associated with that debt across all 10 entities), and specifically stating that the Crown is not a guarantor of that debt but allowing the Crown to provide capital to the entities if it chooses to do so. The approach of the ratings agencies to this will be interesting to watch. It is possible that they will assume that despite the non-guarantor clause in the Bill that the Crown, in economic and political actuality, is nonetheless providing an implicit guarantee. This sets up the risk noted in C4LD’s original submission²; and
- v. Finally, because of the Government’s critical process flaws, available alternative reform options were not properly considered. Moreover, the evidence base the Government used was skewed towards a high-risk reform option (see section 6 of Appendix 5). Neither the present is Bill nor its predecessors alter in any way that analysis.

4.3 The full critique is set out in Appendix 5 to C4LD’s original submission and we encourage Select Committee members to read it.

5. Key Aspects of C4LD’s Reform Model

5.1 On 12 December 2019, the Productivity Commission publicly issued its 30 November 2019 report on “Local Government Funding and Financing.” Chapter 11 of that report dealt specifically with the Three Waters sector. The Productivity Commission made the following observations and recommendations:

- i. The Three Waters sector has substantial room for improved performance;
- ii. A key contributing factor to this state of affairs is a poor regulatory framework governing water quality (health and environmental);
- iii. The Government should encourage (but not direct) aggregation and improved governance over 3 Waters service delivery;

² For further expert commentary on the nature of these fiscal risks, see the submission to FEC by Mr. Pat Duignan [\[insert link\]](#).

- iv. The performance of the three-waters sector would substantially improve by using an approach that:
 - rigorously enforces minimum performance standards; and
 - is permissive about the way councils structure and operate their three- waters businesses;
- v. The Government should consider also having backstop arrangements to deal with councils that fail to lift performance sufficiently to meet minimum health and environmental performance standards; and
- vi. Financial assistance to communities will likely be needed to assist deprived communities meet minimum health and environmental standards. The assistance needs to be designed to avoid rewarding past inaction and instead reward action for sustainably lifting the performance of water providers to these communities.

5.2 These recommendations followed approximately 18 months of analysis and evidence gathering (the inquiry commenced on 16 July 2018). C4LD supports the Productivity Commission’s analysis and recommendations. In contrast, the Government’s approach departs from the Productivity Commission’s recommendations in significant respects, most notably asset configuration.

5.3 C4LD’s approach to Three Waters reform is built upon, and extends, the Productivity Commission’s recommendations. Accordingly, C4LD’s approach is neither frivolous nor unusual. Most importantly it is based on expert analysis carried out not only by our own contracted experts in water services infrastructure reform, but also on the Government’s own expert body on regulatory and economic reform matters.

5.4 C4LD took the Productivity Commission’s approach and produced a 10-point Three Waters reform plan. C4LD’s alternative Three Waters reform plan is centred around this 10-point plan. Its components are:

- i. As a foundation principle, community property rights in Three Waters assets should be both respected and meaningful;
- ii. The Government should agree to amend its current reform process and allow time for the revised approach to be reflected in draft legislation;
- iii. With respect to investment decision-making, asset owners should actively seek to initiate authentic discussions with mana whenua at a local level that consider co-design and partnership arrangements that acknowledge and enable Te Tiriti based pathways at a local and regional level;
- iv. Asset owners agree to commit to meeting health and environmental standards, once regulatory and performance standards are in place, within an appropriate time frame, for example five years;

- v. The regulatory framework should specify a “backstop” provision that identifies a set of circumstances which would justify future Crown intervention if an asset owner was not making acceptable progress towards meeting those regulatory requirements;
- vi. Progress should be reported on annually by asset owners and be benchmarked across the sector;
- vii. To further incentivise sector progress, a formal process might be established that requires an asset owner to prepare a plan that would map out the steps it proposes to take to meet the required standards in a financially viable and sustainable manner;
- viii. A process to finance and allocate funds to areas that will require financial assistance be designed that is national in application and independently administered accordingly to objective and transparent criteria;
- ix. This subsidy scheme will be designed to meet investment shortfalls until such time as sufficient progress has been made. At which point the scheme will cease and asset owners will finance matters on a business-as-usual approach; and
- x. A sector-wide sector best-practice improvement process be created and membership made compulsory.

5.5 This 10-point plan remains C4LD’s position. C4LD is pleased that Opposition parties have adopted many of its components.

5.6 The full detail of this 10-point plan may be read in C4LD’s original submission and we encourage Select Committee members to do so.

6. Comments on Current Bill

6.1 C4LD welcomes the Government’s belated recognition that its original four entities model lacked any appreciable community support. Indeed, C4LD welcomed the Government’s decision to include its Three Waters policy into the “reset” that the Prime Minister announced in the early part of 2023.

6.2 Unfortunately, the “reset” falls short of the key elements of C4LD’s proposals. C4LD does acknowledge that the present Bill is a slight improvement on what went before, but the improvement does not move the policy dial far enough. Given that the Government’s amendments are designed to address some of C4LD’s critique of its policy position, a better outcome would have been for the Government to properly embrace the C4LD 10-point plan. For this reason, we encourage the Select Committee to appoint independent advisers so that it can receive advice that can look at the issue with fresh eyes.

6.3 Given the extremely compressed timeframe in which to prepare, and then have mandated a submission, our specific comments on the Bill are short. Our focus is on the

broader policy framework which this Bill does not alter in any meaningful sense. Nonetheless the following specific comments are made.

Community Priority Statements

6.4 The Bill introduces a new mechanism known as “Community Priority Statements.” Under this mechanism, community groups may make statements about investment priorities to an entity’s Regional Representation Group (“RRG”).

6.5 The Bill requires that the RRG forward such a statement to a consumer forum to be established by the relevant entity. Additionally, the RRG may consider it in its own work when preparing a statement of strategic and performance expectations for the entity, and may consider it as part of any comments that the RRG may make on the entity’s planning and reporting documentation. These latter two matters are discretionary, that is, they are not required. Such an approach, whilst better than the previous approach, is still far short of giving effective voice to local views through ownership control.

Number of Entities

6.6 The Bill increases the number of entities from four to ten. This better allows the entities to align with the communities in their respective geographical areas. This is an improvement.

6.7 The Bill’s additional requirement allowing for all territorial authorities to be represented on the RRG also is an improvement on the previous model.

6.8 The Explanatory Note to the Bill describes territorial authorities as “owners” of the entity. However, clause 10 of the Bill (quite correctly) does not use the term “owners” or “ownership.” This position is correct (the word “representative” is used) because territorial authorities property rights in their water infrastructure assets are being expropriated by the Crown without compensation. In other words territorial authorities will not be owners any longer because expropriation entails, by definition, a transfer of ownership (note, however, section 37 of the Water Services Entities Act 2022 does use the word “owner”, but that section predates the decision of the High Court noted below).

6.9 This position was confirmed in the recent judgment of the High Court in *Timaru DC and others v Minister of Local Government* [2023] NZHC 244, where the Court observed at paragraphs 144 and 179 that “the Three Waters reforms involve a form of expropriation”, and that the Crown’s own literature failed to directly acknowledge “that local councils will lose central incidents of ownership that they presently hold, nor that local councils’ ability to control their use of assets will be materially diluted ... nor that local democratic accountability for the provision of the Three Waters services in local communities is essentially lost”.

6.10 Increasing the number of entities does not alter the fact that the Crown is expropriating without compensation the assets of communities held by their local authority.

7. Conclusion

7.1 As noted earlier, C4LD's **recommendation** is that the Bill not proceed any further pending the outcome of the 2023 General Election (currently set down for 14 October 2023).

Ngā mihi nui,

[Insert signatures]

DRAFT - 27 June 2023

Water Services Entities Amendment Bill

Government Bill

Explanatory note

General policy statement

This Bill is part of a suite of legislation to reform water services regulation and service delivery in New Zealand.

This Bill is an omnibus Bill that amends more than 1 Act and is introduced in accordance with Standing Order 267(1)(a) as the amendments deal with an interrelated topic that can be regarded as implementing a single broad policy. The single broad policy is to provide for, and adjust, the establishment, governance, functions, and accountability arrangements for 10 publicly owned water services entities that will deliver water services in New Zealand in place of local authorities, including transitional arrangements (such as local authority responsibilities for planning, reporting and rating) during an establishment period.

Introduction

New Zealand faces a significant infrastructure challenge in relation to the drinking water, wastewater, and stormwater services that are currently delivered by territorial authorities. Water services are an essential building block for communities. Public health and well-being, better environmental outcomes, economic growth and job creation, housing and urban development, climate change, resilience to natural hazards, and the rights and interests of iwi and Māori all depend on better outcomes for those services.

The investment needed over the next 30 to 40 years to maintain and upgrade New Zealand's water infrastructure to a standard required to address the infrastructure challenge is unaffordable for most communities under the current arrangements.

This Bill is part of a suite of legislation that paves the way for improved, effective, and efficient water services delivery, infrastructure, and regulation so that New Zealanders will have access to safe, reliable and affordable water services.

Key features of legislation

This Bill amends the Water Services Entities Act 2022 (the **Act**) to reflect the Government's decisions to refocus water services reforms. The key features of the new approach are—

- representation of all territorial authority owners on the regional representative group of the entity they own:
- a model that involves 10 water services entities, which are more closely based on existing regions:
- a longer period for establishment of water services entities, between 1 July 2024 and 1 July 2026:
- a new mechanism called community priority statements, which give community groups who have an interest in a water body an opportunity to make statements to their entity about their priorities for that body.

As part of the decision to establish 10 water services entities and amend the establishment time frames, the Bill proposes—

- a locally led merger process set out in *new Schedule 2A* of the Water Services Entities Act 2022, to enable water services entities to merge if their regional representative groups decide to:
- a Water Services Entities Funding Agency, together with arrangements for Crown financial support:
- shared services arrangements, which entities may enter into voluntarily, or by ministerial direction in defined areas:
- transitional arrangements for local government and water service entities.

Representation of all territorial authority owners on regional representative group

A water services entity's regional representative group comprises the territorial authority owners and mana whenua representatives for the entity. The regional representative group appoints and removes the board of the entity, and sets its strategic direction and priorities, which the board must give effect to.

The Bill proposes that all territorial authority owners must be represented on the regional representative group of the entity they own.

Establishment of 10 water services entities

The Bill proposes to establish 10 water services entities, and to disestablish the 4 water services entities that were established on enactment of the Water Services Entities Act 2022.

The water services entities will commence delivery of water services in place of local authorities on a date set by an Order in Council between 1 July 2024 and 1 July 2026. The exception is the Northland and Auckland Water Services Entity, which the Bill proposes will be fully established on 1 July 2024.

Each water services entity will be established for transitional purposes on the date on which the appointment of the entity's establishment board takes effect.

Under the Bill, the Chatham Islands Council will not form part of any water services entity. Unlike any other region, the Chatham Islands depends significantly on central government for infrastructure funding, and its residents face substantially higher utility and other household costs than other New Zealanders.

Community priority statements

The Bill proposes a new mechanism — community priority statements — that give community groups who have an interest in a water body an opportunity to make statements to their entity about their priorities for that body.

A community priority statement is made directly to a water services entity's regional representative group. The regional representative group may use the statement to set the strategic direction or objectives of the entity, or in its role in relation to planning and reporting arrangements.

A community priority statement must articulate a person's views about, or priorities for, a water body in the entity's service area. A person making the statement must have—

- their ordinary place of residence, or registered office or main place of business, in the service area of a water services entity; and
- an interest in how water services are provided in the service area, or how activities of the entity relate to the water body.

The chief executive of a water services entity must, as part of the entity's annual consumer stocktake, report on how the entity will respond to views and priorities articulated in community priority statements received by the entity.

Water Services Entities Funding Agency

The Bill proposes to set up a Water Services Entities Funding Agency (the **Funding Agency**), which will operate on a similar basis to the Local Government Funding Agency by pooling risk and achieving scale and market access benefits relating to entity financing. This option is enabled through legislation, and is implemented when the Funding Agency is established as a subsidiary of 1 or more water services entities.

The Bill proposes that the Crown may lend money to the Funding Agency if the Minister of Finance considers it necessary or expedient to do so in the public interest. The Crown may also guarantee debts of the Funding Agency.

Shared services arrangements

The Bill enables shared services arrangements between water services entities, to provide a means to achieve scale and efficiency gains under a 10-entity model. Shared services may be entered into voluntarily or by ministerial direction in defined areas, which are—

- debt funding and management (for example, through the Funding Agency):

- information and communication technology, and digital infrastructure procurement and management:
- other procurement, and supply chain management:
- risk management and insurance:
- workforce development and management.

A ministerial direction may only be given for all or any of the following purposes:

- to improve (directly or indirectly) the provision of water services:
- to require entities to share services provided to those entities:
- to develop expertise and capability:
- to ensure business continuity:
- to manage risks to the water services entities' financial position, the Government's financial position, or both.

The Bill includes engagement requirements before a ministerial direction is given.

Mergers

The Bill proposes a locally led process to enable water services entities to merge if their regional representative groups decide to.

Key features of the merger process are—

- on receiving a merger request, a regional representative group must engage with the boards and regional representative groups of every entity, and decide whether its board should prepare a merger proposal:
- a merger proposal is prepared by the board of the entity, working collaboratively with the board and chief executive of any other entity identified in the merger proposal. The proposal must also be provided to the Minister, monitor, Taumata Arowai—the Water Services Regulator, and the Commerce Commission:
- before making a decision on the merger proposal, a regional representative group must engage with interested persons in its service area:
- if all regional representative groups identified in a merger proposal decide to proceed with a merger, a merger implementation board is appointed to implement the merger. The boards of the entities must give effect to a merger implementation plan:
- an Order in Council must give effect to the merger, unless the Minister is satisfied on reasonable grounds that the process followed was not in accordance with the Act and the merger implementation plan.

Transitional arrangements

The Bill proposes to amend local government legislation to reflect that changes to the entity establishment date mean most local authorities will continue to have responsi-

bilities for water service delivery beyond 1 July 2024, and into the first 2 years of their 2024/34 long-term planning and reporting cycle.

The Bill also proposes to amend the transitional arrangements in the Act to ensure that those arrangements align with the establishment of 10 water services entities between 1 July 2024 and 1 July 2026.

Departmental disclosure statement

The Department of Internal Affairs is required to prepare a disclosure statement to assist with the scrutiny of this Bill. The disclosure statement provides access to information about the policy development of the Bill and identifies any significant or unusual legislative features of the Bill.

A copy of the statement can be found at <http://legislation.govt.nz/disclosure.aspx?type=bill&subtype=government&year=2023&no=262>

Regulatory impact statement

The Department of Internal Affairs produced a regulatory impact statement on 9 May 2023 to help inform the main policy decisions taken by the Government relating to the contents of this Bill.

A copy of this regulatory impact statement can be found at—

- <https://www.dia.govt.nz/three-waters-reform-programme-cabinet-decisions-and-reform-proposals>
- <https://treasury.govt.nz/publications/informationreleases/ris>

Clause by clause analysis

Clause 1 is the Title clause.

Clause 2 relates to commencement. The Bill, if enacted, comes into force on the day after the date of Royal assent.

But provisions of the Water Services Entities Act 2022 (the **Act**) that are affected (amended or replaced) by the Bill commence as follows:

- if the affected provisions commenced on 15 December 2022 (*see* section 2(1) of the Act), then the Bill's changes to those affected provisions commence on the Bill's commencement:
- if the affected provisions *are not* already in force, and *are* listed in *new section 2(1A)* of the Act, then both of the following commence on the Bill's commencement:
 - those affected provisions; and
 - the Bill's changes to those affected provisions:
- if the affected provisions *are not* already in force, and *are not* listed in section 2(1) or *new section 2(1A)*, then—

- the Bill's changes to those affected provisions commence on the Bill's commencement; and
- the affected provisions as changed commence (under *new section 2(2)* of the Act) on **1 July 2024**.

Part 1 Amendments to Water Services Entities Act 2022

Principal Act

Clause 3 provides that *Part 1* amends the Water Services Entities Act 2022 (the Act).

Principal Act's commencement

Clause 4 amends section 2, which relates to the Act's commencement.

The Act's provisions listed in section 2(1) came into force on 15 December 2022.

New section 2(1A) lists provisions that come into force on the commencement of the Bill.

Section 2(2) currently provides that the rest of the Act comes into force—

- (a) on a date set by the Governor-General by Order in Council; or
- (b) to the extent not brought into force earlier, on 1 July 2024.

New section 2(2), in contrast, provides that the rest of the Act comes into force on **1 July 2024**.

Principal Act's application to water services entity and its service area

Clause 5 inserts *new section 6A*, which ensures that the Act applies to a water services entity, and its service area, only on and after that entity's (operational) establishment date (*new section 6A(1)*).

Before the entity's establishment date, local government organisations provide water services in their districts (to the extent that they are part of the entity's service area) under the law in force immediately before **1 July 2024** (*new section 6A(2)*).

New section 6A(1) and (2) does not, however, affect or limit the operation, during a water services entity's establishment period, of the transitional provisions specified in *new section 6A(3)*.

The Northland and Auckland Water Services Entity's (operational) establishment date (*new section 6A(3A)*) is 1 July 2024.

Any other water services entity's (operational) establishment date (*new section 6A(4)*) is the earlier of—

- an establishment date for the entity that is set by Order in Council and that is one of the following dates—
 - 1 July 2024:

- 1 October 2024:
- 1 January 2025:
- 1 April 2025:
- 1 July 2025:
- 1 October 2025:
- 1 January 2026:
- 1 April 2026:
- 1 July 2026.

(See also the replacement definitions of establishment date and establishment period in clause 1 of Schedule 1.)

However, for a water services entity whose establishment is provided for by an Order in Council made under *clause 21(1) of new Schedule 2A* (Order in Council to give effect to requested merger),—

- the Act applies to that water services entity, and its service area, only on and after the date on which the provisions of that order establishing that water services entity have effect; and
- *new section 6A(1) to (7)*, and the transitional provisions specified in *new section 6A(3)(b) to (e)*, do not apply to that water services entity.

However, *new section 6A(8)* does not limit the application of *new section 19A* and *new Schedule 2A* to a water services entity—

- that is proposed to be part of a requested merger; and
- to which *new section 19A* and *new Schedule 2A* apply under *new section 6A(1)*.

Water services entities and their service areas

Clause 6 replaces section 11 (water services entities established). *New section 11* establishes (transitionally) the 10 water services entities named in *new Schedule 2* inserted by this Bill. Each water services entity is established (transitionally) on the date on which the appointment of the entity's establishment board under clause 3 of Schedule 1 takes effect. See also *new clauses 1A and 3(dc)* of Schedule 1 inserted by this Bill. *New clause 1A* disestablishes the 4 former water services entities established on 15 December 2022 by section 11 of the Act as enacted. *New clause 3(dc)* will ensure that the Northland and Auckland Water Services Entity is established on that paragraph's commencement if any establishment board is appointed before that commencement for the Northern Water Services Entity (as established on 15 December 2022 by section 11 of the Act as enacted). However, a water services entity whose establishment is provided for by an Order in Council made under *clause 21(1) of new Schedule 2A* (Order in Council to give effect to requested merger) is established when the provisions of that order establishing that water services entity have effect.

Functions of water services entities

Clause 7 amends section 13, which states functions of water services entities. *New section 13(aa)* makes it a function of water services entities to enter into shared services arrangements related to all or any matters specified in *new section 137A(3)* (for example, related to debt funding and management). The new function applies whether or not those shared services arrangements are required to give effect to a direction given under *new section 137A*.

Water services entities and their service areas, establishment date

Clause 8 amends section 16 (shares in water services entities). Some amendments adjust the definition of relevant date in section 16(3) to replace references to the establishment date with references to 1 July 2026. Another amendment aligns section 16 with the *new Schedule 2* inserted by this Bill.

Merger of water services entities

Clause 9 inserts *new subpart 1A* of Part 2, which contains *new section 19A*. *New section 19A* provides that water services entities may merge in accordance with *new Schedule 2A* (the clauses of which are analysed below).

Regional representative group membership

Clause 10 amends section 27, which is about the establishment and membership of a regional representative group for each water services entity. *New section 27(2)* re-enacts section 27(2), but removes the requirement that the group have at least 12 members. *New section 27(4)* requires each entity's regional representative group to include a representative from each territorial authority owner in the entity's service area.

Clause 11 amends section 93, which specifies the required contents of the constitution of a water services entity. Section 93(a)(i) is amended to reflect the insertion of *new section 27(4)*.

Clause 12 amends section 97, which sets out the process for amending or replacing a water services entity's constitution. The amendment deletes a cross-reference to section 210(4), because that subsection is repealed by this Bill.

Directions for shared services and other stated purposes

Clause 13 amends section 117 (safeguarding independence of water services entities). *New section 117(4)* adjusts section 117(4) so that nothing in section 117 affects the giving of a direction under *new section 137A* (directions for shared services and other stated purposes).

*Directions for shared services and other stated purposes,
community priority statements for water services, and
Water Services Entities Funding Agency*

Clause 14 amends section 131, which is an outline of Part 4 (financial and accountability matters). The amendments are as follows:

- *new section 131(2A)* outlines *new subpart 2A* of Part 4 (directions for shared services and other stated purposes):
- *new section 131(4A)* outlines *new subpart 4A* of Part 4 (community priority statements for water services):
- *new section 131(9)* outlines *new subpart 9* of Part 4 (Water Services Entities Funding Agency):
- *new section 131(10)* outlines *new subpart 10* of Part 4 (protected transactions).

Directions for shared services and other stated purposes

Clause 15 inserts *new subpart 2A* of Part 4 (directions for shared services and other stated purposes). *New subpart 4A* includes *new sections 137A to 137D*.

New section 137A enables the Minister responsible for the administration of the Act (the **Minister**) to give water services entities directions for specified purposes. A direction to require entities to share services provided to those entities must be limited to specified matters. If the shared services direction relates to debt funding and management, it may only be given jointly by the Minister and the Minister of Finance. The direction must state its commencement date (which must be not earlier than the day after the date on which it is given). The direction is also secondary legislation (and so must be published, must be presented to the House of Representatives, and may be disallowed by the House of Representatives).

New section 137B is about the process for giving directions under *new section 137A*. (*New clause 8A* of Schedule 1 also makes it clear that, and how, a direction under *new section 137A* may be given during a water services entity's establishment period.)

New section 137C applies to an entity to which a direction under *new section 137A* is given, but only while the direction is in force. *New section 137C* requires the entity to give effect to the direction when performing its functions.

New section 137D exempts any arrangement or agreement from sections 27, 30, 30C, 36, and 36A of the Commerce Act 1986 if the arrangement or agreement is—

- entered into by parties that are, or include, 1 or more entities to which a direction under *new section 137A* is given; and
- entered into by those 1 or more entities in order to give effect to the direction when performing their functions (in accordance with *new section 137C*).

Community priority statements for water services

Clause 16 inserts *new subpart 4A* of Part 4 (community priority statements for water services). *New subpart 4A* includes *new sections 145A to 145C*.

New section 145A is about making a community priority statement for water services. *New section 145B* sets out other requirements for making the statement. *New section 145C* says what a regional representative group must or may do in response to the statement.

Water Services Entities Funding Agency and protected transactions

New subparts 9 and 10 of Part 4

Clause 17 inserts—

- *new subpart 9* of Part 4 (Water Services Entities Funding Agency); and
- *new subpart 10* of Part 4 (protected transactions).

Water Services Entities Funding Agency (*new subpart 9 of Part 4*)

New subpart 9 of Part 4 (Water Services Entities Funding Agency) includes *new sections 173A to 173J*. The subpart's provisions are based on similar provisions in the Local Government Borrowing Act 2011.

Preliminary provisions

New section 173A states the subpart's purpose, which is to facilitate the operation of the Funding Agency.

New section 173B sets out definitions for the subpart.

New section 173C ensures that the subpart applies to the Funding Agency only while the Funding Agency is a subsidiary of 1 or more water services entities.

Application of Non-bank Deposit Takers Act 2013

New section 173D ensures that the Funding Agency is not an NBDT (a non-bank deposit taker) for the purposes of the Non-bank Deposit Takers Act 2013.

Application of Financial Markets Conduct Act 2013

New section 173E ensures that the Financial Markets Conduct Act 2013 applies to the Funding Agency as if it were a local authority.

Prohibitions and restrictions relating to subsidiaries

New section 173F provides for exemptions from prohibitions and restrictions applying to subsidiaries of a water services entity.

Additional requirements for water services entity's funding and pricing plan

New section 173G provides for additional requirements to be specified in a water services entity's funding and pricing plan.

Protected transactions

New section 173H—

- requires specified arrangements to be treated as protected transactions for the purposes of *new sections 173L to 173O*; and
- ensures that *new section 173H* does not limit the generality of *new sections 173L to 173O*.

Crown relationship with Funding Agency

New section 173I provides for the Minister, on behalf of the Crown, to lend money to the Funding Agency, if specified conditions are met.

New section 173J(1) ensures that no debt of the Funding Agency is guaranteed by the Crown.

New section 173J(2) provides that, if the Funding Agency enters into any loan agreement or incidental arrangement, the agreement or arrangement must include a statement that the loan or liability under the agreement or arrangement is not guaranteed by the Crown.

However, *new section 173J(3)* ensures that *subsections (1) and (2)* of *new section 173J* do not apply if the Crown is liable (for example, the Crown is liable to pay a debt) under a guarantee or an indemnity given by the Minister, on behalf of the Crown, under section 65ZD of the Public Finance Act 1989.

Protected transactions (*new subpart 10* of Part 4)

New subpart 10 of Part 4 (protected transactions) includes *new sections 173K to 173O*. The subpart's provisions are based on similar provisions in sections 112 and 117 to 120 of the Local Government Act 2002.

New section 173K sets out definitions for the subpart.

New section 173L(1) provides for protected transactions to be valid and enforceable despite specified matters. However, *new section 173L(2)* ensures that nothing in *new subpart 10* of Part 4 overrides section 118 (obligation to maintain water services).

New section 173M provides for a certificate of compliance to be conclusive proof that the water services entity has complied with this Act in connection with a protected transaction.

New section 173N is about good faith in relation to protected transactions.

New section 173O is a savings provision in respect of the power of a court to provide a remedy that has the effect of preventing or restraining temporarily or permanently a water services entity from doing any act or thing in the future (other than an act or thing necessary for the performance of a protected transaction that has already been entered into).

Establishment date

Clause 18 amends section 200 (interim review of governance and accountability arrangements under Act). The amendment replaces a reference to the establishment date with a reference to 1 July 2026.

Clause 19 amends section 201 (comprehensive review of water services legislation). The amendment replaces a reference to the establishment date with a reference to 1 July 2026.

Clause 20 amends section 205, which repeals subpart 1 (reviews) of Part 6 (miscellaneous provisions). The amendment replaces a reference to the establishment date with a reference to 1 July 2026.

Directions for shared services and other stated purposes

Clause 21 amends section 206 (engagement requirements). One amendment ensures that those requirements apply to engagement required by *new section 137B(1)* relating to giving a direction under *new section 137A* to support shared services or for stated purposes. The other amendment ensures that those requirements apply to engagement required by *clause 12 of new Schedule 2A* relating to whether a finalised merger proposal should be implemented.

Community priority statements for water services

Clause 22 amends section 207 (consumer forum). The amendment ensures that it is a purpose of a water services entity's consumer forum to assist the entity's regional representative group and, through that group, the entity, to understand views and priorities—

- about 1 or more water bodies in the entity's service area; and
- stated in 1 or more community priority statements for water services (*see new subpart 4A* of Part 4).

Clause 23 amends section 208 (consumer engagement stocktake). The amendment ensures that it is a purpose of a water services entity's consumer engagement stocktake to set out how the entity will respond to views and priorities—

- about 1 or more water bodies in the entity's service area; and
- stated in 1 or more community priority statements for water services (*see new subpart 4A* of Part 4).

Regional representative group membership

Clause 24 amends section 210 (regulations). Section 210(3) and (4) prevents a water services entity's initial model constitution from providing that the entity's regional representative group consists of more than 18 regional representatives. Section 210(3) and (4) is repealed because some regional representative groups will have more than 18 representatives.

Transitional, savings, and related provisions

Clause 25 amends Schedule 1 (transitional, savings, and related provisions).

Establishment date and establishment period

Clause 25(1) amends clause 1 of Schedule 1. The amendment replaces the definitions of establishment date and establishment period. Under the replacement definitions,—

- establishment date, for a water services entity, means the entity’s (operational) establishment date under *new section 6A(3A) or (4)*;
- establishment period, for a water services entity, means the period—
 - starting on the date on which the entity is established (transitionally) under *new section 11* (as inserted by this Bill); and
 - ending on the entity’s (operational) establishment date under *new section 6A(3A) or (4)*.

Disestablishment of former entities

Clause 25(2) amends Schedule 1. The amendment inserts *new subpart 1A*, which contains *new clause 1A*. *New clause 1A* disestablishes the 4 water services entities established on 15 December 2022 by section 11 of the Act as enacted.

Establishment board

Clause 25(3) amends clause 3 of Schedule 1. The amendment inserts—

- *new clause 3(da)*, which requires the Minister, after the commencement of *new clause 3(da)* and before **1 July 2026**, and subject to *new clause 3(dc)*, to appoint an establishment board for each water services entity; and
- *new clause 3(db)*, which provides that the Minister’s appointment under *new clause 3(da)* of the entity’s establishment board—
 - may take effect before or on the entity’s establishment date; but
 - must take effect on or after **1 July 2024** and before or on **1 July 2026**; and
- *new clause 3(dc)*, which ensures that any establishment board appointed, before *new clause 3(dc)*’s commencement, for the Northern Water Services entity (as established on 15 December 2022 by section 11 of the Act as enacted) is, after that commencement, taken to have been appointed on that commencement, under *new clause 3(da)*, and on equivalent terms and conditions, as the establishment board for the Northland and Auckland Water Services Entity (as established under *new section 11* of the Act (as inserted by the Bill)).

Establishment chief executives

Clause 25(4) replaces clause 4 of Schedule 1. *New clause 4*—

- requires the establishment board of a water services entity to appoint an establishment chief executive of the entity; and
- makes the Northland and Auckland Water Services Entity’s establishment chief executive the person who, immediately before the commencement of *new*

clause 4, held under clause 4 (in the Act as enacted) the position of the Northern Water Services Entity's establishment chief executive.

Allocation schedule

Clause 25(5) to (8) amends clauses 5 and 6 of Schedule 1. The amendments relate to an allocation schedule for a water services entity. They ensure that the schedule must be prepared, and may be updated, during the entity's establishment period, not by its establishment chief executive, but by its establishment board.

Directions for shared services and other stated purposes

Clause 25(9) inserts *new clause 8A* of Schedule 1. *New clause 8A* makes it clear that, and how, a direction under *new section 137A* may be given during a water services entity's establishment period.

Establishment water services plan

Clause 25(10) amends clause 9 of Schedule 1. Clause 9 requires the chief executive of the department to prepare and approve an establishment water services plan for a water services entity. The amendment repeals clause 9(3), which requires the chief executive of the department, before approving the plan, to consult the relevant water services entity. This duty is revoked so that the plan can be approved before the entity is established under *new section 11* (as inserted by this Bill).

Commission's functions and powers in establishment period

Clause 25(11) amends clause 13(3) of Schedule 1. The amendment clarifies that the Commerce Commission may report to *the establishment board of* the water services entity on the draft of the initial asset management plan or initial funding and pricing plan sent (by that board) under clause 11 to the Commission (*emphasis added*).

Quarterly reports

Clause 25(12) and (13) amends clauses 14 and 15 of Schedule 1. The amendments ensure that nothing in clauses 14 and 15 requires a quarterly report or an establishment period annual report to be provided in respect of any period before the date on which the appointment of the entity's establishment board under clause 3 of Schedule 1 takes effect.

Establishment date

Clause 25(14) amends clause 16 of Schedule 1. The amendment ensures that a water services entity must provide its first infrastructure strategy (despite sections 2(2) and 157 to 159) *on 1 July 2026, 1 July 2027, or 1 July 2028* (not within 3 years after the entity's establishment date) (*emphasis added*).

Decision making during establishment period

Clause 25(15) amends clause 32 of Schedule 1. Clause 32 is about decision making during the establishment period. The amendment is to clarify the application of clause 32(3)(b) and (c).

Clause 25(16) amends clause 33 of Schedule 1. *New clause 33(4)* makes it clear that, if the local government organisation decides to adopt or amend a plan or policy under, or required by, the Local Government Act 2002, the department may—

- confirm under clause 33(2)(a) the decision, to the extent that it is to adopt or amend 1 or more parts of the plan or policy; and
- decline to confirm under clause 33(2)(b) and (3) the decision, or require further information under clause 33(2)(c) and then act under clause 33(2)(a) or (b) in respect of the decision, to the extent that it is to adopt or amend 1 or more other parts of the plan or policy.

Payment provisions

Clause 25(17) amends Part 1 of Schedule 1. The amendment repeals subpart 6 (payment provisions) because that subpart is no longer needed. (*See also* the related repeal, by this Bill, of section 78I of the Goods and Services Tax Act 1985.)

Water services entities and their service areas

Clause 26 replaces Schedule 2. *New Schedule 2* specifies—

- the 10 water services entities (replacing the 4 water services entities established on 15 December 2022, which are disestablished); and
- their service areas.

Merger of water services entities

Clause 27 inserts *new Schedule 2A*, which is about merger of water services entities.

New Schedule 2A contains provisions on the following matters:

- a request to a water services entity for a merger proposal:
- preparation of a merger proposal by the entity's board (if the entity's regional representative group decides that the entity's board should prepare one):
- relevant regional representative groups to engage on, and decide, whether the finalised merger proposal should be implemented:
- a finalised merger proposal being implemented only if every relevant regional representative group decides to implement the merger proposal:
- a merger implementation board and apportionment of costs:
- a merger implementation plan, a duty to give effect to that plan, and quarterly progress reports:
- an Order in Council to give effect to the requested merger:
- a temporary saving for secondary legislation made by disestablished entities:

- upholding the integrity, intent, and effect of Treaty settlement obligations:
- continuation of relevant agreements with mana whenua, Te Mana o te Wai statements, and responses to Te Mana o te Wai statements:
- the first statement of intent of a new water services entity:
- the first annual report of a new water services entity:
- final annual reports of each of the disestablished entities:
- application of other transitional provisions.

Part 2

Amendments to other legislation

Subpart 1—Amendment to Financial Markets Conduct Act 2013

Clause 28 provides that the subpart amends the Financial Markets Conduct Act 2013.

Clause 29 amends the definition of local authority in section 6(1) to insert a cross-reference to *new section 173B* of the Water Services Entities Act 2022.

Subpart 2—Amendment to Goods and Services Tax Act 1985

Clause 30 provides that the subpart amends the Goods and Services Tax Act 1985.

Clause 31 repeals section 78I. The repeal is related to the repeal by this Bill of subpart 6 of Part 1 of Schedule 1 of the Water Services Entities Act 2022.

Subpart 3—Amendment to Income Tax Act 2007

Clause 32 provides that the subpart amends the Income Tax Act 2007.

Clause 33 amends the definition of local authority in section YA 1. The amendment includes in that definition the Funding Agency as defined in *new section 173B* of the Water Services Entities Act 2022 while it is a subsidiary of 1 or more water services entities (as defined in section 6 of that Act). Among other things, this means that income of the Funding Agency, while it is a local authority as so defined, is exempt income under sections BD 1 and CW 39 of the Income Tax Act 2007.

Subpart 4—Amendments to Local Government Act 2002

Clause 34 provides that the subpart amends the Local Government Act 2002.

Clause 35 amends Schedule 1AA (application, savings, and transitional provisions).

Deferring review of water services bylaws during transition period

Clause 35(1) and (2) amends clauses 24 and 25 of Schedule 1AA. Clauses 24 and 25 enable a local authority to defer a review under section 158 or 159 of water services bylaws during the transition period. Clauses 24 and 25 are amended so that—

- transition period means the period—
 - starting on 15 December 2022; and

- ending on **1 July 2026**; and
- the review, if required, is required no later than **1 July 2028**.

Definition of water services reform

Clause 35(1A) amends clause 24 of Schedule 1AA to insert definitions of the following terms:

- water services infrastructure (a term used in *new clause 39* of Schedule 1AA);
- water services reform (a term used in *new clauses 29, 30, 31, 33, and 34* of Schedule 1AA).

Duty to identify before 1 January 2024 specified water services bylaws

Clause 35(3) repeals clause 26 of Schedule 1AA (duty to identify before 1 January 2024 specified water services bylaws) as it is no longer needed.

Long-term planning if water services entity's establishment date is 1 July 2024

Clause 35(4) amends Schedule 1AA by replacing the cross-heading above clause 27.

Clause 35(5) to (7) amends clause 27 of Schedule 1AA. Clause 27 requires the long-term planning specified in clause 27(1), during a water service's entity's establishment period, to exclude any content (for example, any proposals or associated information) relating to water services. *New clause 27(1AA)* ensures that clause 27 applies—

- only if a territorial authority's district is wholly or partly in the service area of a water services entity with an establishment date (under *new section 6A(3A) or (4)* of the Water Services Entities Act 2022) of 1 July 2024; and
- only to the extent that the content mentioned in clause 27(2) is related to water services in that entity's service area.

Planning or reporting if water services entity's establishment date is 1 October 2024 to 1 July 2026

Clause 35(8) inserts *new clauses 28 to 40* of Schedule 1AA.

Application

New clause 28 is about content relating to water services in planning or reporting documents if, and only to extent that, a territorial authority's district is in the service area of a water services entity with an establishment date on or after 1 October 2024 and before or on 1 July 2026. *New clause 28(1)* ensures that *new clauses 29 to 37* apply—

- only if a territorial authority's district is wholly or partly in the service area of a water services entity with an establishment date (under *new section 6A(3A) or (4)* of the Water Services Entities Act 2022) on or after 1 October 2024 and before or on 1 July 2026; and

- only to the extent that the water services content of the documents mentioned in *new clause 28(2)* relates to water services in that entity's service area.

Modified planning or reporting obligations

New clause 28(2) provides that *new clauses 29 to 37* specify the territorial authority's modified obligations under Part 6 of the Local Government Act 2002 to prepare, consult on, adopt, amend, or replace planning or reporting documents relating to water services for the 2024/25 and 2025/26 financial years.

New clause 28(3) provides that those obligations are modified because the Water Services Entities Act 2022 requires territorial authority responsibilities relating to water services to be transferred to water services entities during those financial years.

Local government organisations' responsibility for providing water services

New clause 28(4) to (7) set out local government organisations' responsibility for providing water services (*see new section 6A(2)* of the Water Services Entities Act 2022).

Meaning of water services

New clause 28(8) and (9) defines the term water services for *new clauses 28 to 37*.

Decision-making and consultation

New clause 29 applies to conduct by or on behalf of a local authority if that conduct is—

- required under the Water Services Entities Act 2022; or
- required to give effect to the water services reform.

New clause 29 ensures that the conduct is not subject to sections 76 to 82.

Significance and engagement policy

New clause 30 applies to a significance and engagement policy—

- under section 76AA; and
- adopted by a local authority.

New clause 30 ensures that the local authority may amend the policy, to the extent the local authority considers necessary or desirable as a consequence of the water services reform, without having to consult under section 76AA(5).

Long-term plan to take effect for all or any of 2024/2034, and related documents

New clause 31(1) applies to a long-term plan (under section 93 and Part 1 of Schedule 10) to take effect for all or any of the 2024/34 financial years (a **specified long-term plan**), and associated material or documentation (including a consultation document). *New clause 31(1)* requires those documents to explain to communities the following matters:

- water services are to be transferred from the local authority to a water services entity during the 2024/25 and 2025/26 financial years:
- the implications of, and any significant risks associated with, the transfer (including financial implications and risks):
- how the council is planning to deal with the implications of, and any significant risks associated with, the transfer (including financial implications and risks).

New clause 31(2) provides that, in particular, section 93(7)(b) and clause 17(c)(ii) of Schedule 10 do not require a local authority to estimate the potential effects on the financial estimates provided of any uncertainty relating to the water services reform.

New clause 31(3) requires a consultation document that is prepared under sections 93A to 93C in relation to a specified long-term plan to include a statement to the effect that—

- the Water Services Entities Act 2022 requires the transfer of water services to a water services entity; and
- that transfer is therefore not a matter for consultation by the local authority.

New clause 31(4) and (5) ensures that, if the transfer of water services from a local authority to a water services entity occurs on or after 1 October 2024 and before or on 1 July 2026, requirements under sections 93(5), 93D, and 94(2) relating to amendments to a specified long-term plan do not apply to matters related to that transfer. In particular, a local authority may (despite sections 76 to 82A) amend its specified long-term plan without consultation in relation to matters related to that transfer.

New clause 32 is about requirements under clauses of Part 1 of Schedule 10.

Annual plan

New clause 33(1) requires an annual plan (under section 95) to include information about water services for the 2024/25 or 2025/26 financial year even if during that year a local authority may or does cease to provide water services in its district (to the extent that it is part of the entity's service area).

But *new clause 33(2)* provides that *new clause 33(1)* does not apply to the 2025/26 financial year, if a local authority's responsibilities for water services will be or are transferred to a water services entity before that year starts.

New clause 33(3) ensures that section 95(2) does not apply to a local authority if the only significant or material differences relate to a change in the timing of the implementation of water services reform, or the application of the Water Services Entities Act 2022, from the time frames anticipated in a long-term plan (under section 93 and Part 1 of Schedule 10) to take effect for all or any of the 2024/34 financial years. Section 95(2) requires a local authority to consult in a manner that gives effect to the requirements of section 82 before adopting an annual plan under section 95.

Certain decisions to be taken only if provided for in long-term plan

New clause 34 applies to conduct by or on behalf of a local authority that is required—

- under the Water Services Entities Act 2022; or
- to give effect to the water services reform.

New clause 34 ensures that the conduct is not subject to section 97.

Annual report

New clause 35(1) requires an annual report (under section 98) to include information about water services for the 2024/25 or 2025/26 financial year even if during that year a local authority may or does cease to provide water services in its district (to the extent that it is part of the entity’s service area).

But *new clause 35(2)* provides that a local authority must include in the annual report the information required by clauses 23, 24, 25, and 26 of Schedule 10 only—

- from the start of a financial year mentioned in *new clause 35(1)*; and
- until the local authority ceases to provide water services.

Balanced budget requirement

New clause 36 applies to a loss—

- of a local authority; and
- arising from the transfer of assets, liabilities, and other matters from the local authority to a water services entity.

New clause 36 requires the loss to be disregarded in determining whether the local authority complies with section 100(1).

Infrastructure strategy

New clause 37 applies to a local authority’s infrastructure strategy (under section 101B) prepared and adopted as part of a long-term plan (under section 93 and Part 1 of Schedule 10) of the local authority to take effect for all or any of the 2024/34 financial years. *New clause 38* ensures that the local authority is not required to include information about water services in the infrastructure strategy.

Budget, and rates, for water services

New clause 38 applies if—

- a territorial authority’s district is wholly or partly in the service area of a water services entity with an establishment date (under *new section 6A(3A) or (4)* of the Water Services Entities Act 2022) in a financial year; and
- the territorial authority is, under *new section 6A(2)* of the Water Services Entities Act 2022, to provide water services in its district for any part of that financial year.

New clause 38(2) requires the territorial authority to provide in its annual plan budget and funding impact statement for water services to be provided by the territorial authority in that district for all of that financial year.

New clause 38(3) requires the territorial authority, as soon as is reasonably practicable after the establishment date, to transfer to the water services entity any unapplied revenue that has been collected for the financial year and in accordance with *new clause 4* of Schedule 1AA of the Local Government (Rating) Act 2002.

New clause 38(4) ensures that *new clause 38* applies to Wellington Regional Council as if it were a territorial authority.

New clause 38(5) cross-refers to the related provision that is *new clause 4* of Schedule 1AA of the Local Government (Rating) Act 2002.

Development contributions

New clause 39 is about development contributions relating to water services infrastructure.

New clause 39(1) applies if—

- a territorial authority's district is wholly or partly in the service area of a water services entity with an establishment date (under *new section 6A(3A) or (4)* of the Water Services Entities Act 2022) in a financial year; and
- the territorial authority is, under *new section 6A(2)* of the Water Services Entities Act 2022, to provide water services in its district for any part of that financial year.

New clause 39(2) provides that the territorial authority may, until that establishment date,—

- include, in a policy of the territorial authority adopted under section 102(1) on development contributions (for example, in a schedule of that policy), requirements relating to water services infrastructure (as that term is defined in clause 24 of Schedule 1AA, as amended by this Bill):
- require, under a policy on development contributions adopted under section 102(1) (for example, under a schedule of that policy), development contributions for the water services infrastructure the territorial authority has been planning to provide:
- require development contributions for capital expenditure relating to water services infrastructure that may or will be incurred in future (even if, and to the extent that, that capital expenditure will be incurred after that establishment date).

New clause 39(3) ensures that section 106(6) of the Local Government Act 2002 does not apply to the parts of a policy of the territorial authority on development contributions that relate to water services infrastructure. Section 106(6) of the Local Government Act 2002 requires that a policy on development contributions needs to be

reviewed at least every 3 years using a consultation process that gives effect to the requirements set out in section 82 of that Act.

Chatham Islands Council

New clause 40 ensures that clauses 25 and 27, and *new clauses 28 to 37*, of Schedule 1AA do not apply to the Council because it is not included in the water services reform.

Subpart 5—Amendments to Local Government (Rating) Act 2002

Clause 36 provides that the subpart amends the Local Government (Rating) Act 2002.

Clause 37 inserts *new clauses 4 and 5* of Schedule 1AA.

New clause 4 applies if—

- a territorial authority’s district is wholly or partly in the service area of a water services entity with an establishment date (under *new section 6A(3A) or (4)* of the Water Services Entities Act 2022) in a financial year; and
- the territorial authority is, under *new section 6A(2)* of the Water Services Entities Act 2022, to provide water services in its district for any part of that financial year.

New clause 4(2) requires the territorial authority to assess, set, and collect rates, and recover unpaid rates (subject to any remission, postponement, or writing off of rates), for water services to be provided by the territorial authority in that district for all of that financial year.

New clause 4(3) cross-refers to the related provision that is *new clause 38* of Schedule 1AA of the Local Government Act 2002.

New clause 5 modifies section 21 (certain rates must not exceed 30% of total rates revenue). *New clause 5* applies to a local authority that—

- will provide water services after 1 July 2024; and
- will cease to provide water services before or on 1 July 2026.

New clause 5 does not apply to a local authority that is—

- a local authority whose district is wholly or partly in the service area of a water services entity with an establishment date (under *new section 6A(3A) or (4)* of the Water Services Entities Act 2022) of 1 July 2024; or
- the Chatham Islands Council.

New clause 5(3) provides that the local authority may, after the commencement of *new clause 5* and despite section 21(1), seek rates revenue in the 2024/25, 2025/26, or 2026/27 financial year from section 21(2) rates that exceeds 30% of the total revenue from all rates sought by the local authority for that year.

New clause 5(4) ensures, however, that a local authority may rely on *new clause 5(3)* in a financial year only if, after it is treated as if it were seeking in that financial year

the same proportion of section 21(2) rates as it sought in the last year in which it provided water services.

For the purposes of *new clause 5(4)*, the proportion of the local authority's rates income from section 21(2) rates in that financial year must be calculated (*new clause 5(5)*) as if—

- the local authority were seeking in that financial year the same proportion of section 21(3) rates as it sought in the last year in which it provided water services; and
- the local authority's rates income from all rates in that financial year included the same proportion of section 21(3) rates as it sought in the last year in which it provides.

The effect of the limit in *new clause 5(4)* is illustrated by the example in *new clause 5(5)*.

New clause 5(6) defines the terms section 21(2) rates and section 21(3) rates.

Subpart 6—Amendments to Local Government (Financial Reporting and Prudence) Regulations 2014

Clause 38 provides that the subpart amends the Local Government (Financial Reporting and Prudence) Regulations 2014.

Clause 39 amends Schedule 1, which contains application, savings, and transitional provisions. The amendments insert *new Part 2* of Schedule 1, which includes *new clauses 4, 5, and 6*.

New clause 4 of Schedule 1 applies to the disclosures of information required by regulation 6(3) in respect of the water services-related assets referred to in regulation 6(2)(a) to (c). *New clause 4(2)* requires those disclosures to be included in a local authority's annual report if the local authority continues to own the assets concerned for the full financial year covered by that report. *New clause 4(3)* ensures that those disclosures need not be included in a local authority's annual report for the financial year in which the assets concerned are transferred to a water services entity, if those assets are transferred at any time other than on the last day of that financial year.

New clause 5 of Schedule 1 (which is about funding impact statements)—

- applies to a local authority affected by the transfer of water services to a water services entity; and
- ensures that the local authority is not required to disclose the costs and revenues associated with that transfer in a funding impact statement prepared under the regulations (*see* regulation 7(1) to (5)).

New clause 6 of Schedule 1 relates to the balanced budget benchmark under regulation 19. *New clause 6* ensures that, for the purposes of regulation 19, revenue and operating expenses exclude any amount (for example, any amount of revenue) relating to the transfer of assets, liabilities, or other matters from a local authority to a water services entity.

Clauses 40 to 42 make consequential amendments to Schedules 4 to 6. The amendments indicate the effect of *new clause 6* of Schedule 1.

Subpart 7—Amendment to Water Services Act 2021

Clause 43 provides that the subpart amends the Water Services Act 2021.

Clause 44 amends section 201(2A) and (2B) of the Water Services Act 2021. The amendment is related to the new definitions of establishment date and establishment period inserted by this Bill in clause 1 of Schedule 1 of the Water Services Entities Act 2022.

Hon Kieran McAnulty

Water Services Entities Amendment Bill

Government Bill

Contents

	Page
1 Title	5
2 Commencement	5
Part 1	
Amendments to Water Services Entities Act 2022	
<i>Principal Act</i>	
3 Principal Act	5
<i>Principal Act's commencement</i>	
4 Section 2 amended (Commencement)	5
<i>Principal Act's application to water services entity</i>	
5 New section 6A inserted (Act applies to water services entity, and its service area, only on and after that entity's establishment date)	6
6A Act applies to water services entity, and its service area, only on and after that entity's establishment date	6
<i>Water services entities and their service areas</i>	
6 Section 11 replaced (Water services entities established)	7
11 Water services entities established	7
<i>Functions of water services entities</i>	
7 Section 13 amended (Functions of water services entities)	8
<i>Water services entities and their service areas, establishment date</i>	
8 Section 16 amended (Shares in water services entities)	8
<i>Merger of water services entities</i>	
9 New subpart 1A of Part 2 inserted	8

Water Services Entities Amendment Bill

Subpart 1A—Merger of water services entities		
	19A Merger of water services entities	8
<i>Regional representative group membership</i>		
10	Section 27 amended (Establishment and membership of regional representative group)	9
11	Section 93 amended (What constitution must contain)	9
12	Section 97 amended (Process for amending or replacing constitution)	9
<i>Directions for shared services and other stated purposes</i>		
13	Section 117 amended (Safeguarding independence of water services entities)	9
<i>Directions for shared services and other stated purposes, community priority statements for water services, and Water Services Entities Funding Agency</i>		
14	Section 131 amended (Outline of Part (financial and accountability matters))	9
<i>Directions for shared services and other stated purposes</i>		
15	New subpart 2A of Part 4 inserted	10
Subpart 2A—Directions for shared services and other stated purposes		
	137A Directions for shared services and other stated purposes	10
	137B Process for giving directions under section 137A	11
	137C Obligation to give effect to direction	12
	137D Certain arrangements or agreements exempt from specified sections of Commerce Act 1986	12
<i>Community priority statements for water services</i>		
16	New subpart 4A of Part 4 inserted	12
Subpart 4A—Community priority statements for water services		
	145A Making of statement	13
	145B Other requirements for making statement	13
	145C What regional representative group must or may do in response to statement	13
<i>Water Services Entities Funding Agency and protected transactions</i>		
17	New subparts 9 and 10 of Part 4 inserted	14
Subpart 9—Water Services Entities Funding Agency		
<i>Preliminary provisions</i>		
	173A Purpose	14

Water Services Entities Amendment Bill

173B	Definitions	14
173C	Application	14
	<i>Application of Non-bank Deposit Takers Act 2013</i>	
173D	Funding Agency not non-bank deposit taker	15
	<i>Application of Financial Markets Conduct Act 2013</i>	
173E	Financial Markets Conduct Act 2013 applies to Funding Agency as if it were local authority	15
	<i>Prohibitions and restrictions relating to subsidiaries</i>	
173F	Exemptions from prohibitions and restrictions applying to subsidiaries	15
	<i>Additional requirements for water services entity's funding and pricing plan</i>	
173G	Additional requirements to be specified in water services entity's funding and pricing plan	16
	<i>Protected transactions</i>	
173H	Certain kinds of arrangements and transactions to be treated as protected transactions	16
	<i>Crown relationship with Funding Agency</i>	
173I	Crown may lend money to Funding Agency	16
173J	No Crown guarantee for debts of Funding Agency	17
	Subpart 10—Protected transactions	
173K	Definitions	17
173L	Protected transactions	19
173M	Certificate of compliance	19
173N	Good faith in relation to protected transactions	19
173O	Savings provision in respect of power of court	20
	<i>Establishment date</i>	
18	Section 200 amended (Interim review of governance and accountability arrangements under Act)	20
19	Section 201 amended (Comprehensive review of water services legislation)	20
20	Section 205 amended (Repeal of this subpart)	20
	<i>Directions for shared services and other stated purposes</i>	
21	Section 206 amended (Engagement requirements)	20
	<i>Community priority statements for water services</i>	
22	Section 207 amended (Consumer forum)	21
23	Section 208 amended (Consumer engagement stocktake)	21

Water Services Entities Amendment Bill

	<i>Regional representative group membership</i>	
24	Section 210 amended (Regulations)	21
	<i>Transitional, savings, and related provisions</i>	
25	Schedule 1 amended	21
	<i>Water services entities and their service areas</i>	
26	Schedule 2 replaced	25
	<i>Merger of water services entities</i>	
27	New Schedule 2A inserted	25
	Part 2	
	Amendments to other legislation	
	Subpart 1—Amendment to Financial Markets Conduct Act 2013	
28	Principal Act	25
29	Section 6 amended (Interpretation)	25
	Subpart 2—Amendment to Goods and Services Tax Act 1985	
30	Principal Act	25
31	Section 78I repealed (Support package payment made by water services entity to be zero-rated)	25
	Subpart 3—Amendment to Income Tax Act 2007	
32	Principal Act	26
33	Section YA 1 amended (Definitions)	26
	Subpart 4—Amendments to Local Government Act 2002	
34	Principal Act	26
35	Schedule 1AA amended	26
	Subpart 5—Amendments to Local Government (Rating) Act 2002	
36	Principal Act	33
37	Schedule 1AA amended	33
	Subpart 6—Amendments to Local Government (Financial Reporting and Prudence) Regulations 2014	
38	Principal regulations	35
39	Schedule 1 amended	35
40	Schedule 4 amended	36
41	Schedule 5 amended	36
42	Schedule 6 amended	36
	Subpart 7—Amendment to Water Services Act 2021	
43	Principal Act	36
44	Section 201 amended (Levy)	36
	Schedule 1	37
	New Schedule 2 of Water Services Entities Act 2022	

41

Schedule 2
New Schedule 2A of Water Services Entities Act 2022

The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Water Services Entities Amendment Act **2023**.

2 Commencement

This Act comes into force on the day after the date of Royal assent. 5

Part 1
Amendments to Water Services Entities Act 2022

Principal Act

3 Principal Act

This Part amends the Water Services Entities Act 2022. 10

Principal Act's commencement

4 Section 2 amended (Commencement)

(1) Before section 2(1), insert:

15 December 2022

(2) Replace section 2(2) and (3) with: 15

*Commencement of **Water Services Entities Amendment Act 2023***

(1A) The following provisions come into force on the day after the date of Royal assent of the **Water Services Entities Amendment Act 2023**:

(a) section 27 (establishment and membership of regional representative group): 20

(b) section 93 (what constitution must contain) so far as it relates to regulations made under section 210(1)(a):

(c) section 97 (process for amending or replacing constitution) so far as it relates to regulations made under section 210(1)(a):

(d) **section 117(4)** (directions for shared services and other stated purposes not subject to section 117): 25

(e) **section 131(2A)** (directions for shared services and other stated purposes):

(f) **subpart 2A of Part 4** (directions for shared services and other stated purposes): 30

(g) section 206 (engagement requirements).

1 July 2024

- (2) The rest of this Act comes into force on **1 July 2024**.

Principal Act's application to water services entity

- 5 New section 6A inserted (Act applies to water services entity, and its service area, only on and after that entity's establishment date)** 5

After section 6, insert:

6A Act applies to water services entity, and its service area, only on and after that entity's establishment date

General rule

- (1) This Act, and secondary legislation made under this Act, apply to a water services entity, and its service area, only on and after that entity's establishment date. 10
- (2) Before the entity's establishment date, local government organisations provide water services in their districts (to the extent that they are part of the entity's service area) under the law in force immediately before **1 July 2024**. 15

Exception

- (3) However, **subsections (1) and (2)** do not affect or limit the operation, during a water service's entity's establishment period, of the following:
- (a) this section:
- (b) Schedule 1 of this Act: 20
- (c) Schedule 1AA of the Local Government Act 2002:
- (d) Schedule 1AA of the Local Government (Rating) Act 2002:
- (e) Schedule 1 of the Local Government (Financial Reporting and Prudence) Regulations 2014.

Establishment date 25

- (3A) The Northland and Auckland Water Services Entity's **establishment date** is 1 July 2024.
- (4) Any other water services entity's **establishment date** is the earlier of—
- (a) an establishment date for the entity that is set by an Order in Council made under this section, and that is one of the following dates: 30
- (i) 1 July 2024:
- (ii) 1 October 2024:
- (iii) 1 January 2025:
- (iv) 1 April 2025:
- (v) 1 July 2025: 35
- (vi) 1 October 2025:

- (vii) 1 January 2026:
 (viii) 1 April 2026:
 (b) 1 July 2026.
- Order in Council setting establishment date*
- (5) The power under this section to set an establishment date for an entity is capable of being exercised more than once to amend, revoke, or replace an Order in Council made in a previous exercise of the power, so long as each re-exercise of the power takes effect before the previous establishment date. 5
- (6) An Order in Council made under this section may contain, or be amended so that it contains, establishment dates for all or any of the water services entities whose establishment dates are set by Order in Council. 10
- (7) An Order under this section is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).
- Merger of water services entities*
- (8) However, for a water services entity whose establishment is provided for by an Order in Council made under **clause 21(1) of Schedule 2A** (Order in Council to give effect to requested merger),— 15
- (a) the rest of this Act, and secondary legislation made under the rest of this Act, applies to that water services entity, and its service area, only on and after the date on which the provisions of that order establishing that water services entity have effect; and 20
- (b) **subsections (1) to (7)**, and the transitional provisions specified in **subsection (3)(b) to (e)**, of this section do not apply to the entity.
- (9) However, **subsection (8)** does not limit the application of **section 19A** and **Schedule 2A** to a water services entity— 25
- (a) that is proposed to be part of a requested merger; and
- (b) to which **section 19A** and **Schedule 2A** apply under **subsection (1)**.

Water services entities and their service areas

- 6 Section 11 replaced (Water services entities established)** 30
- Replace section 11 with:
- 11 Water services entities established**
- Entities established*
- (1) This section (as inserted by the **Water Services Entities Amendment Act 2023**) establishes the water services entities named in **Parts 1 to 10 of Schedule 2**. 35

	<i>When each water services entity established</i>	
(2)	Each water services entity is established on the date on which the appointment of the entity’s establishment board under clause 3 of Schedule 1 takes effect.	
	<i>When new entity resulting from merger established</i>	
(3)	However, a water services entity whose establishment is provided for by an Order in Council made under clause 21(1) of Schedule 2A (Order in Council to give effect to requested merger) is established when the provisions of that order establishing that water services entity have effect.	5
	<i>Changing entity’s name, mergers, and local government reorganisation</i>	
(4)	This section does not limit—	10
	(a) section 210(1)(d) of this Act; or	
	(b) clause 21(1) of Schedule 2A of this Act; or	
	(c) section 25(4) of the Local Government Act 2002.	
	<i>Functions of water services entities</i>	
7	Section 13 amended (Functions of water services entities)	15
	After section 13(a), insert:	
	(aa) to enter into shared services arrangements related to all or any matters specified in section 137A(3) (for example, related to debt funding and management), whether or not those shared services arrangements are required to give effect to a direction given under section 137A ; and	20
	<i>Water services entities and their service areas, establishment date</i>	
8	Section 16 amended (Shares in water services entities)	
(1)	In section 16(3), definition of relevant date , paragraph (a), replace “the establishment date (as defined in clause 1 of Schedule 1)” with “ 1 July 2026 ”.	
(2)	In section 16(3), definition of relevant date , paragraph (b)(i), replace “the establishment date (as so defined)” with “ 1 July 2026 ”.	25
(3)	In section 16(3), definition of relevant date , paragraphs (c)(i) and (d), replace “Parts 1 to 4 of Schedule 2” with “ Parts 1 to 10 of Schedule 2 ”.	
	<i>Merger of water services entities</i>	
9	New subpart 1A of Part 2 inserted	30
	After section 19, insert:	
	Subpart 1A—Merger of water services entities	
19A	Merger of water services entities	
	Water services entities may merge in accordance with Schedule 2A .	

Regional representative group membership

- 10 Section 27 amended (Establishment and membership of regional representative group)**
- (1) Replace section 27(2) with:
- (2) Each regional representative group consists of the number of regional representatives that is provided for in the constitution (*see* section 93(a)(i)). 5
- (2) After section 27(3), insert:
- (4) Each entity's regional representative group must include a representative from each territorial authority owner in the entity's service area.
- 11 Section 93 amended (What constitution must contain)** 10
- In section 93(a)(i), replace “and (3)” with “to **(4)**”.
- 12 Section 97 amended (Process for amending or replacing constitution)**
- In section 97(10), delete “(*see* section 210(4))”.
- Directions for shared services and other stated purposes*
- 13 Section 117 amended (Safeguarding independence of water services entities)** 15
- Replace section 117(4) with:
- (4) However, nothing in this section affects the following:
- (a) the giving of a direction under **section 137A** (directions for shared services and other stated purposes): 20
- (b) the performance or exercise of a territorial authority's regulatory duties, functions, or powers under legislation other than this Act.
- Directions for shared services and other stated purposes, community priority statements for water services, and Water Services Entities Funding Agency* 25
- 14 Section 131 amended (Outline of Part (financial and accountability matters))**
- (1) After section 131(2), insert:
- Directions for shared services and other stated purposes*
- (2A) **Subpart 2A** is about directions for stated purposes (which include, without limitation, directions to require entities to share services provided to those entities). 30
- (2) After section 131(4), insert:

	<i>Community priority statements for water services</i>	
(4A)	Subpart 4A is about a community priority statement for water services made—	
	(a) about a water body in the service area of a water services entity; and	
	(b) by a person—	5
	(i) whose ordinary place of residence, or registered office or main place of business, is in that service area; and	
	(ii) who has an interest in how water services are provided in that service area, or in how other activities of the entity do or could affect or relate to the water body, or in both; and	10
	(c) to the entity’s regional representative group; and	
	(d) to state to the group the person’s views about, and priorities for, how water services provided by, or other activities of, the entity do or could affect or relate to the water body.	
(3)	Replace section 131(9) and the heading above section 131(9) with:	15
	<i>Funding Agency and protected transactions</i>	
(9)	Subpart 9 contains provisions related to the Water Services Entities Funding Agency.	
(10)	Subpart 10 contains provisions related to protected transactions.	
	<i>Status of outline</i>	20
(11)	This outline is only a guide to this Part’s general scheme and effect.	
	<i>Directions for shared services and other stated purposes</i>	
15	New subpart 2A of Part 4 inserted	
	After section 137, insert:	
	Subpart 2A—Directions for shared services and other stated purposes	25
137A	Directions for shared services and other stated purposes	
	<i>Purposes for which direction may be given</i>	
(1)	The Minister may direct water services entities to comply with specified requirements for all or any of the following purposes:	
	(a) to improve (directly or indirectly) the provision of water services:	30
	(b) to require entities to share services provided to those entities:	
	(c) to develop expertise and capability:	
	(d) to ensure business continuity:	
	(e) to manage risks to the water services entities’ financial position, the Government’s financial position, or both.	35

<i>Entities to which direction may be given</i>	
(2)	The direction may be given only to 2 or more entities each of which is— (a) a water services entity; or (b) a subsidiary of a water services entity.
	<i>Requirements for shared services direction</i> 5
(3)	A direction to require entities to share services provided to those entities (whether or not the direction is also for 1 or more, or all, other purposes specified in subsection (1)) must be limited to all or any of the following: (a) debt funding and management (for example, through the Water Services Entities Funding Agency): 10 (b) information and communication technology, and digital infrastructure procurement and management: (c) other procurement, and supply chain management: (d) risk management and insurance: (e) workforce development and management. 15
(4)	However, a direction to which subsection (3)(a) applies may only be given (despite subsection (1)) jointly by the Minister and the Minister of Finance.
	<i>Commencement</i>
(5)	A direction given under this section comes into force on the commencement date stated in it (which must be not earlier than the day after the date on which it is given). 20
	<i>Direction is secondary legislation</i>
(6)	Directions under this section are secondary legislation (<i>see</i> Part 3 of the Legislation Act 2019 for publication requirements). 25 Compare: 2004 No 115 s 107
137B Process for giving directions under section 137A	
	<i>Engagement</i>
(1)	The Minister must, before giving a direction under section 137A , engage in accordance with section 206 in relation to the proposed direction with— (a) the water services entities; and 30 (b) the regional representative group of each water services entity; and (c) Taumata Arowai—the Water Services Regulator; and (d) the Commission; and (e) other persons, and representative groups of persons, who have an interest in water services in New Zealand. 35

Notification

- (2) The Minister must, as soon as practicable after giving a direction under **section 137A**, notify the entities to which the direction will apply that the direction—

(a) has been given; and

(b) will come into force on the commencement date stated in it.

Shared services directions related to debt finding and management

- (3) However, for a direction to which **section 137A(3)(a)** applies, references in this section to the Minister are to be treated as references to the Minister acting jointly with the Minister of Finance (and section 206, as applied by this section, applies accordingly).

Exception for amendments or replacements with limited effect

- (4) **Subsections (1) and (2)** do not apply to any amendment or replacement of the direction (*see* section 48 of the Legislation Act 2019) if that amendment or replacement has only a minor effect and does not adversely and substantially affect the interests of any person.

Compare: 2004 No 115 s 108

137C Obligation to give effect to direction

- (1) This section applies to an entity to which a direction under **section 137A** is given, but only while the direction is in force.

- (2) The entity must give effect to the direction when performing its functions.

Compare: 2004 No 115 s 110

137D Certain arrangements or agreements exempt from specified sections of Commerce Act 1986

Any arrangement or agreement is exempt from sections 27, 30, 30C, 36, and 36A of the Commerce Act 1986 if the arrangement or agreement is—

(a) entered into by parties that are or include 1 or more entities to which a direction under **section 137A** is given; and

(b) entered into by those 1 or more entities in order to give effect to the direction when performing their functions (in accordance with **section 137C**).

*Community priority statements for water services***16 New subpart 4A of Part 4 inserted**

After section 145, insert:

Subpart 4A—Community priority statements for water services

145A Making of statement

A community priority statement for water services may be made—

- (a) about a water body in the service area of a water services entity; and
- (b) by a person—
 - (i) whose ordinary place of residence, or registered office or main place of business, is in that service area; and
 - (ii) who has an interest in how water services are provided in that service area, or in how other activities of the entity do or could affect or relate to the water body, or in both; and
- (c) to the entity’s regional representative group; and
- (d) to state to the group the person’s views about, and priorities for, how water services provided by, or other activities of, the entity do or could affect or relate to the water body.

145B Other requirements for making statement

- (1) A community priority statement for water services must be made in writing.
- (2) A community priority statement for water services must state—
 - (a) the person’s interest in how water services are provided in the entity’s service area, or in how other activities of the entity do or could affect or relate to the water body, or in both; and
 - (b) the person’s views about, and priorities for, how water services provided by, or other activities of, the entity do or could affect or relate to the water body.

145C What regional representative group must or may do in response to statement

- (1) This section applies to a water services entity’s regional representative group to which a community priority statement for water services is made.
- (2) The group must forward the statement to a consumer forum established by the water services entity under section 207.
- (3) The group may consider the statement in preparing, issuing, or reviewing the group’s statement of strategic and performance expectations under section 139.
- (4) The group may consider the statement as part of any comments the group makes on the water services entity’s planning and reporting documents under subpart 5.

*Water Services Entities Funding Agency and protected transactions***17 New subparts 9 and 10 of Part 4 inserted**

After section 173, insert:

Subpart 9—Water Services Entities Funding Agency*Preliminary provisions*

5

173A Purpose

(1) The purpose of this subpart is to facilitate the operation of the Funding Agency.

(2) To achieve that purpose, this subpart—

(a) exempts the Funding Agency from certain regulatory or taxation criteria that would otherwise apply to it; and

10

(b) applies to the Funding Agency certain regulatory or taxation criteria that would otherwise not apply to it; and

(c) authorises water services entities to deal with the Funding Agency in a manner in which they would otherwise not be authorised to do so; and

(d) authorises or requires water services entities, in certain situations, to act in a manner in which they would otherwise not be authorised or required to act.

15

Compare: 2011 No 77 s 3

173B Definitions

In this subpart, unless the context otherwise requires,—

20

borrowing has the same meaning as in **section 173K****Funding Agency** means a limited liability company—

(a) registered under Part 2 of the Companies Act 1993; and

(b) approved for the purposes of this subpart by the Minister by notice in the *Gazette*

25

incidental arrangement has the same meaning as in **section 173K****loan** has the same meaning as in **section 173K****Minister** has the meaning given by section 2(1) of the Public Finance Act 1989**protected transaction** has the same meaning as in **section 173K.**

30

Compare: 2011 No 77 s 4

173C Application

This subpart applies to the Funding Agency only while the Funding Agency is a subsidiary of 1 or more water services entities.

Compare: 2011 No 77 s 5

Application of Non-bank Deposit Takers Act 2013

173D Funding Agency not non-bank deposit taker

The Funding Agency is not an NBDT (a non-bank deposit taker) for the purposes of the Non-bank Deposit Takers Act 2013.

Compare: 2011 No 77 s 7

5

Application of Financial Markets Conduct Act 2013

173E Financial Markets Conduct Act 2013 applies to Funding Agency as if it were local authority

The Financial Markets Conduct Act 2013 applies to the Funding Agency as if it were a local authority.

Compare: 2011 No 77 s 8

10

Prohibitions and restrictions relating to subsidiaries

173F Exemptions from prohibitions and restrictions applying to subsidiaries

- (1) This section applies to a water services entity only while the Funding Agency is a subsidiary of 1 or more water services entities (*see section 173C*). 15
- (2) A water services entity may give a guarantee, an indemnity, or a security in respect of the performance of any obligation by the Funding Agency.
- (3) A water services entity may lend money, or provide any other financial accommodation, to the Funding Agency on terms and conditions that are more favourable to the Funding Agency than those that would apply if the water services entity were borrowing the money or obtaining the financial accommodation. 20
- (4) **Subsection (5)** applies if the water services entity gives a guarantee, an indemnity, or a security, or lends money or provides any other financial accommodation, under **subsection (2) or (3)** while the Funding Agency is a subsidiary of a water services entity and, subsequently, the Funding Agency ceases to be a subsidiary of a water services entity. 25
- (5) The guarantee, indemnity, security, loan, or other financial accommodation continues subject to its terms, and the obligations and rights of the water services entity in respect of the guarantee, indemnity, security, loan, or other financial accommodation continue to apply, despite the Funding Agency no longer being a subsidiary of a water services entity. 30

Compare: 2011 No 77 s 9

*Additional requirements for water services entity's funding and pricing plan***173G Additional requirements to be specified in water services entity's funding and pricing plan**

- (1) This section applies to a water services entity if it has prepared and provided to its regional representative group a funding and pricing plan and it gives a guarantee in relation to either or both of the following: 5
- (a) any indebtedness of the Funding Agency;
 - (b) another water services entity's indebtedness to the Funding Agency.
- (2) The water services entity must specify in its funding and pricing plan its policy on the giving of any securities that secure obligations under the guarantee. 10
- Compare: 2011 No 77 s 10

*Protected transactions***173H Certain kinds of arrangements and transactions to be treated as protected transactions**

- (1) This section applies to arrangements of any of the following kinds: 15
- (a) a guarantee by a water services entity of any indebtedness owed by another water services entity to the Funding Agency;
 - (b) a guarantee by a water services entity of any indebtedness of the Funding Agency;
 - (c) a commitment by a water services entity to contribute equity to the Funding Agency: 20
 - (d) a commitment by a water services entity to lend money to the Funding Agency.
- (2) Those arrangements are to be treated as protected transactions for the purposes of **sections 173L to 173O**. 25
- (3) This section does not limit the generality of **sections 173L to 173O**.
- Compare: 2011 No 77 s 12

*Crown relationship with Funding Agency***173I Crown may lend money to Funding Agency**

- (1) The Minister, on behalf of the Crown, may lend money to the Funding Agency 30 if—
- (a) the Minister considers that it is necessary or expedient in the public interest to do so; and
 - (b) the money is lent on commercial terms.

- (2) The Minister may lend money under **subsection (1)** without further appropriation than this section.

Compare: 2011 No 77 s 15(1)

173J No Crown guarantee for debts of Funding Agency

- (1) No debt of the Funding Agency is guaranteed by the Crown. 5
- (2) If the Funding Agency enters into any loan agreement or incidental arrangement, the agreement or arrangement must include a statement that the loan or liability under the agreement or arrangement is not guaranteed by the Crown.
- (3) However, **subsections (1) and (2)** do not apply if the Crown is liable (for example, the Crown is liable to pay a debt) under a guarantee or an indemnity given by the Minister, on behalf of the Crown, under section 65ZD of the Public Finance Act 1989. 10

Compare: 2011 No 77 s 16(1), (2)

Subpart 10—Protected transactions

173K Definitions 15

In this subpart, unless the context otherwise requires,—

borrowing—

- (a) means the incurring by any means of debt to raise money; and
- (b) includes the incurring of debt—
- (i) under any contract or arrangement for hire purchase, deferred payment, instalment payment, sale and lease-back or buy-back, financial lease, loan, overdraft, or other arrangement for obtaining debt finance; or 20
- (ii) by the drawing, acceptance, making, endorsement, issue, or sale of bills of exchange, promissory notes, and other negotiable instruments and debt securities; or 25
- (iii) by the use, for any purpose, of funds received or invested by a water services entity for any other purpose if the water services entity has resolved to repay, with or without interest, the funds used; but 30
- (c) does not include debt incurred in connection with the hire purchase of goods, the deferred purchase of goods or services, or the giving of credit for the purchase of goods or services if—
- (i) the period for which the indebtedness is outstanding is less than 91 days and the indebtedness is not incurred again promptly after payment; or 35
- (ii) the goods or services are obtained in the ordinary course of the water services entity's performance of its lawful responsibilities,

<p>on terms and conditions available generally to parties of equivalent creditworthiness, for amounts not exceeding in aggregate an amount—</p> <p>(A) determined by resolution of the water services entity as not being so significant as to require specific authorisation; or</p> <p>(B) recorded for the purposes of this subparagraph in the then current borrowing management policy of the water services entity</p> <p>charge includes a mortgage, a floating charge, and any other non-possessory security interest deliberately created by the water services entity concerned</p> <p>incidental arrangement means—</p> <p>(a) a contract or an arrangement for the management, reduction, sharing, limiting, assumption, offset, or hedging of financial risks and liabilities in relation to any investment or investments or any loan or loans or other incidental arrangement, whether or not that contract or arrangement involves—</p> <p style="padding-left: 20px;">(i) the expenditure, borrowing, or lending of money; or</p> <p style="padding-left: 20px;">(ii) a water services entity undertaking to make payments in exchange for another person undertaking to make payments to the water services entity; or</p> <p style="padding-left: 20px;">(iii) the creation or acquisition or disposal of any property or right; or</p> <p>(b) a contract or an arrangement with any bank, financial institution, or other person providing for any person to act as underwriter, broker, indemnifier, guarantor, accommodation party, manager, dealer, trustee, registrar, or paying, fiscal, or other agent for, or in connection with, any loan or investment; or</p> <p>(c) the creation of a charge</p> <p>loan includes the amounts raised or indebtedness incurred, as the context may require, as a result of borrowing</p> <p>protected transaction means (subject to section 173H, which requires specified arrangements to be treated as protected transactions for the purposes of sections 173L to 173O) all or any of the following:</p> <p>(a) any deed, agreement, right, or obligation constituting, relating to, or for the purpose of any borrowing or incidental arrangement:</p> <p>(b) any charge, guarantee, or security for the payment of any amount (including any loan) payable in relation to, or for the purpose of any borrowing or incidental arrangement:</p> <p>(c) any conveyance or transfer of any property in relation to, or for the purpose of any borrowing or incidental arrangement.</p> <p>Compare: 2002 No 84 s 112</p>	<p>5</p> <p>10</p> <p>15</p> <p>20</p> <p>25</p> <p>30</p> <p>35</p> <p>40</p>
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173L Protected transactions

- (1) Every protected transaction entered into, or purportedly entered into, by or on behalf of a water services entity is valid and enforceable despite—
- (a) the water services entity failing to comply with any provision of this Act in any respect; or 5
 - (b) the entry into, or performance of, the protected transaction being outside the capacity, rights, or powers of the water services entity; or
 - (c) a person held out by the water services entity as being a member of the establishment board, member of the board, or an employee, agent, or attorney, of the water services entity— 10
 - (i) not having been validly appointed as such; or
 - (ii) not having the authority to exercise any power or to do anything either that the person is held out as having or that a person appointed to such a position would customarily have; or
 - (d) a document issued, or purporting to be issued, on behalf of the water services entity by a person with actual or customary authority, or held out as having such authority, to issue the document not being valid or not being genuine. 15
- (2) However, nothing in this subpart overrides section 118 (obligation to maintain water services). 20
- Compare: 2002 No 84 s 117

173M Certificate of compliance

- (1) This section applies to a certificate—
- (a) signed, or purporting to be signed, by the chief executive of a water services entity; and 25
 - (b) to the effect that the water services entity has complied with this Act in connection with a protected transaction.
- (2) The certificate is conclusive proof for all purposes that the water services entity has so complied. 30
- Compare: 2002 No 84 s 118

173N Good faith in relation to protected transactions

- (1) **Sections 173L and 173M** apply in relation to a protected transaction even though a person of the kind referred to in **section 173L(1)(c) or (d) or 173M** acts fraudulently or forges a document that appears to have been signed on behalf of the water services entity, unless any person dealing with the water services entity in relation to the protected transaction or a person who had acquired property, rights, or interests from the water services entity acts in bad faith. 35

- (2) A person may not rely on **section 173L or 173M** in relation to a protected transaction if that person has dealt in bad faith with a water services entity in relation to the protected transaction.
- (3) For the purpose of **subsections (1) and (2)**,—
- (a) a person is not regarded as acting in bad faith by reason only of the fact that, in relation to any protected transaction, the person knew or ought to have known of the existence of any of the states of affairs referred to in **paragraphs (a) to (d) of section 173L(1)**; and
- (b) a person must be presumed to have acted in good faith unless the contrary is proved.

Compare: 2002 No 84 s 119

173O Savings provision in respect of power of court

Nothing in **sections 173K to 173N** affects the ability of any person to obtain from a court any remedy that has the effect of preventing or restraining temporarily or permanently a water services entity from doing any act or thing in the future (other than an act or a thing necessary for the performance of a protected transaction that has already been entered into).

Compare: 2002 No 84 s 120

Establishment date

18 Section 200 amended (Interim review of governance and accountability arrangements under Act)

In section 200(2), replace “the establishment date (as defined in clause 1 of Schedule 1)” with “**1 July 2026**”.

19 Section 201 amended (Comprehensive review of water services legislation)

In section 201(2), replace “the establishment date (as defined in clause 1 of Schedule 1)” with “**1 July 2026**”.

20 Section 205 amended (Repeal of this subpart)

In section 205, replace “the establishment date (as defined in clause 1 of Schedule 1)” with “**1 July 2026**”.

Directions for shared services and other stated purposes

21 Section 206 amended (Engagement requirements)

- (1) After section 206(1)(b), insert:
- (ba) **section 137B(1)** (relating to giving a direction under **section 137A** for shared services or for another stated purpose):
- (2) After section 206(1)(d), insert:

- (da) **clause 12 of Schedule 2A** (relating to whether a finalised merger proposal should be implemented):

Community priority statements for water services

22 Section 207 amended (Consumer forum)

After section 207(2)(c), insert:

5

- (ca) assist the entity's regional representative group and, through that group, the entity, to understand views and priorities—

- (i) about 1 or more water bodies in the entity's service area; and
 (ii) stated in 1 or more community priority statements for water services (*see subpart 4A* of Part 4); and

10

23 Section 208 amended (Consumer engagement stocktake)

After section 208(2)(b), insert:

- (c) to set out how the entity will respond to views and priorities—

- (i) about 1 or more water bodies in the entity's service area; and
 (ii) stated in 1 or more community priority statements for water services (*see subpart 4A* of Part 4).

15

Regional representative group membership

24 Section 210 amended (Regulations)

Repeal section 210(3) and (4).

Transitional, savings, and related provisions

20

25 Schedule 1 amended

Establishment date and establishment period

- (1) In Schedule 1, clause 1, replace the definitions of establishment date and establishment period with:

establishment date, for a water services entity, means the entity's establishment date under **section 6A(3A) or (4)**

25

establishment period, for a water services entity, means the period—

- (a) starting on the date on which the entity is established under **section 11** (as inserted by the **Water Services Entities Amendment Act 2023**); and
 (b) ending on the entity's establishment date (as defined in this clause)

30

Disestablishment of former entities

- (2) In Schedule 1, before subpart 1, insert:

Subpart 1A—Disestablishment of former entities

1A Disestablishment of former entities*Disestablishment*

- (1) This clause disestablishes the 4 water services entities established on 15 December 2022 by section 11 of this Act as enacted. 5

Effect on former entity's establishment chief executive

- (2) After the disestablishment of an entity mentioned in **subclause (1)**, its establishment chief executive appointed under clause 4(4) of this schedule (in this Act as enacted)—
- (a) no longer holds that position; but 10
- (b) continues to be an employee of the department on the terms and conditions of employment mentioned in clause 4(4) of this schedule (in this Act as enacted), except to the extent (if any) that those terms and conditions are varied or replaced by agreement between the chief executive of the department and the establishment chief executive. 15

References to water services entities established under section 11 of this Act

- (3) After the commencement of this clause, references in other legislation to water services entities under section 11 of this Act are, unless the context otherwise requires, references to water services entities under **section 11** of this Act (as inserted by the **Water Services Entities Amendment Act 2023**). 20
- (4) **Subclause (3)** applies even if the other legislation was enacted before the commencement of the **Water Services Entities Amendment Act 2023**.

Establishment board

- (3) In Schedule 1, after clause 3(d), insert:
- (da) the Minister must, after the commencement of this paragraph and before **1 July 2026**, and subject to **paragraph (dc)**, appoint an establishment board for each water services entity; and 25
- (db) the Minister's appointment under **paragraph (da)** of the entity's establishment board—
- (i) may take effect before or on the entity's establishment date; but 30
- (ii) must take effect on or after **1 July 2024** and before or on **1 July 2026**; and
- (dc) any establishment board appointed, before this paragraph's commencement, for the Northern Water Services Entity (as established on 15 December 2022 by section 11 of this Act as enacted) is, after that commencement, taken to have been appointed on that commencement, under **paragraph (da)**, and on equivalent terms and conditions, as the establishment board for the Northland and Auckland Water Services 35

Entity (as established under **section 11** of this Act (as inserted by the **Water Services Entities Amendment Act 2023**)):

Establishment chief executives

- (4) In Schedule 1, replace clause 4 with:

4 Appointment of establishment chief executive 5

General

- (1) The establishment board of a water services entity must appoint an establishment chief executive of the entity.
- (2) The appointment required by **subclause (1)**—
- (a) must be made in the entity’s establishment period; and 10
- (b) must take effect in the entity’s establishment period; and
- (c) is subject to section 121.
- (3) **Subclauses (1) and (2)** are subject to **subclauses (4) and (5)**.

Exception: Northland and Auckland Water Services Entity

- (4) The Northland and Auckland Water Services Entity’s establishment chief executive is the person who, immediately before the commencement of this clause, held under clause 4 of this schedule (in this Act as enacted) the position of the Northern Water Services Entity’s establishment chief executive. 15
- (5) **Subclause (4)** does not—
- (a) prevent that person from ceasing to hold the position of Northland and Auckland Water Services Entity’s establishment chief executive; or 20
- (b) affect or limit **clause 1A(2)(b)** (under which that person continues to be an employee of the department on the terms and conditions of employment mentioned in clause 4(4) of this schedule (in this Act as enacted)), except to the extent (if any) that those terms and conditions are varied or replaced by agreement between the chief executive of the department and the establishment chief executive. 25

Allocation schedule

- (5) In Schedule 1, heading to clause 5, replace “**chief executive**” with “**board**”.
- (6) In Schedule 1, clause 5(1) and (4)(b), replace “chief executive” with “board”. 30
- (7) In Schedule 1, clause 6(1) and (2), replace “chief executive” with “board”.
- (8) In Schedule 1, clause 6(3), definition of **should-not-transfer part**, paragraph (b), replace “chief executive” with “board”.

Directions for shared services and other stated purposes

- (9) In Schedule 1, after clause 8, insert: 35

8A Directions for shared services and other stated purposes

- (1) A direction under **section 137A** may be given during a water services entity's establishment period to entities that are or include either or both of—
- (a) the water services entity;
 - (b) a subsidiary of the water services entity. 5
- (2) A direction to which this clause applies—
- (a) must be given to the establishment board of the water services entity; and
 - (b) is subject to **sections 117(4), 137A to 137D, and 206(1)(ba)**.
- (3) However, during a water services entity's establishment period, **section 137B(1)** only requires engagement in accordance with section 206 with—
- (a) the establishment boards of the water services entities, but only if those boards have been appointed under **clause 3(da)**; and 10
 - (b) Taumata Arowai—the Water Services Regulator; and 15
 - (c) the Commission.

Establishment water services plan

- (10) In Schedule 1, repeal clause 9(3).

Commission's functions and powers in establishment period

- (11) In Schedule 1, clause 13(3), before “the entity”, insert “the establishment board of”. 20

Quarterly reports

- (12) In Schedule 1, after clause 14(2), insert:

- (3) Nothing in this clause requires a quarterly report to be provided in respect of any period before the date on which the appointment of the entity's establishment board under clause 3 of this schedule takes effect. 25

- (13) In Schedule 1, after clause 15(2), insert:

- (2A) Nothing in this clause requires an establishment period annual report to be provided in respect of any period before the date on which the appointment of the entity's establishment board under clause 3 of this schedule takes effect. 30

Establishment date

- (14) In Schedule 1, clause 16, replace “within 3 years after the establishment date” with “on a date that is 1 July 2026, 1 July 2027, or 1 July 2028”.

Decision making during establishment period

- (15) In Schedule 1, clause 32(3)(b) and (c), replace “the water services entities” with “a water services entity”. 35

- (16) In Schedule 1, after clause 33(3), insert:

- (4) However, if the decision is to adopt or amend a plan or policy under, or required by, the Local Government Act 2002, the department may—
- (a) confirm under subclause (2)(a) the decision, to the extent that it is to adopt or amend 1 or more parts of the plan or policy; and
 - (b) decline to confirm under subclauses (2)(b) and (3) the decision, or require further information under subclause (2)(c) and then act under subclause (2)(a) or (b) in respect of the decision, to the extent that it is to adopt or amend 1 or more other parts of the plan or policy.

Payment provisions

- (17) In Schedule 1, Part 1, repeal subpart 6. 10

Water services entities and their service areas

26 Schedule 2 replaced

Replace Schedule 2 with the **Schedule 2** set out in **Schedule 1** of this Act.

Merger of water services entities

27 New Schedule 2A inserted 15

After **Schedule 2**, insert the **Schedule 2A** set out in **Schedule 2** of this Act.

Part 2

Amendments to other legislation

Subpart 1—Amendment to Financial Markets Conduct Act 2013

28 Principal Act 20

This subpart amends the Financial Markets Conduct Act 2013.

29 Section 6 amended (Interpretation)

In section 6(1), definition of **local authority**, after “*see also* section 8 of the Local Government Borrowing Act 2011”, insert “and **section 173E** of the Water Services Entities Act 2022”. 25

Subpart 2—Amendment to Goods and Services Tax Act 1985

30 Principal Act

This subpart amends the Goods and Services Tax Act 1985.

31 Section 78I repealed (Support package payment made by water services entity to be zero-rated) 30

Repeal section 78I.

Subpart 3—Amendment to Income Tax Act 2007

32 Principal Act

This subpart amends the Income Tax Act 2007.

33 Section YA 1 amended (Definitions)

In section YA 1, definition of **local authority**, after paragraph (b)(ix), insert: 5

(ixa) the Funding Agency as defined in **section 173B** of the Water Services Entities Act 2022 while it is a subsidiary of 1 or more water services entities (as defined in section 6 of that Act):

Subpart 4—Amendments to Local Government Act 2002

34 Principal Act

10

This subpart amends the Local Government Act 2002.

35 Schedule 1AA amended

Deferring review of water services bylaws during transition period

- (1) In Schedule 1AA, clause 24, replace the definitions of **establishment date** and **transition period** with: 15

transition period means the period—

- (a) starting on 15 December 2022; and
(b) ending on **1 July 2026**

- (1A) In Schedule 1AA, clause 24, insert in their appropriate alphabetical order:

water services infrastructure has the same meaning as in section 6 of the Water Services Entities Act 2022 20

water services reform means—

- (a) the establishment of water services entities to deliver water services in accordance with the Water Services Entities Act 2022; and
(b) the transfer of interests in, and the ownership of, infrastructure assets from local government organisations to the water services entities. 25

- (2) In Schedule 1AA, clause 25(4) and (5), replace “the second anniversary of the establishment date” with “**1 July 2028**”.

Duty to identify before 1 January 2024 specified water services bylaws

- (3) In Schedule 1AA, repeal clause 26. 30

Long-term planning if water services entity’s establishment date is 1 July 2024

- (4) In Schedule 1AA, replace the cross-heading above clause 27 with “*Long-term planning if water services entity’s establishment date is 1 July 2024*”.

- (5) In Schedule 1AA, heading to clause 27, after “**period**”, insert “**if, and only to extent that, territorial authority’s district is in service area of water services entity with establishment date of 1 July 2024**”.
- (6) In Schedule 1, before clause 27(1), insert:
- (1AA) This clause applies— 5
- (a) only if a territorial authority’s district is wholly or partly in the service area of a water services entity with an establishment date (under **section 6A(3A) or (4)** of the Water Services Entities Act 2022) of 1 July 2024; and
- (b) only to the extent that the content mentioned in subclause (2) relates to water services in that entity’s service area. 10
- (7) In Schedule 1AA, clause 27(2), after “the establishment period”, insert “(as defined in clause 1 of Schedule 1 of the Water Services Entities Act 2022) of the water services entity specified in **subclause (1AA)**”.
- Planning or reporting documents if water services entity’s establishment date is 1 October 2024 to 1 July 2026* 15
- (8) In Schedule 1AA, after clause 27, insert:
- Planning or reporting documents if water services entity’s establishment date is 1 October 2024 to 1 July 2026*
- 28 Content relating to water services in planning or reporting documents if, and only to extent that, territorial authority’s district is in service area of water services entity with establishment date of 1 October 2024 to 1 July 2026** 20
- Application*
- (1) **Clauses 29 to 37** apply— 25
- (a) only if a territorial authority’s district is wholly or partly in the service area of a water services entity with an establishment date (under **section 6A(3A) or (4)** of the Water Services Entities Act 2022) on or after 1 October 2024 and before or on 1 July 2026; and
- (b) only to the extent that the water services content of the documents mentioned in **subclause (2)** relates to water services in that entity’s service area. 30
- Modified planning or reporting obligations*
- (2) **Clauses 29 to 37** specify the territorial authority’s modified obligations under Part 6 of this Act to prepare, consult on, adopt, amend, or replace planning or reporting documents relating to water services for the 2024/25 and 2025/26 financial years. 35

- (3) Those obligations are modified because the Water Services Entities Act 2022 requires territorial authority responsibilities relating to water services to be transferred to water services entities during those financial years.
- Local government organisations' responsibility for providing water services*
- (4) Before the entity's establishment date, a local government organisation provides water services in its district (to the extent that it is part of the entity's service area) under the law in force immediately before **1 July 2024** (see **section 6A(2)** of the Water Services Entities Act 2022). 5
- (5) On and after that date, a local government organisation ceases to provide water services in its district (to the extent that it is part of the entity's service area). 10
- (6) In preparing a long-term plan or annual plan in accordance with **clauses 29 to 37**, a local authority must plan to at least maintain the existing levels of service for water services that were provided in the 2023/24 financial year.
- (7) **Clauses 29 to 37** apply, without limitation, even if— 15
- (a) different parts of a territorial authority's district are included in the service areas of different water services entities; and
 - (b) those water services entities have different establishment dates.
- Meaning of water services*
- (8) In this clause and **clauses 29 to 37**, **water services** includes, without limitation, the following activities: 20
- (a) water supply;
 - (b) sewerage and the treatment and disposal of sewage;
 - (c) stormwater drainage.
- (9) Under clause 2(2)(a) to (c) of Schedule 10 (long-term plans, annual plans, and annual reports), each of those activities is a group of activities in Schedule 10. 25
- 29 Decision-making and consultation**
- (1) This clause applies to conduct by or on behalf of a local authority if that conduct is— 30
- (a) required under the Water Services Entities Act 2022; or
 - (b) required to give effect to the water services reform.
- (2) The conduct is not subject to sections 76 to 82 of this Act.
- 30 Significance and engagement policy**
- (1) This clause applies to a significance and engagement policy— 35
- (a) under section 76AA; and
 - (b) adopted by a local authority.

- (2) The local authority may amend the policy, to the extent the local authority considers necessary or desirable as a consequence of the water services reform, without having to consult under section 76AA(5).
- 31 Long-term plan to take effect for all or any of 2024/2034, and related documents** 5
- (1) A long-term plan (under section 93 and Part 1 of Schedule 10) to take effect for all or any of the 2024/2034 financial years (a **specified long-term plan**), and associated material or documentation (including a consultation document), must explain to communities the following matters:
- (a) water services are to be transferred from the local authority to a water services entity during the 2024/25 and 2025/26 financial years: 10
- (b) the implications of, and any significant risks associated with, the transfer (including financial implications and risks):
- (c) how the council is planning to deal with the implications of, and any significant risks associated with, the transfer (including financial implications and risks). 15
- (2) In particular, section 93(7)(b) and clause 17(c)(ii) of Schedule 10 do not require a local authority to estimate the potential effects on the financial estimates provided of any uncertainty relating to the water services reform.
- (3) A consultation document that is prepared under sections 93A to 93C in relation to a specified long-term plan must include a statement to the effect that— 20
- (a) the Water Services Entities Act 2022 requires the transfer of water services to a water services entity; and
- (b) that transfer is therefore not a matter for consultation by the local authority. 25
- (4) If the transfer of water services from a local authority to a water services entity occurs on or after 1 October 2024 and before or on 1 July 2026, requirements under sections 93(5), 93D, and 94(2) relating to amendments to a specified long-term plan do not apply to matters related to that transfer.
- (5) In particular, a local authority may (despite sections 76 to 82A) amend its specified long-term plan without consultation in relation to matters related to that transfer. 30
- 32 Requirements under clauses of Part 1 of Schedule 10**
- (1) The information specified in the following clauses of Part 1 of Schedule 10 must cover, with respect to water services, only the first 2 financial years of a long-term plan (under section 93 and Part 1 of Schedule 10) to take effect for all or any of the 2024/34 financial years: 35
- (a) clause 3 (capital expenditure for groups of activities):

- (b) clause 4 (statement of intended levels of service provision), except that no information with respect to water services is required under clause 4(a) of Schedule 10:
- (c) clause 5 (funding impact statement for groups of activities):
- (d) clause 12 (forecast financial statements): 5
- (e) clause 15 (funding impact statements).
- (2) However, **subclause (1)** requires that information for the 2025/26 financial year only if a local authority will be providing water services for all or any of that year.
- 33 Annual plan** 10
- (1) An annual plan (under section 95) must include information about water services for the 2024/25 or 2025/26 financial year even if during that year a local authority may or does cease to provide water services in its district (to the extent that it is part of the entity's service area).
- (2) However, **subclause (1)** does not apply to the 2025/26 financial year, if a local authority's responsibilities for water services will be or are transferred to a water services entity before that year starts. 15
- (3) Section 95(2) does not apply to a local authority if the only significant or material differences relate to a change in the timing of the implementation of water services reform, or the application of the Water Services Entities Act 2022, from the time frames anticipated in a long-term plan (under section 93 and Part 1 of Schedule 10) to take effect for all or any of the 2024/34 financial years. 20
- 34 Certain decisions to be taken only if provided for in long-term plan**
- (1) This clause applies to conduct by or on behalf of a local authority that is required— 25
- (a) under the Water Services Entities Act 2022; or
- (b) to give effect to the water services reform.
- (2) The conduct is not subject to any requirements in section 97.
- 35 Annual report** 30
- (1) An annual report (under section 98) must include information about water services for the 2024/25 or 2025/26 financial year even if during that year a local authority may or does cease to provide water services in its district (to the extent that it is part of the entity's service area).
- (2) However, a local authority must include in the annual report the information required by clauses 23, 24, 25, and 26 of Schedule 10 only— 35
- (a) from the start of a financial year mentioned in **subclause (1)**; and
- (b) until the local authority ceases to provide water services.

36	Balanced budget requirement	
(1)	This clause applies to a loss—	
	(a) of a local authority; and	
	(b) arising from the transfer of assets and liabilities from the local authority to a water services entity.	5
(2)	The loss must be disregarded in determining whether the local authority complies with section 100(1).	
37	Infrastructure strategy	
(1)	This clause applies to a local authority's infrastructure strategy (under section 101B) prepared and adopted as part of a long-term plan (under section 93 and Part 1 of Schedule 10) of the local authority to take effect for all or any of the 2024/34 financial years.	10
(2)	The local authority is not required to include information about water services in the infrastructure strategy.	
	<i>Budget, and unapplied rates revenue, for water services</i>	15
38	Budget, and unapplied rates revenue, for water services	
	<i>Application</i>	
(1)	This clause applies if—	
	(a) a territorial authority's district is wholly or partly in the service area of a water services entity with an establishment date (under section 6A(3A) or (4) of the Water Services Entities Act 2022) in a financial year; and	20
	(b) the territorial authority is, under section 6A(2) of the Water Services Entities Act 2022, to provide water services in its district for any part of that financial year.	
	<i>Annual plan budget and funding impact statement</i>	25
(2)	The territorial authority must provide in its annual plan budget and funding impact statement for water services to be provided by the territorial authority in that district for all of that financial year.	
	<i>Transfer of unapplied rates revenue</i>	
(3)	As soon as is reasonably practicable after the establishment date, the territorial authority must transfer to the water services entity any unapplied revenue that has been collected for the financial year and in accordance with clause 4 of Schedule 1AA of the Local Government (Rating) Act 2002.	30
	<i>Wellington Regional Council</i>	
(4)	This clause applies to Wellington Regional Council as if it were a territorial authority.	35

	<i>Related provision</i>	
(5)	<i>See also clause 4 of Schedule 1AA of the Local Government (Rating) Act 2002.</i>	
39	Development contributions relating to water services infrastructure	
	<i>Application</i>	5
(1)	This clause applies if—	
	(a) a territorial authority’s district is wholly or partly in the service area of a water services entity with an establishment date (under section 6A(3A) or (4) of the Water Services Entities Act 2022) in a financial year; and	
	(b) the territorial authority is, under section 6A(2) of the Water Services Entities Act 2022, to provide water services in its district for any part of that financial year.	10
	<i>Development contributions</i>	
(2)	The territorial authority may, until that establishment date,—	
	(a) include, in a policy of the territorial authority adopted under section 102(1) on development contributions (for example, in a schedule of that policy), requirements relating to water services infrastructure:	15
	(b) require, under a policy on development contributions adopted under section 102(1) (for example, under a schedule of that policy), development contributions for the water services infrastructure the territorial authority has been planning to provide:	20
	(c) require development contributions for capital expenditure relating to water services infrastructure that may or will be incurred in future (even if, and to the extent that, that capital expenditure will be incurred after that establishment date).	25
	<i>Reviewing policies on development contributions</i>	
(3)	Section 106(6) does not apply to the parts of a policy of the territorial authority on development contributions that relate to water services infrastructure.	
	<i>Chatham Islands Council</i>	
40	Chatham Islands Council not subject to specified clauses	30
	None of the following clauses of this schedule apply to the Chatham Islands Council:	
	(a) clause 25 (review under section 158 or 159 of water services bylaws may be deferred during transition period):	
	(b) clause 27 (long-term planning to exclude water services during establishment period if, and only to extent that, territorial authority’s district is in service area of water services entity with establishment date of 1 July 2024):	35

- (c) **clauses 28 to 37** (content relating to water services in planning or reporting if, and only to extent that, territorial authority's district is in service area of water services entity with establishment date of 1 October 2024 to 1 July 2026).

Subpart 5—Amendments to Local Government (Rating) Act 2002 5

36 Principal Act

This subpart amends the Local Government (Rating) Act 2002.

37 Schedule 1AA amended

In Schedule 1AA, after clause 3, insert:

Part 2		10
Provisions relating to Water Services Entities Amendment Act 2023		
4	Rates for water services	
	<i>Application</i>	
(1)	This clause applies if—	
	(a) a territorial authority's district is wholly or partly in the service area of a water services entity with an establishment date (under section 6A(3A) or (4) of the Water Services Entities Act 2022) in a financial year; and	15
	(b) the territorial authority is, under section 6A(2) of the Water Services Entities Act 2022, to provide water services in its district for any part of that financial year.	20
	<i>Rates</i>	
(2)	The territorial authority must assess, set, and collect rates, and recover unpaid rates (subject to any remission, postponement, or writing off of rates), for water services to be provided by the territorial authority in that district for all of that financial year.	25
	<i>Related provision</i>	
(3)	See also clause 38 of Schedule 1AA of the Local Government Act 2002.	
5	Section 21 modified (Certain rates must not exceed 30% of total rates revenue)	
	<i>Local authorities to which clause applies</i>	30
(1)	This clause applies to a local authority that—	
	(a) will provide water services after 1 July 2024; and	
	(b) will cease to provide water services before or on 1 July 2026.	
(2)	This clause does not apply to a local authority that is—	

- (a) a local authority whose district is wholly or partly in the service area of a water services entity with an establishment date (under **section 6A(3A) or (4)** of the Water Services Entities Act 2022) of 1 July 2024; or
 - (b) the Chatham Islands Council.
- Modification* 5
- (3) The local authority may, after the commencement of this clause and despite section 21(1), seek rates revenue in the 2024/25, 2025/26, or 2026/27 financial year from section 21(2) rates that exceeds 30% of the total revenue from all rates sought by the local authority for that year.
 - (4) However, a local authority may rely on **subclause (3)** in a financial year only if the proportion of its rates income from section 21(2) rates in that financial year does not exceed the proportion of its rates income from section 21(2) rates in the last year in which it provided water services. 10
 - (5) For the purposes of **subclause (4)**, the proportion of the local authority’s rates income from section 21(2) rates in that financial year must be calculated as if— 15
 - (a) the local authority were seeking in that financial year the same proportion of section 21(3) rates as it sought in the last year in which it provided water services; and
 - (b) the local authority’s rates income from all rates in that financial year included the same proportion of section 21(3) rates as it sought in the last year in which it provided water services. 20

Example

The effect of the limit in **subclause (4)** is illustrated in the following example.

Equation item (Rates)	Section	Last year	Financial year	Proportion
A = Uniform annual general charges (excluding water supply or sewage disposal rates)	21(2)(a)	1,000	1,000	10.10%
B = Uniform targeted rates (excluding water supply or sewage disposal rates)	21(2)(b)	1,950	1,950	19.60%
C = Uniform targeted rates for water supply or sewage disposal	21(3)	2,000	[2,000]	[20.10]%
D = All other rates		5,000	5,000	50.25%
E = Total rates	21(1)	9,950	7,950	100.00%
Percentage of total revenue from all rates				
(A + B) / E <= 30%		29.6%	37.1%	

Definitions 25

- (6) In this clause,—

section 21(2) rates means the rates described in section 21(2), other than section 21(3) rates

section 21(3) rates means targeted rates that are set solely for water supply or sewage disposal.

5

Subpart 6—Amendments to Local Government
(Financial Reporting and Prudence) Regulations 2014

38 Principal regulations

This subpart amends the Local Government (Financial Reporting and Prudence) Regulations 2014.

39 Schedule 1 amended 10

- (1) In Schedule 1, before clause 1, insert:

Part 1
Provisions relating to these regulations as made

- (2) In Schedule 1, after clause 3, insert:

15

Part 2
Provisions relating to Water Services Entities Act 2022

4 Information about core assets to be disclosed in financial statements in annual report

- (1) This clause applies to the disclosures of information required by regulation 6(3) in respect of the assets referred to in regulation 6(2)(a) to (c). 20
- (2) Those disclosures must be included in a local authority's annual report if the local authority continues to own the assets concerned for the full financial year covered by that report.
- (3) Those disclosures need not be included in a local authority's annual report for the financial year in which the assets concerned are transferred to a water services entity, if those assets are transferred at any time other than on the last day of that financial year. 25

5 Funding impact statements

- (1) This clause applies to a local authority affected by the transfer of water services to a water services entity. 30
- (2) The local authority is not required to disclose the costs and revenues associated with that transfer in a funding impact statement prepared under these regulations (*see* regulation 7(1) to (5)).

6	Balanced budget benchmark	
	For the purposes of regulation 19, revenue and operating expenses exclude any amount (for example, any amount of revenue) relating to the transfer of assets, liabilities, or other matters from a local authority to a water services entity.	
40	Schedule 4 amended	5
	In Schedule 4, after Note 3(2), insert:	
(3)	However, the balanced budget benchmark (<i>see</i> regulation 19) is subject to clause 6 of Schedule 1 (which relates to the transfer of assets, liabilities, or other matters from a local authority to a water services entity).	
41	Schedule 5 amended	10
	In Schedule 5, before the heading “ Essential services benchmark ”, insert:	
	However, the balanced budget benchmark (<i>see</i> regulation 19) is subject to clause 6 of Schedule 1 (which relates to the transfer of assets, liabilities, or other matters from a local authority to a water services entity).	
42	Schedule 6 amended	15
	In Schedule 6, before the heading “ Essential services benchmark ”, insert:	
	However, the balanced budget benchmark (<i>see</i> regulation 19) is subject to clause 6 of Schedule 1 (which relates to the transfer of assets, liabilities, or other matters from a local authority to a water services entity).	
	Subpart 7—Amendment to Water Services Act 2021	20
43	Principal Act	
	This subpart amends the Water Services Act 2021.	
44	Section 201 amended (Levy)	
(1)	In section 201(2A), replace “the establishment period (as defined in clause 1 of Schedule 1 of the Water Services Entities Act 2022)” with “the period starting on 1 July 2024 and ending on 1 July 2026 ”.	25
(2)	In section 201(2B), replace “the establishment date (as defined in clause 1 of Schedule 1 of the Water Services Entities Act 2022)” with “ 1 July 2026 ”.	

Schedule 1
New Schedule 2 of Water Services Entities Act 2022

s 26

Schedule 2
Water services entities and their service areas

5

s 11

Part 1

Northland and Auckland Water Services Entity

The Northland and Auckland Water Services Entity's service area is the districts of the following territorial authorities:

10

- Far North District Council:
- Kaipara District Council:
- Whangarei District Council:
- Auckland Council.

Part 2

Waikato Water Services Entity

15

The Waikato Water Services Entity's service area is the districts of the following territorial authorities:

- Hamilton City Council:
- Hauraki District Council:
- Matamata-Piako District Council:
- Ōtorohanga District Council:
- South Waikato District Council:
- Taupo District Council:
- Thames-Coromandel District Council:
- Waikato District Council:
- Waipa District Council:
- Waitomo District Council.

20

25

Part 3

Bay of Plenty Water Services Entity

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The Bay of Plenty Water Services Entity's service area is the districts of the following territorial authorities:

<ul style="list-style-type: none"> • Rotorua District Council: • Kawerau District Council: • Ōpōtiki District Council: • Tauranga City Council: • Western Bay of Plenty District Council: • Whakatane District Council. 	5
<p>Part 4</p> <p>Taranaki Water Services Entity</p>	
<p>The Taranaki Water Services Entity’s service area is the districts of the following territorial authorities:</p> <ul style="list-style-type: none"> • New Plymouth District Council: • South Taranaki District Council: • Stratford District Council. 	10
<p>Part 5</p> <p>Manawatū-Whanganui Water Services Entity</p>	
<p>The Manawatū-Whanganui Water Services Entity’s service area is the districts of the following territorial authorities:</p> <ul style="list-style-type: none"> • Ruapehu District Council: • Whanganui District Council: • Rangitikei District Council: • Manawatu District Council: • Palmerston North City Council: • Tararua District Council: • Horowhenua District Council. 	15 20
<p>Part 6</p> <p>Gisborne and Hawke’s Bay Water Services Entity</p>	
<p>The Gisborne and Hawke’s Bay Water Services Entity’s service area is the districts of the following territorial authorities:</p> <ul style="list-style-type: none"> • Gisborne District Council: • Wairoa District Council: • Central Hawke’s Bay District Council: • Hastings District Council: • Napier City Council. 	25 30

Part 7

Wellington Water Services Entity

The Wellington Water Services Entity's service area is the districts of the following territorial authorities:

- Wellington City Council: 5
- Porirua City Council:
- Kapiti Coast District Council:
- South Wairarapa District Council:
- Carterton District Council:
- Masterton District Council: 10
- Hutt City Council:
- Upper Hutt City Council.

Part 8

Nelson, Tasman, and Marlborough Water Services Entity

The Nelson, Tasman, and Marlborough Water Services Entity's service area is the districts of the following territorial authorities: 15

- Tasman District Council (excluding those parts included in the service area of the Canterbury and the West Coast Water Services Entity under **Part 9** of this schedule):
- Nelson City Council: 20
- Marlborough District Council (excluding those parts included in the service area of the Canterbury and the West Coast Water Services Entity under **Part 9** of this schedule).

Part 9

Canterbury and the West Coast Water Services Entity 25

The Canterbury and the West Coast Water Services Entity's service area is the following:

- the parts of the districts of the following territorial authorities within the boundaries of the takiwā of Ngāi Tahu as described in section 5 of Te Runanga o Ngai Tahu Act 1996: 30
 - Tasman District Council:
 - Marlborough District Council; and
- the districts of the following territorial authorities:
 - Buller District Council:
 - Grey District Council: 35

- Westland District Council:
- Kaikoura District Council:
- Hurunui District Council:
- Waimakariri District Council:
- Christchurch City Council: 5
- Selwyn District Council:
- Ashburton District Council:
- Timaru District Council:
- Waimate District Council:
- Mackenzie District Council: 10
- Waitaki District Council.

Part 10

Otago and Southland Water Services Entity

The Otago and Southland Water Services Entity's service area is the districts of the following territorial authorities: 15

- Dunedin City Council:
- Clutha District Council:
- Central Otago District Council:
- Queenstown-Lakes District Council:
- Gore District Council: 20
- Southland District Council:
- Invercargill City Council.

Schedule 2
New Schedule 2A of Water Services Entities Act 2022

s 27

Schedule 2A
Merger of water services entities

5

s 19A

Request for merger proposal

- 1 Request to water services entity's regional representative group**
A request for a merger proposal may be made to a water services entity's regional representative group. 10
- 2 Who may make request**
The request may only be made by all or any of the following:
- (a) the entity's board:
 - (b) a territorial authority owner:
 - (c) a mana whenua representative on the regional representative group: 15
 - (d) a consumer forum established by the entity:
 - (e) a Crown observer, Crown review team, or Crown manager appointed under subpart 2 of Part 5 of this Act, if that observer, team, or manager considers a merger is necessary or desirable to address a problem within the meaning of that term in section 179 of this Act. 20
- 3 Requirements for request**
- (1) The request must be made in writing.
 - (2) The request must include the following information:
 - (a) the name of each person who made the request:
 - (b) the name of each other water services entity that is proposed to be part of the requested merger: 25
 - (c) an explanation of why the merger is being requested.
- 4 What group must do after receiving request**
Promptly after receiving a request, the regional representative group must—
- (a) notify the entity's board and territorial authority owners that the group has received a request for a merger proposal; and 30
 - (b) publish a notice that the group has received a request for a merger proposal, for at least 20 working days, on an Internet site maintained by, or on behalf of, the entity in a format that is readily accessible; and

<ul style="list-style-type: none"> (c) engage with the boards and regional representative groups of every water services entity about the request for a merger proposal; and (d) consider any feedback received, and make any changes to the request for a merger proposal that the group considers necessary; and (e) make (in accordance with section 30) a decision of the group about whether the entity's board should prepare a merger proposal. 	5
5 Group's decision on request, and group's reasons, must be notified	
<ul style="list-style-type: none"> (1) The regional representative group must notify the group's decision on a request, together with the group's reasons for that decision, to— <ul style="list-style-type: none"> (a) the entity's board and territorial authority owners; and (b) the monitor; and (c) the person or people who made the request. (2) The regional representative group must also notify publicly the group's decision on a request, together with the group's reasons for that decision, for at least 20 working days, on an Internet site maintained by, or on behalf of, the entity in a format that is readily accessible. 	10 15
<i>Preparation of merger proposal</i>	
6 When entity's board must prepare merger proposal	
<ul style="list-style-type: none"> (1) This clause applies if a regional representative group's decision under clause 4(e) is that the entity's board should prepare a merger proposal. (2) The entity's board must prepare a merger proposal. 	20
7 Contents of merger proposal	
The merger proposal must include the following information:	
<ul style="list-style-type: none"> (a) information about the underlying problem or opportunity that the merger is proposed to address, supported by available evidence: (b) information about all other practical options to address the problem or opportunity the merger is proposed to address: (c) information about the costs and benefits associated with the proposed merger: (d) information about all material impacts and risks relating to the proposed merger, including possible unintended consequences: (e) a recommendation about whether to proceed with the merger proposal. 	25 30
8 Engagement	
In preparing the merger proposal, the board must engage with any water services entity that is proposed to be part of the requested merger.	35

9	Collaboration and information reasonably required	
	If a water services entity is proposed to be part of the requested merger, the entity's board and chief executive must—	
	(a) work collaboratively on preparing the merger proposal with the board that is preparing the merger proposal; and	5
	(b) provide any information that is reasonably requested by that board to help that board to prepare the merger proposal.	
10	Further requirements for preparing merger proposal	
	In preparing the merger proposal, the board must—	
	(a) provide a draft merger proposal to—	10
	(i) the monitor:	
	(ii) Taumata Arowai—the Water Services Regulator:	
	(iii) the Commission:	
	(iv) any water services entity that is proposed to be part of the requested merger:	15
	(b) consider any feedback received, and make any changes to the draft merger proposal that the board considers necessary:	
	(c) finalise the merger proposal:	
	(d) notify the finalised merger proposal publicly, for at least 20 working days, on an Internet site maintained by, or on behalf of, the entity in a format that is readily accessible:	20
	(e) provide the finalised merger proposal to—	
	(i) the monitor:	
	(ii) Taumata Arowai—the Water Services Regulator:	
	(iii) the Commission:	25
	(iv) the entity's regional representative group:	
	(v) the entity's territorial authority owners:	
	(vi) any water services entity that is proposed to be part of the requested merger.	
	<i>Engagement and decision on merger proposal</i>	30
11	Application to water services entity's regional representative group	
	Clauses 12 to 14 apply to a water services entity's regional representative group if a finalised merger proposal is provided to that group and to that entity under clause 10(e)(iv) and (vi) .	

12	Engagement on merger proposal	
(1)	The group must engage in accordance with sections 206 and 209 with interested persons in the entity's service area in relation to whether the finalised merger proposal should be implemented.	
(2)	Sections 206 and 209 apply, for the purposes of this clause, as if the group were the entity.	5
13	Decision on merger proposal	
(1)	After complying with clause 12 , the group must (in accordance with section 30) decide whether the proposal should be implemented.	
(2)	However, if a Crown observer, Crown review team, or Crown manager made the request for a merger proposal, then—	10
	(a) subclause (3) applies; and	
	(b) subclause (3) overrides subclause (1) and section 30.	
(3)	If this subclause applies (<i>see subclause (2)</i>), then the group's decision on whether the proposal should be implemented must be made—	15
	(a) by consensus if consensus can be reached by regional representatives taking all reasonably practicable steps to reach consensus in accordance with a procedure, and within a time frame, specified in the constitution; and	
	(b) in any other case, by 50% or more of the regional representatives present and voting.	20
14	Group's decision, and group's reasons, must be notified	
(1)	The group must notify the group's decision on a merger proposal, together with the group's reasons for that decision, to—	
	(a) the entity's board and territorial authority owners; and	25
	(b) the monitor.	
(2)	The group must also notify publicly the group's decision on a merger proposal, together with the group's reasons for that decision, for at least 20 working days, on an Internet site maintained by, or on behalf of, the entity in a format that is readily accessible.	30
	<i>Implementation of merger</i>	
15	Implementation of merger	
	A finalised merger proposal is to be implemented only if every regional representative group to which clauses 12 to 14 apply in relation to that proposal decides to implement the merger proposal.	35

16	Merger implementation board and apportionment of costs	
	If a finalised merger proposal is to be implemented, the board of every water services entity that is proposed to be part of the requested merger must—	
	(a) appoint a merger implementation board with at least 2 members from the board of each such entity, together with an independent chairperson; and	5
	(b) agree how to apportion the costs associated with the merger (including any costs associated with the merger implementation board).	
17	Functions of merger implementation board	
	The merger implementation board has the following functions:	
	(a) to prepare a merger implementation plan:	10
	(b) to oversee and manage the process for establishing the new entity:	
	(c) to perform any other functions agreed by the board of every water services entity that is proposed to be part of the requested merger.	
18	Merger implementation plan	
	A merger implementation plan must include—	15
	(a) the anticipated date on which the new entity will be established:	
	(b) the processes, policies, and guidance for identifying the functions, staff, and assets, liabilities, and other matters to be transferred to the new entity:	
	(c) the proposed timing for the transfer of functions, staff, and assets, liabilities, and other matters to the new entity:	20
	(d) the processes, and required timing, for preparing and adopting for the new entity the following:	
	(i) an initial asset management plan:	
	(ii) an initial funding and pricing plan:	25
	(iii) an initial infrastructure strategy:	
	(iv) a constitution:	
	(v) relationship agreements:	
	(e) the processes, policies, and timing for the reconciliation of the finances of the entities to be merged:	30
	(f) identification of any risks relating to the merger, and of how those risks will be mitigated:	
	(g) the processes, policies, and guidance for communication about the merger process:	
	(h) any other matters that the merger implementation board considers relevant.	35

19	Boards of entities proposed to be part of requested merger must give effect to plan	
(1)	This clause applies to—	
	(a) the boards of the water services entities proposed to be part of the requested merger; and	5
	(b) the merger implementation plan (as adopted, and amended or replaced, by the merger implementation board).	
(2)	Those boards must give effect to that plan.	
20	Quarterly progress report to boards of entities proposed to be part of requested merger	10
(1)	The merger implementation board must provide a quarterly progress report to the board of each entity proposed to be part of the requested merger.	
(2)	The report must include any information required for the report by the merger implementation plan (as adopted, and amended or replaced, by the merger implementation board).	15
21	Order in Council to give effect to requested merger	
(1)	A merger implementation plan—	
	(a) is given effect to by Order in Council made on the recommendation of the Minister; and	
	(b) has effect on and after the date or dates specified for that purpose by that Order in Council (as required by subclause 4(a)).	20
(2)	The merger implementation board may recommend to the Minister that the requested merger be given effect to by Order in Council.	
(3)	After receiving a recommendation under subclause (2) , the Minister must recommend the making of an Order in Council under subclause (1) unless the Minister is satisfied, on reasonable grounds, that the process followed to result in the recommendation under subclause (2) was not in accordance with this Act and the merger implementation plan.	25
(4)	An Order in Council made under subclause (1) —	
	(a) must specify the date or dates on which its provisions come into effect (and the specified date or dates must not be before 1 July 2026); and	30
	(b) must provide for—	
	(i) the establishment of the new water services entity (including, without limitation, the appointment of the establishment board for that entity); and	35
	(ii) the disestablishment of the water services entities to be merged; and	
	(c) must amend Schedule 2 to reflect—	

- (i) the name and service area of the new water services entity that is established; and
- (ii) the disestablishment of the water services entities to be merged; and
- (d) may suspend any statutory requirement that an affected water services entity would otherwise be subject to if the merger would make compliance with the statutory requirement unnecessary or inappropriate. 5
- (5) An Order in Council giving effect to a merger implementation plan is not invalid merely because it is inconsistent with the provisions of the merger implementation plan if the inconsistency relates to— 10
- (a) corrections of clerical, grammatical, or typographical errors; or
- (b) the inclusion of provisions that are necessary to give legal effect to the merger implementation plan; or
- (c) the omission of explanatory material or other material that is not necessary to give legal effect to the merger implementation plan; or 15
- (d) matters of a format or referential nature that do not alter the substance or effect of the merger implementation plan.
- (6) An order under **subclause (1)** is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements). 20
- Compare: 2002 No 84 s 25
- Secondary legislation*
- 22 Temporary saving for secondary legislation made by disestablished entities**
- (1) This clause applies to secondary legislation—
- (a) made under this Act by a water services entity disestablished by an Order in Council made under **clause 21(1)**; and 25
- (b) in force immediately before that entity was disestablished.
- (2) The secondary legislation continues in force, and must be treated as if it were made by the new water services entity established by that Order in Council, until the earlier of the following:
- (a) the date on which corresponding secondary legislation made by that new water services entity takes effect: 30
- (b) the date that is the fifth anniversary of the date on which that new water services entity was established.
- (3) During the period that the secondary legislation remains in force, the secondary legislation— 35
- (a) may be amended by that new water services entity under the relevant empowering provision (if any) in this Act; and

(b)	may be enforced by that new water services entity in the same way as if all references in the secondary legislation to a water services entity dis-established by that Order in Council were references to that new water services entity.	
	<i>Treaty settlement obligations</i>	5
23	Treaty settlement obligations	
(1)	This clause applies to a person who performs or exercises a duty, function, or power under this schedule.	
(2)	The person must, in performing or exercising the duty, function, or power, uphold the integrity, intent, and effect of Treaty settlement obligations.	10
(3)	This clause does not affect or limit how section 9 (Treaty settlement obligations prevail) applies to this schedule.	
	<i>Agreements with mana whenua</i>	
24	New entity to be responsible for existing agreements, etc, with mana whenua	15
(1)	This clause applies to any agreement, arrangement, or understanding—	
	(a) between a water services entity disestablished by an Order in Council made under clause 21(1) and mana whenua; and	
	(b) entered into before the disestablishment of that water services entity; and	
	(c) in force immediately before the disestablishment of that water services entity.	20
(2)	The water services entity established by that Order in Council is, on and after the date on which it is established, to be treated as being responsible for performing or exercising any functions, duties, or powers relating to water services that are set out in the agreement, arrangement, or understanding in place of the disestablished water services entity (for example, in place of the disestablished water services entity, and as a party to the agreement, arrangement, or understanding).	25
	<i>Te Mana o te Wai statements</i>	
25	Te Mana o te Wai statements	30
(1)	This clause applies to a Te Mana o te Wai statement—	
	(a) provided under section 143 to a water services entity that has been dis-established by an Order in Council made under clause 21(1) ; and	
	(b) in force immediately before the disestablishment of that water services entity.	35

(2)	The Te Mana o te Wai statement is taken to have been provided to the water services entity established by that Order in Council.	
26 Responses to Te Mana o te Wai statements		
(1)	This clause applies to a response to a Te Mana o te Wai statement made under section 145 by a board of a water services entity that has been disestablished by an Order in Council made under clause 21(1) .	5
(2)	After the establishment of the water services entity established by that Order in Council, the response is taken to have been provided by the board of that entity.	
<i>Statement of intent</i>		
27	First statement of intent of new entity	10
	The board of a water services entity established by an Order in Council made under clause 21(1) must comply with section 148 (statement of intent)—	
(a)	as soon as is reasonably practicable after the water services entity is established; and	
(b)	by preparing a statement of intent that relates to a period that includes the rest of the financial year in which the entity is established; and	15
(c)	as if the statement of intent were being prepared before the start of the period to which the draft statement relates.	
<i>Annual reports</i>		
28	First annual report of new entity	20
(1)	A water services entity established by an Order in Council made under clause 21(1) must provide a first annual report for the period—	
(a)	starting on the date on which the water services entity is established; and	
(b)	ending at the end of the financial year in which the water services entity is established.	25
(2)	A report required by this clause must be prepared in accordance with sections 160 to 168, which apply with all necessary modifications.	
29	Final annual reports of disestablished entities	
(1)	A water services entity disestablished by an Order in Council made under clause 21(1) must provide a final annual report for the period—	30
(a)	starting at the start of the financial year in which the entity is disestablished; and	
(b)	ending on the date on which the Order in Council establishes the new water services entity.	
(2)	A report required by this clause must be—	35

- (a) prepared in accordance with sections 160 to 168, which apply with all necessary modifications; and
- (b) provided in the 4 months starting on the date on which the entity is dis-established.

Application of other transitional provisions

5

30 Application of other transitional provisions

The following do not apply to a water services entity established by an Order in Council made under **clause 21(1)**:

- (a) Schedule 1 of this Act:
- (b) Schedule 1AA of the Local Government Act 2002.

10

WAIMAKARIRI DISTRICT COUNCIL**REPORT FOR INFORMATION**

FILE NO and TRIM NO: GOV-11/ 230630098525

REPORT TO: COUNCIL

DATE OF MEETING: 4 July 2023

AUTHOR(S): Sarah Nichols, Governance Manager

SUBJECT: Elected Member Remuneration 2023/24

ENDORSED BY:
(for Reports to Council,
Committees or Boards)

General Manager



Chief Executive

1. SUMMARY

- 1.1 This report provides an update on the Remuneration Authority Determination for the July 2023 to June 2024 financial year, pertaining to elected members remuneration and expenses.
- 1.2 It should be noted that the Mayor and Councillors remuneration remained unchanged from the period of October 2022 to 30 June 2023. There is a 4% increase to Community Board members remuneration from the previous October 2022 to June 2023.
- 1.3 The remuneration pool for councillors (including deputy mayor) from mid-October 2022 to 30 June 2023 is \$555,247. This remains unchanged for the 2023/24 financial year. All councillors carry high duties with portfolios and chairperson requirements.
- 1.4 This report also updates the Elected Member Expenses Policy to 30 June 2024, as required by the Remuneration Authority.

Attachments:

- i. Draft Elected Member Expenses Policy to 30 June 2024
- ii. Extract of Remuneration Authority Determination 2024/24

2. RECOMMENDATION

THAT the Council

- (a) **Receives** Report No. 230630098525.
- (b) **Notes** the remuneration is set by the Remuneration Authority for Waimakariri Mayor, Councillors and Community Board members from 1 July 2023 to 30 June 2024 as follows:

	Oct 22 to June 23	1 July 2023 to 30 June 2024
Mayor	\$146,838	\$146,838
Deputy Mayor	\$69,373	\$69,373
Councillor (with portfolio and chairing responsibilities)	\$53,986	\$53,986
Kaiapoi-Tuahivi Community Board Chair	\$17,991	\$18,710
Kaiapoi-Tuahivi Community Board	\$8,995	\$9,355
Oxford-Ohoka Community Board Chair	\$16,949	\$17,627
Oxford-Ohoka Community Board	\$8,475	\$8,813

Rangiora-Ashley Community Board Chair	\$23,206	\$24,134
Rangiora-Ashley Community Board	\$11,603	\$12,067
Woodend-Sefton Community Board Chair	\$14,863	\$15,457
Woodend-Sefton Community Board	\$7,431	\$7,729

- (c) **Notes** there is sufficient Governance budget to cover the increase in remuneration cost.
- (d) **Approves** the Elected Member Expenses Policy to 30 June 2024.
- (e) **Circulates** a copy of this report and the approved Expenses Policy to all Community Boards for their reference.

3. **BACKGROUND**

- 3.1 The Remuneration Authority (RA) set the remuneration, allowances and expenses for elected members and Determinations normally covers a financial year (1 July to 30 June).
- 3.2 The Determination of remuneration changes to elected members is made by the Remuneration Authority and the legislative instrument processed through Parliament before receiving the Royal Assent. The Council has no choice, but to follow the legislation.
- 3.3 On receipt of the new Remuneration for the financial year, the Elected Member Expenses Policy is also required to be reviewed, and adjusted in line with the Determination. On conclusion of the Council accepting this information the updated Policy is sent to the RA for reference.
- 3.4 The governance remuneration pool does not apply to Mayors or Community Board members.
- 3.5 The Remuneration Authority received feedback from Councils during the 2021/22 year as part of their review of remuneration for 2022/23. Consideration was given to population as it's an indicator of relative scale of 'constituency' work, however districts with high tourist/visitor surges or transient populations did not affect the RA weightings in relation to population. Economic growth was also an aspect raised, however the RA did not factor this into their consideration based on limited regular and reliable data to regions. Maori wards and number of councillors undertaking workloads in an area was considered and this did not influence the determined remuneration pool. The RA considered geographic areas and land size and agreed with submitters for regional and unitary councils, as this recognises their significant land/water regulatory responsibilities, which territorial authorities do not have to the same extent. Therefore the RA considered the mileage allowance, which has been adjusted, as adequate compensation. The RA have also been asked about the impact the Three Waters Reform and the Review into the Future for Local Government will have on elected members remuneration, with the short answer being that it is too early to make any predictions in that respect and the RA will review the situation at a later time.
- 3.6

4. **ISSUES AND OPTIONS**

- 4.1. The remuneration pools support the mandatory criteria (clause 7, schedule 7 of the Local Government Act 2002) that the Authority is required to consider when determining local government members pay. In particular, the RA were concerned with achieving and maintaining fair relativity with the levels of remuneration received elsewhere and being fair to the elected members and ratepayers. The governance remuneration pool provides the total amount that must be paid in remuneration to councils in each individual council and is based on the collective governance role (size index) of the council. The pool does not take into account the number of councillors on the council.

- 4.2. The vehicle kilometre rates have been adjusted to reflect the current rates prescribed by the Inland Revenue Department on 27 May 2022. The new rates are in response to the overall increase in vehicle running costs largely due to fuel costs. The rates were \$0.83c/km and have increased to \$0.95c/km for the first 14,000km.
- 4.3. No change has occurred to the Hearing fees, ICT and childcare allowances.
- 4.4. Access to staff benefits schemes has been requested from time to time by various local authorities. These schemes often offer council staff discounted access to council owned or controlled facilities such as swimming pools, gyms and museums. Given the nature of these schemes, it would be not only inappropriate for councils to offer these schemes to elected members, but would be contrary to both the LGA and the Remuneration Authority Act 1977.
- 4.5. The Chief Executive has reviewed this report.

Implications for Community Wellbeing

There are not implications on community wellbeing by the issues and options that are the subject matter of this report.

5. COMMUNITY VIEWS

5.1. Mana whenua

Te Ngāi Tūāhuriri hapū are not likely to be affected by, or have an interest in the subject matter of this report.

5.2. Groups and Organisations

There are not groups and organisations likely to be affected by, or to have an interest in the subject matter of this report.

5.3. Wider Community

The wider community is not likely to be affected by, or to have an interest in the subject matter of this report.

6. OTHER IMPLICATIONS AND RISK MANAGEMENT

6.1. Financial Implications

There are financial implications of the decisions sought by this report.

- 6.1.1. Elected member remuneration is funded from the Governance Budget, which has adequate provision for the 2023/24 budget.
- 6.1.2. The governance remuneration pool for councillors (including deputy mayor) from 1 July 2023 to 30 June 2024 remains unchanged from the previous Determination being \$555,247.00. All councillors carry high duties with portfolios and chairperson requirements.
- 6.1.3. Inland Revenue deems elected members of local authorities to be self-employed. Therefore, elected members are required to make their own ACC levy payments and KiwiSaver arrangements. They may also be required to make provisional tax payments. Being self-employed, elected members are taxed as individuals at a rate determined by Inland Revenue. Remuneration is taxed and is paid directly to the IRD from the Council fortnightly payments, generally at a rate of 33% tax (WT tax code). All allowances are non-taxable.

6.1.4. The Remuneration Authority have set the elected member remuneration from 1 July 2023 to 30 June 2024. as follows:

Position	Oct 22 to June 23	1 July 2023 to 30 June 2024
Mayor	\$146,838	\$146,838
Deputy Mayor	\$69,373	\$69,373
Councillor (with portfolio and chairing responsibilities) (all 9 Councillors)	\$53,986	\$53,986
Kaiapoi-Tuahiwi Community Board Chair	\$17,991	\$18,710
Kaiapoi-Tuahiwi Community Board	\$8,995	\$9,355
Oxford-Ohoka Community Board Chair	\$16,949	\$17,627
Oxford-Ohoka Community Board	\$8,475	\$8,813
Rangiora-Ashley Community Board Chair	\$23,206	\$24,134
Rangiora-Ashley Community Board	\$11,603	\$12,067
Woodend-Sefton Community Board Chair	\$14,863	\$15,457
Woodend-Sefton Community Board	\$7,431	\$7,729

6.1.5. The expenses that an elected member is entitled to claim such as mileage has changed for 2023/24, however hearing fees, internet/phone/consumables allowance has remained unchanged for the 2023/24 Determination. Refer to the attached policy for new rates.

6.2. **Sustainability and Climate Change Impacts**

The recommendations in this report do not have sustainability and/or climate change impacts.

6.3. **Risk Management**

There are not risks arising from the adoption/implementation of the recommendations in this report.

6.4. **Health and Safety**

There are not health and safety risks arising from the adoption/implementation of the recommendations in this report.

7. **CONTEXT**

7.1. **Consistency with Policy**

This matter is not a matter of significance in terms of the Council's Significance and Engagement Policy.

7.2. **Authorising Legislation**

Local Government Members (2022/23) Determination 2022
Local Government Act 2002 (clauses 6, 7A, 7(2) Schedule 7)
Remuneration Authority Act 1977

7.3. **Consistency with Community Outcomes**

The Council's community outcomes are relevant to the actions arising from recommendations in this report.

7.4. **Authorising Delegations**

By legislation, the Remuneration Authority Determination is final.

Elected Member Expenses Policy

(from 1 July 2023 to 30 June 2024)

1. Introduction

The Local Government Act 2002 has given the Remuneration Authority the responsibility for setting remuneration, approving expense rules and setting the mileage allowance for elected members.

2. Policy context

2.1. Policy principles

- 2.1.1. This policy covers the entitlement of elected members to allowances and contributions towards expenses related to travel, mileage, communication, childcare, and travel, conference and training attendance and professional development.
- 2.1.2. Elected members should be reimbursed for actual and reasonable expenses they incur in carrying out their official duties.
- 2.1.3. Reimbursement of expenses apply only to elected members personally and only while they are acting in their official capacity as elected members.
- 2.1.4. Elected members' expense expenditure must have a justifiable business purpose, is moderate and conservative having regard to the circumstances, is made transparently and is appropriate in all respects.

2.2. Legislative context

Local Government Act 2002 Schedule 7 Clauses 6–13.

Local Government Members (2023/24) (Local Authorities) Determination 2023

3. Policy objective

- 3.1. To establish guidelines on claiming of expenses by elected members.
 - 3.1.1. This policy is based on the principles that all expenditure is:
 - Actual and reasonable
 - Related to conduct of local authority business
 - Represents the best use of ratepayer funds.
 - 3.1.2. All entitlements are considered to be a contribution to expenses elected members may incur in the course of conducting local authority business.

4. Implementation

- 4.1. All expense claims must be submitted on the relevant claim form and where appropriate accompanied by full receipts. Eligibility of claims presented without receipts will be determined by the Governance Manager.
- 4.2. All expense claims are to be returned at least quarterly, and preferably monthly.
- 4.3. Expense claims by the Mayor are to be approved by the Chair of Audit & Risk Committee.
- 4.4. Expense claims by Deputy Mayor, Councillors and Community Board members are approved by the Governance Manager.
- 4.5. All mileage claims, including Mayor, are approved by the Governance Manager.
- 4.6. The internal audit work programme will include sampling of expense claims and allowances paid to elected members and staff. An external audit work programme may be undertaken as required.

5. Policy Statement

5.1. Remuneration, allowances and hearing fees

- 5.1.1. A member of a local authority or a board is entitled to:
 - (a) the applicable remuneration set out in the Schedule (adjusted in accordance with clause 9 if applicable)
 - (b) the applicable allowances payable in accordance with clauses 10 to 13
 - (c) the applicable hearing fees payable in accordance with clause 14.
- 5.1.2. If a member of a territorial authority is also elected or appointed to a board, the member is entitled only to the remuneration that is payable to the member as a member of the territorial authority.

5.2. Acting Mayor

- 5.2.1. This clause applies to a member who acts as a mayor during a period when, because of a vacancy or temporary absence, the remuneration or allowances that would usually be paid to the mayor are not being paid.
- 5.2.2. While acting as mayor, the member must be paid the remuneration and allowances usually payable to the mayor, instead of the member's usual remuneration, allowances, and hearing fees.

5.3. RMA resource consent hearing costs

- 5.3.1. Where an elected member (Councillor or Community Board member*) is appointed to an RMA Resource Consent Application Hearing Panel or District Plan Hearing Panel by the Council, remuneration and allowances are payable as outlined in the Local Government Members (2022/23) (Local Authorities) Determination 2022, Section 5, 6 and 7 (or subsequent Determinations).
 - Chairperson of an RMA Resource Consent hearing is entitled to be paid a fee of up to \$116 per hour of RMA hearing, preparation (including site visit) and writing of decision time
 - Panel member whom is not Chairperson of RMA Resource Consent or District Plan hearing is entitled to be paid a fee of up to \$93 per hour of RMA or District Plan hearing and preparation (including site visit) time
 - For any period of hearing time that is less than one hour, the fee must be apportioned accordingly

- RMA Resource Consent or District Plan hearing fees are not payable to mayors or a member who acts as mayor and is paid the mayor's remuneration and allowances under clause 8(2).

5.3.2. Any/all elected members whom Waimakariri District Council appoints to a RMA Resource Management hearing or District Plan hearing must be suitably qualified by holding a current accreditation on behalf of the Ministry for the Environment having successfully completed the "Making Good Decisions" programme.

5.4. District Licencing Committee hearing costs

5.4.1. Where an elected member (Councillor or Community Board member*) is appointed to the District Licencing Committee (DLC) remuneration is set under section 183 of the Sale and Supply of Alcohol Act and their fees and expenses are payable as prescribed by the Minister of Justice in accordance with the Cabinet fees framework. This currently being:

- Chairperson of a DLC hearing is entitled to be paid a fee of up to \$116 per hour of DLC hearing time, including preparation, site visit and writing of decision time
- Panel member whom is not Chairperson of DLC hearing is entitled to be paid a fee of up to \$93 per hour of DLC hearing time, including preparation and site visit time
- For any period of hearing time that is less than one hour, the fee must be apportioned accordingly
- DLC hearing fees are not payable to mayors or a member who acts as mayor and is paid the mayor's remuneration and allowances.

5.5. Reimbursement of conference costs

5.5.1. Where an elected member attends a conference approved by the Council or a Community Board, all actual and reasonable costs associated with the conference or seminar will be met by the Council. This includes meal, accommodation costs and travel costs. The most cost effective means of travel must be used. Claims are to be supported by receipts and submitted to the Governance Manager within one month of conference.

5.6. Accommodation and meals

5.6.1. Accommodation and meals will be reimbursed based on actual and reasonable costs, as determined by the Governance Manager. In respect of the Mayor, assessment of actual and reasonable costs shall be determined by the Chair of the Audit and Risk Committee together with the Chief Executive. Where private accommodation is used a claim of \$50 per night can be made. Meals will be reimbursed based on actual and reasonable costs. Claims are to be supported by receipts. Alcohol is considered a private expense and is not reimbursed.

5.7. Mayoral vehicle

5.7.1. The Waimakariri District Council do not supply a motor vehicle for elected members private use.

5.8. Vehicle mileage allowance

5.8.1. Mileage will be paid in accordance with Remuneration Authority Determination (2022/23)

5.8.2. A local authority may pay to a member a vehicle mileage allowance to reimburse that member for costs incurred in respect of eligible travel.

5.8.3. A member's travel is eligible for the allowance if—

- (a) it occurs on a day when the member is not provided with a motor vehicle by the local authority; and

- (b) the member is travelling—
 - (i) in a private vehicle; and
 - (ii) on local authority business; and
 - (iii) by the most direct route that is reasonable in the circumstances.

5.8.4. The allowance payable to a member for eligible travel is,—

- (a) for a petrol or diesel vehicle,—
 - (i) 83 **95** cents per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and
 - (ii) 31 **34** cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term:
- (b) for a petrol hybrid vehicle,—
 - (i) 83 **95** cents per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and
 - (ii) 18 **20** cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term:
- (c) for an electric vehicle,—
 - (i) 83 **95** cents per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and
 - (ii) 10 **11** cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term.

5.8.5. In the case of an elected member living outside the Waimakariri District, the mileage allowance will be payable only from their point of entry at the Waimakariri District boundary.

5.8.6. Transport costs other than mileage will be paid for on an actual and reasonable basis.

5.8.7. The Governance Manager will be responsible for monitoring mileage claims and agreeing with the elected member the most direct route reasonable in the circumstances.

5.9. Travel time allowance

5.9.1. A local authority may pay a member (other than a mayor or a regional chairperson) an allowance for eligible travel time.

5.9.2. A member's travel time is eligible for the allowance if it is time spent travelling within New Zealand—

- (a) on local authority business; and
- (b) by the quickest form of transport that is reasonable in the circumstances; and
- (c) by the most direct route that is reasonable in the circumstances.

5.9.3. The travel time allowance is \$40 for each hour of eligible travel time after the first hour of eligible travel time travelled in a day.

5.9.4. However, if a member of a local authority resides outside the local authority area and travels to the local authority area on local authority business, the member is only eligible for a travel time allowance in respect of eligible travel time —

- (a) after the member crosses the boundary of the local authority area; and
- (b) after the first hour of eligible travel within the local authority area.

5.9.5. The maximum total amount of travel time allowance that a member may be paid for eligible travel in a 24-hour period is 8 hours.

5.10. Computer, internet and associated consumables expenses (communications allowance)

5.10.1. It is determined by the local authority that Mayor and Councillors are provided laptops to enable them to perform their functions. The Mayor is provided a mobile phone by the local authority. All Councillors use their own mobile phones. Community Board members are required to use their own equipment. Waimakariri District Council will pay an allowance in accordance with the Remuneration Authority Determination.

Equipment

Mobile telephone	\$200pa (excludes Mayor)
Printer	\$50pa
Personal computer/tablet/laptop	\$400pa (excludes Mayor and Councillors)
Paper consumables	\$200pa

Services

Internet Connection	\$800pa
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Equipment

To reimburse for the costs of their phone/printer/computers and related consumables, as follows:

- The Mayor to receive an allowance of \$9.61 per fortnight.
- The Councillors to receive an allowance of \$17.30 per fortnight.
- Community Board Chairpersons to receive an allowance of \$32.69 per fortnight.
- Community Board members to receive \$32.69 per fortnight.

Services

To reimburse for the costs of an Internet connection to their residential address to provide computer access to the Council, as follows:

- The Mayor and Councillors to receive an allowance of \$30.76 per fortnight
- Community Board Chairpersons to receive an allowance of \$30.76 per fortnight
- Community Board members to receive an allowance of \$30.76 per fortnight.

If a local authority requests a member to use the member's own mobile telephone service for the purpose of the member's work on local authority business, the member is entitled, at the member's option to –

- An allowance for that use of up to \$500 for the determination term; or
- Reimburse of actual costs of telephone calls made on local authority business on production of the relevant telephone records and receipts.

5.11. Childcare allowance

5.11.1. A local authority may pay a childcare allowance, in accordance with subclauses (2) and (3), to an eligible member as a contribution towards expenses incurred by the member for childcare provided while the member is engaged on local authority business.

5.11.2. A member is eligible to be paid a childcare allowance in respect of childcare provided for a child only if:

- the member is a parent or guardian of the child, or is a person who usually has responsibility for the day-to-day care of the child (other than on a temporary basis); and
- the child is aged under 14 years of age; and
- the childcare is provided by a person who—
 - is not a parent of the child or a spouse, civil union partner, or de facto partner of the member; and

- (ii) does not ordinarily reside with the member; and
 - (d) the member provides evidence satisfactory to the local authority of the amount paid for childcare.
- 5.11.3. A local authority must not pay childcare allowances to a member that total more than \$6,000 per child during the determination term.

6. Breaches

An alleged breach of allowance and expense rules is to be considered under the Code of Conduct.

7. Effective date

1 July 2023

8. Review date

This policy will be reviewed annually following the release of the Remuneration Authorities Local Government Members Determination. The next review is due July 2024.

9. Policy owned by

The Governance Manager.

10. Approval

Approved by Waimakariri District Council on 4th July 2023 for receipt by the Remuneration Authority

Appendix 1

Type of Meeting/Functions	Mileage	
	Paid	Not Paid
Council meetings (ordinary, special, extra-ordinary and emergency)	✓	
Committees and Subcommittees of Council (if appointed a member)	✓	
Community Board meetings (if an appointed member)	✓	
Resource Consent Hearings (if an appointed member of the Hearings Panel)	✓	
WDC Advisory Group meetings (if appointed by the Council as its representative) (e.g. Ohoka Domain Advisory Group)	✓	
Formally representing Council (as a result of resolution of Council) at a formal meeting of another local authority.	✓	
Meetings of other outside organisations as the Council's appointed representative (appointment pursuant to a Council resolution). (Note that meetings of Council Controlled Organisations and Trusts where Councillors and Community board members are otherwise remunerated do not qualify for payment.)	✓	
Full Council workshops or briefings (which have the prior approval of the Mayor and Chief Executive) at which no resolutions or decisions are made. These workshops are to be held solely to discuss major policy or strategic issues of interest to all Councillors.	✓	
Training and development courses, field trips, site visits, where authorised by the Mayor or formal resolution of Council or Community Board, in excess of four hours.	✓	
Public meetings where the Council is officiating.	✓	
Meetings with other statutory bodies to deal with issues which would be the responsibility of a Committee or Subcommittee of Council of which the Councillor attending is a member or which deal with issues directly affecting the Councillors Ward or Portfolio.	✓	
<i>Local Conferences/Seminars (if an appointed WDC representative)</i> <i>Note – Local being generally the Canterbury region. Mileage outside the region at the discretion of the Mayor.</i>	✓	
Working groups or working parties	✓	
Field trips or site visits/inspections (including site visits for resource consent hearings where approved by Mayor or Committee Chairperson)	✓	

Type of Meeting/Functions	Mileage	
	Paid	Not Paid
Briefings and discussions with the Mayor, Chief Executive, Senior Managers and Officers	✓	
Where Councillors, other than the Deputy Mayor, officiate at "official" functions as determined by the Mayor.	✓	
Constituency "meetings" (either with individuals or organisations) unless there is formal approval requiring official attendance		X
Social functions		X
Event attendance in a non-representative capacity		X
Travel not related to the business of the Waimakariri District Council		X
Personal travel interspersed with Council related business		X

19/06/2023
PCO 25607/5.0

Local Government Members (2023/24) Determination 2023

This determination is made by the Remuneration Authority under the Remuneration Authority Act 1977 and clauses 6 and 7A of Schedule 7 of the Local Government Act 2002, after having regard to the matters specified in clause 7 of that schedule.

Contents

		Page
1	Title	2
2	Commencement	2
3	Expiry	2
	<i>Interpretation</i>	
4	Interpretation	2
5	Meaning of hearing	2
6	Meaning of hearing time	3
	<i>Entitlement to remuneration, allowances, and hearing fees</i>	
7	Remuneration, allowances, and hearing fees payable	3
8	Acting mayor or chairperson	4
9	Motor vehicles for mayors and regional council chairpersons	4
	<i>Allowances</i>	
10	Definition of member	6
11	Vehicle-kilometre allowance	6
12	Travel-time allowance	7
13	ICT allowances	8
14	Childcare allowance	9
	<i>Hearing fees</i>	
15	Fees related to hearings	10
	<i>Revocation</i>	
16	Revocation	10
	Schedule	11
	Remuneration	

**Local Government Members (2023/24) Determination
2023**

cl 1

Determination

1 Title

This determination is the Local Government Members (2023/24) Determination 2023.

2 Commencement

This determination comes into force on 1 July 2023.

3 Expiry

This determination expires at the close of 30 June 2024.

Interpretation

4 Interpretation

In this determination, unless the context otherwise requires,—

board means—

- (a) a community board of a territorial authority other than the Auckland Council; or
- (b) a local board of the Auckland Council

determination term means the period from the coming into force of this determination to its expiry

hearing has the meaning given to it by clause 5

hearing time has the meaning given to it by clause 6

local authority means a regional council or a territorial authority

member means, in relation to a local authority or a board, a person who is declared to be elected to that local authority or board under the Local Electoral Act 2001 or who, as the result of further election or appointment under that Act or the Local Government Act 2002, is an office holder in relation to the local authority or board (for example, a chairperson)

on local authority business includes on the business of any board of the local authority

regional council means a regional council named in Part 1 of Schedule 2 of the Local Government Act 2002

RMA means the Resource Management Act 1991

territorial authority means a territorial authority named in Part 2 of Schedule 2 of the Local Government Act 2002.

5 Meaning of hearing

In this determination, **hearing** means—

2

**Local Government Members (2023/24) Determination
2023**

cl 7

- (a) a hearing arising from a resource consent application made under section 88 of the RMA; or
- (b) a meeting for determining a resource consent application without a formal hearing; or
- (c) a hearing arising from a notice of requirement (including one initiated by the local authority); or
- (d) a pre-hearing meeting held under section 99 of the RMA in relation to a hearing referred to in paragraph (b) or (d); or
- (e) a hearing as part of the process of the preparation, change, variation, or review of a district or regional plan or regional policy statement; or
- (f) a mediation hearing in the Environment Court as part of an appeal from a decision of a local authority; or
- (g) a hearing on an objection against a charge fixed by a local authority under section 36 of the RMA.

6 Meaning of hearing time

In this determination, **hearing time** means the time spent on any of the following:

- (a) conducting a hearing;
- (b) formal deliberations to decide the outcome of a hearing;
- (c) participating in an official group site inspection related to a hearing;
- (d) determining a resource consent application where a formal hearing does not take place;
- (e) preparing for a hearing and participating in any inspection of a site for the purposes of a hearing (other than an official group site inspection under paragraph (c));
- (f) writing a decision arising from a hearing or communicating for the purpose of the written decision.

Entitlement to remuneration, allowances, and hearing fees

7 Remuneration, allowances, and hearing fees payable

Remuneration

- (1) A member of a local authority or a board of that local authority is entitled to the applicable remuneration set out in the Schedule (adjusted under clause 9, if applicable).
- (2) If a member of a territorial authority is also elected or appointed to a board, the member is entitled only to the remuneration that is payable to the member as a member of the territorial authority.

Allowances and hearing fees

- (3) A member of a local authority or a board is also entitled to—
- (a) the applicable allowances payable under clauses 11 to 14;
 - (b) the applicable hearing fees payable under clause 15.

8 Acting mayor or chairperson

- (1) This clause applies to a member who acts as a mayor or chairperson during a period when, because of a vacancy or temporary absence, the local authority is not paying the remuneration or allowances that it would usually pay to the mayor or chairperson.
- (2) While the member is acting as mayor or chairperson, the local authority must pay the member the remuneration and allowances usually payable to the mayor or chairperson, instead of the member's usual remuneration, allowances, and hearing fees.

9 Motor vehicles for mayors and regional council chairpersons

- (1) A local authority may provide to the mayor or regional council chairperson of the local authority—
- (a) a motor vehicle (which may be provided for restricted private use, partial private use, or full private use); or
 - (b) a vehicle-kilometre allowance under clause 11.
- (2) If a local authority provides a motor vehicle to a mayor or regional council chairperson during the determination term, the maximum purchase price that the local authority may pay for the motor vehicle is,—
- (a) in the case of a petrol or diesel vehicle, \$55,000; and
 - (b) in the case of an electric or a hybrid vehicle, \$68,500.
- (3) If a local authority provides a motor vehicle to a mayor or regional council chairperson for restricted private use, the local authority must not make a deduction from the annual remuneration payable to the mayor or regional council chairperson under the Schedule for the provision of that motor vehicle.
- (4) If a local authority provides a motor vehicle to a mayor or regional council chairperson for partial private use or full private use,—
- (a) the local authority must adjust the annual remuneration payable to the mayor or regional council chairperson under the Schedule in accordance with subclause (5) or (6) (as applicable); and
 - (b) the adjustment must take effect on and from—
 - (i) the date of commencement of this determination (in the case of a motor vehicle provided to the person before that date); or
 - (ii) the date of provision of the motor vehicle to the person (in the case of a motor vehicle provided during the determination term).

**Local Government Members (2023/24) Determination
2023**

cl 9

- (5) If a local authority provides a motor vehicle to a mayor or regional council chairperson for partial private use, the local authority must deduct the amount calculated in accordance with the following formula from the remuneration payable to that person:

$$v \times 41\% \times 10\%$$

where v means the purchase price of the vehicle.

- (6) If a local authority provides a motor vehicle to a mayor or regional council chairperson for full private use, the local authority must deduct the amount calculated in accordance with the following formula from the remuneration payable to that person:

$$v \times 41\% \times 20\%$$

where v means the purchase price of the vehicle.

- (7) In this clause,—

full private use means—

- (a) the vehicle is usually driven home and securely parked by the mayor or regional council chairperson; and
- (b) the vehicle is available for the mayor's or regional council chairperson's unrestricted private use; and
- (c) the vehicle is used by the mayor or regional council chairperson for both local authority business and private use; and
- (d) the vehicle may also be used by other local authority members or staff on local authority business, with the permission of the mayor or regional council chairperson

partial private use means—

- (a) the vehicle is usually driven home and securely parked by the mayor or regional council chairperson; and
- (b) the vehicle is used by the mayor or regional council chairperson for both local authority business and private purposes; and
- (c) the vehicle may also be used by other local authority members or staff on local authority business, with the permission of the mayor or regional council chairperson; and
- (d) all travel in the vehicle is recorded in a logbook; and
- (e) the use of the vehicle for private purposes accounts for no more than 10% of the distance travelled in the vehicle in a year

purchase price means the amount paid for the vehicle,—

- (a) including goods and services tax and any on-road costs; and
- (b) after deducting the amount of any rebate that applies under the clean car discount scheme in respect of the purchase of the vehicle

**Local Government Members (2023/24) Determination
2023**

cl 10

restricted private use means—

- (a) the vehicle is usually driven home and securely parked by the mayor or regional council chairperson; and
- (b) the vehicle is otherwise generally available for use by other local authority members or staff on local authority business; and
- (c) the vehicle is used solely for local authority business; and
- (d) all travel in the vehicle is recorded in a logbook.

*Allowances***10 Definition of member**

For the purposes of payment of allowances under clauses 11 to 14, **member**, in relation to a territorial authority, includes a member of a board of the territorial authority.

11 Vehicle-kilometre allowance

- (1) A local authority may pay to a member a vehicle-kilometre allowance to reimburse that member for costs incurred in relation to eligible travel.
- (2) A member's travel is eligible for the allowance if—
 - (a) it occurs at a time when the member is not provided with a motor vehicle by the local authority; and
 - (b) the member is travelling—
 - (i) in a private vehicle; and
 - (ii) on local authority business; and
 - (iii) by the most direct route that is reasonable in the circumstances.
- (3) The allowance payable to a member for eligible travel is,—
 - (a) for a petrol or diesel vehicle,—
 - (i) 95 cents per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and
 - (ii) 34 cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term;
 - (b) for a petrol hybrid vehicle,—
 - (i) 95 cents per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and
 - (ii) 20 cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term;
 - (c) for an electric vehicle,—
 - (i) 95 cents per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and

**Local Government Members (2023/24) Determination
2023**

cl 12

- (ii) 11 cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term.
- (4) However, if a member of a local authority travels from a place where the member permanently or temporarily resides that is outside the local authority area, to the local authority area on local authority business, the member is only eligible for a vehicle-kilometre allowance for eligible travel after the member crosses the boundary of the local authority area.
- (5) Subclause (4) does not apply to the payment of a vehicle-kilometre allowance by a local authority to a member who permanently or temporarily resides outside the local authority area if—
 - (a) the member's primary place of residence was outside the local authority area at the time of the local election, or an exceptional circumstance beyond the member's control requires them to move outside the local authority area; and
 - (b) the Remuneration Authority determines, on an application from the member and having considered the recommendation of the mayor or regional council chairperson, that subclause (4) does not apply.

12 Travel-time allowance

- (1) A local authority may pay a member (other than a mayor or a regional council chairperson) an allowance for eligible travel time.
- (2) A member's travel time is eligible for the allowance if it is time spent travelling within New Zealand—
 - (a) on local authority business; and
 - (b) by the quickest form of transport that is reasonable in the circumstances; and
 - (c) by the most direct route that is reasonable in the circumstances.
- (3) The travel-time allowance is \$40.00 for each hour (pro-rated in the case of a part of an hour) of eligible travel time after the first hour of eligible travel time travelled in a day.
- (4) However, if a member of a local authority permanently or temporarily resides outside the local authority area and travels to the local authority area on local authority business, the member is only eligible for a travel-time allowance for eligible travel time—
 - (a) after the member crosses the boundary of the local authority area; and
 - (b) after the first hour of eligible travel time within the local authority area.
- (5) Subclause (4) does not apply to the payment of a travel-time allowance by a local authority to a member who permanently or temporarily resides outside the local authority area if—

**Local Government Members (2023/24) Determination
2023**

cl 13

- (a) the member's primary place of residence was outside the local authority area at the time of the local election, or an exceptional circumstance beyond the member's control requires them to move outside the local authority area; and
 - (b) the Remuneration Authority determines, on an application from the member and having considered the recommendation of the mayor or regional council chairperson, that subclause (4) does not apply.
- (6) The maximum total amount of travel-time allowance that a member may be paid for eligible travel in a 24-hour period is 8 hours.
- (7) Despite subclause (1), the Chatham Islands Council may pay the Mayor of the Chatham Islands Council an allowance for eligible travel time.

13 ICT allowances*Member uses local authority's ICT*

- (1) If a local authority supplies ICT to a member for use on local authority business and allows for its personal use, the local authority may decide what portion, if any, of the local authority's costs reasonably attributable to such personal use must be paid by the member.

Member uses own equipment and consumables

- (2) If a local authority determines that a member requires particular ICT equipment to perform their functions and requests that the member use their own equipment for those purposes, the local authority may pay an allowance.
- (3) The matters for which the local authority may pay an allowance, and the amounts that the local authority may pay for the determination term, are as follows:
- (a) for the use of a personal computer, tablet, or laptop, including any related docking station, \$400;
 - (b) for the use of a multi-functional or other printer, \$50;
 - (c) for the use of a mobile telephone, \$200;
 - (d) for the use of ICT consumables, up to \$200.

Member uses own services

- (4) If a local authority requests a member to use the member's own Internet service for the purpose of the member's work on local authority business, the member is entitled to an allowance for that use of up to \$800 for the determination term.
- (5) If a local authority requests a member to use the member's own mobile telephone service for the purpose of the member's work on local authority business, the member is entitled, at the member's option, to—
- (a) an allowance for that use of up to \$500 for the determination term; or
 - (b) reimbursement of actual costs of telephone calls made on local authority business on production of the relevant telephone records and receipts.

**Local Government Members (2023/24) Determination
2023**

cl 14

Pro-rating

- (6) If the member is not a member for the whole of the determination term, subclauses (3) to (5) apply as if each reference to an amount were replaced by a reference to an amount calculated in accordance with the following formula:

$$(a \div b) \times c$$

where—

- a is the number of days that the member held office in the determination term
 - b is the number of days in the determination term
 - c is the relevant amount specified in subclauses (3) to (5).
- (7) The Remuneration Authority may approve rules proposed by a local authority to meet the costs of installing and running special ICT where, because of distance or restricted access, normal communications connections are not available.
- (8) In this clause, **ICT** means information or communication technology, including—
- (a) ICT equipment (for example, a mobile telephone and a laptop computer); and
 - (b) ICT services (for example, a mobile telephone service and an Internet service); and
 - (c) ICT consumables (for example, printer or photocopy paper and ink cartridges).

14 Childcare allowance

- (1) A local authority may pay a childcare allowance to an eligible member as a contribution towards expenses incurred by the member for childcare provided while the member is engaged on local authority business.
- (2) A member is eligible to be paid a childcare allowance for childcare provided for a child only if—
- (a) the member is a parent or guardian of the child or is a person who usually has responsibility for the day-to-day care of the child (other than on a temporary basis); and
 - (b) the child is under 14 years of age; and
 - (c) the childcare is provided by a person who—
 - (i) is not a parent of the child or a spouse, civil union partner, or de facto partner of the member; and
 - (ii) does not ordinarily reside with the member; and
 - (d) the member provides evidence satisfactory to the local authority of the amount paid for childcare.

**Local Government Members (2023/24) Determination
2023**

cl 15

- (3) A local authority must not pay childcare allowances to a member that total more than \$6,000 per child during the determination term.

Hearing fees

15 Fees related to hearings

- (1) A member of a local authority or member of a board who acts as the chairperson of a hearing is entitled to be paid a fee of up to \$116 per hour of hearing time related to the hearing.
- (2) A member of a local authority or member of a board who is not the chairperson of a hearing is entitled to be paid a fee of up to \$93 per hour of hearing time related to the hearing.
- (3) For any period of hearing time that is less than 1 hour, the fee must be apportioned accordingly.
- (4) This clause does not apply to—
- (a) a mayor or a member who acts as mayor and is paid the mayor's remuneration and allowances under clause 8(2); or
 - (b) a chairperson of a regional council or a member who acts as chairperson of a regional council and is paid the chairperson's remuneration and allowances under clause 8(2).

Revocation

16 Revocation

The Local Government Members (2022/23) Determination 2022 (SL 2022/178) is revoked.

**Local Government Members (2023/24) Determination
2023**

Schedule

Raglan Community Board

Office	Annual remuneration (\$)
Chairperson	10,469
Member	5,234

Rural–Port Waikato Community Board

Office	Annual remuneration (\$)
Chairperson	9,890
Member	4,945

Taupiri Community Board

Office	Annual remuneration (\$)
Chairperson	4,593
Member	2,296

Tuakau Community Board

Office	Annual remuneration (\$)
Chairperson	11,217
Member	5,608

Waimakariri District Council

Office	Annual remuneration (\$)
Mayor	146,838
Deputy Mayor	69,373
Councillor with additional portfolio and chairing responsibilities (9)	53,986
Councillor (minimum allowable remuneration)	42,143

Kaiapoi–Tuahiwi Community Board

Office	Annual remuneration (\$)
Chairperson	18,710
Member	9,355

Oxford–Ohoka Community Board

Office	Annual remuneration (\$)
Chairperson	17,627
Member	8,813

Rangiora–Ashley Community Board

Office	Annual remuneration (\$)
Chairperson	24,134
Member	12,067

**Local Government Members (2023/24) Determination
2023**

Schedule

Woodend–Sefton Community Board

Office	Annual remuneration (\$)
Chairperson	15,457
Member	7,729

Waimate District Council

Office	Annual remuneration (\$)
Mayor	104,302
Deputy Mayor	42,247
Councillor with no additional responsibilities	28,165
Councillor (minimum allowable remuneration)	20,671

Waipa District Council

Office	Annual remuneration (\$)
Mayor	145,391
Deputy Mayor (also Committee Chair)	66,835
Committee Chair and Deputy Chair (Quarterly Committee)	53,075
Committee Chair	51,109
Councillor appointed to Community Board (also Deputy Committee Chair) (2)	51,109
Councillor appointed to Community Board (2)	47,177
Deputy Committee Chair	43,246
Councillor with iwi portfolio responsibility	47,177
Deputy Committee Chair (Quarterly Committee)	41,280
Committee Chair (Quarterly Committee)	45,212
Councillor (minimum allowable remuneration)	36,532

Cambridge Community Board

Office	Annual remuneration (\$)
Chairperson	20,100
Member	10,050

Te Awamutu Community Board

Office	Annual remuneration (\$)
Chairperson	19,408
Member	9,704

Wairoa District Council

Office	Annual remuneration (\$)
Mayor	116,979
Deputy Mayor	76,968
Councillor with no additional responsibilities	51,313
Councillor (minimum allowable remuneration)	35,746

Local Government Members (2023/24) Determination 2023		Schedule
Office		Annual remuneration (\$)
Committee Chairs (5)		55,300
Deputy Chair		46,125
Councillor with no additional responsibilities		44,000
Councillor (minimum allowable remuneration)		37,575
<i>Murupara Community Board</i>		
Office		Annual remuneration (\$)
Chairperson		8,549
Member		4,275
<i>Rangitāiki Community Board</i>		
Office		Annual remuneration (\$)
Chairperson		11,089
Member		5,545
<i>Tāneatua Community Board</i>		
Office		Annual remuneration (\$)
Chairperson		8,549
Member		4,275
<i>Whakatāne-Ōhope Community Board</i>		
Office		Annual remuneration (\$)
Chairperson		18,540
Member		9,270
Whanganui District Council		
Office		Annual remuneration (\$)
Mayor		149,641
Deputy Mayor and Town Centre Rejuvenation Advisory Group Chair		60,132
Strategy & Policy Committee Chair, Risk & Assurance Deputy Chair and Safer Whanganui Advisory Group Chair		56,724
Council Controlled Organisations Committee Deputy Chair, Aspirations & Projects Chair and Sustainability & Waste Advisory Group Chair		56,724
Operations & Performance Committee Chair and CEO Performance Review Committee Chair		56,724
Strategy & Policy Committee Deputy Co-Chair		42,092
Council Controlled Organisation Committee Chair		50,110
Operations & Performance Committee Deputy Chair		42,092
Sport, Recreation & Wellbeing Advisory Group Chair and Community Funding Grants Advisory Group Chair		49,107
Strategy & Policy Committee Deputy Co-Chair and Youth Council		42,092
Councillor with no additional responsibilities		40,088
Councillor (minimum allowable remuneration)		36,734

Explanatory
memorandum**Local Government Members (2023/24) Determination
2023***Whanganui Rural Community Board*

Office	Annual remuneration (\$)
Chairperson	12,014
Member	6,007

Whangarei District Council

Office	Annual remuneration (\$)
Mayor	163,689
Deputy Mayor	91,235
Standing Committee Chair (5)	74,129
Standing Committee Deputy Chair (3)	68,426
Chair Civic Honours Committee	59,873
Councillor with no additional responsibilities	57,022
Councillor (minimum allowable remuneration)	53,850

Dated at Wellington this 20th day of June 2023.



Chairperson.



Member.



Member.

Explanatory memorandum

This memorandum is not part of the determination, but is intended to indicate its general effect.

This determination comes into force on 1 July 2023 and expires on the close of 30 June 2024.

During the first quarter of 2022, the Remuneration Authority (the **Authority**) completed a significant review of the remuneration, allowances, and hearing fees that apply to elected members of local authorities, local boards, and community boards. The outcomes of the review were implemented in two steps: from 1 July 2022 and from 9 October 2022, which was the day after polling day for the 2022 local elections. In March this year, the Authority sought the views of all local authorities on the matters that it should take into account in making this determination. The Authority received a small number of submissions that it considered.

**Local Government Members (2023/24) Determination
2023**

Explanatory
memorandum

Given the recent significant review and the feedback received, and applying the mandatory criteria that the Authority must have regard to under clause 7 of Schedule 7 of the Local Government Act 2002 and sections 18 and 18A of the Remuneration Act 1977, the Authority decided—

- to maintain the allowances and hearing fees covering the elected members of local authorities, local boards, and community boards at their post-2022 local elections levels (*see* Local Government Members (2022/23) Determination 2022), except for the vehicle-kilometre allowance, which has been adjusted to reflect the rates prescribed by the Inland Revenue Department for the 2023 year:
- to apply a 4% increase to the remuneration of all elected members of community boards as they did not receive any increase to their remuneration following the 2022 local elections:
- that because most elected members of local authorities and local boards received an increase to their remuneration following the local elections, to maintain the remuneration of these elected members at their post-2022 local elections levels with the following exceptions.

The governance remuneration pools and remuneration for the councillors of Grey, Kaipara, Rangitikei, South Waikato, Wairoa, and Waitomo District Councils have been changed to progressively implement increases to their remuneration pools. Annual progressive increases were agreed with those 6 councils before the 2022 local elections to enable them to budget and manage the increases applied to their remuneration pools following the elections. The increases applied to the 6 councils' remuneration pools in this determination brings them into line with the other councils. Their remuneration pools and councillors' remuneration now reflect the amounts that would have applied immediately after the local elections had they not agreed to phase in their increases over a 2-year period.

Westland District Council proposed changes to the remuneration allocated to its councillors. The Authority agreed to the Council's proposal, which is recorded in this determination. The changes are effective from 1 July 2023. The Council's governance remuneration pool has not changed.

Governance remuneration pools

This table below sets out the local government governance remuneration pools, which will apply on and after 1 July 2023, for the councillors of each local authority.

**Part 1
Remuneration pools for councillors of regional councils**

Council	Governance remuneration pool (\$)
Bay of Plenty Regional Council	869,154
Canterbury Regional Council	977,558
Hawke's Bay Regional Council	644,302
Manawatū–Whanganui Regional Council	690,226

Explanatory memorandum **Local Government Members (2023/24) Determination 2023**

Council	Governance remuneration pool (\$)
Northland Regional Council	580,951
Otago Regional Council	734,869
Southland Regional Council	555,828
Taranaki Regional Council	473,595
Waikato Regional Council	933,748
Wellington Regional Council	947,216
West Coast Regional Council	330,000

Part 2

Remuneration pools for councillors of territorial authorities

Territorial authority	Governance remuneration pool (\$)
Ashburton District Council	450,195
Auckland Council	2,592,269
Buller District Council	324,306
Carterton District Council	226,766
Central Hawke's Bay District Council	350,559
Central Otago District Council	362,213
Chatham Islands Council	151,796
Christchurch City Council	1,900,000
Clutha District Council	390,404
Dunedin City Council	1,191,826
Far North District Council	890,157
Gisborne District Council	700,000
Gore District Council	296,638
Grey District Council	330,912
Hamilton City Council	1,286,366
Hastings District Council	871,295
Hauraki District Council	422,618
Horowhenua District Council	514,833
Hurunui District Council	305,015
Hutt City Council	901,594
Invercargill City Council	573,463
Kaikoura District Council	204,089
Kaipara District Council	456,219
Kapiti Coast District Council	545,969
Kawerau District Council	261,262
Mackenzie District Council	207,000
Manawatu District Council	445,578
Marlborough District Council	609,333
Masterton District Council	456,435
Matamata-Piako District Council	463,877
Napier City Council	802,034
Nelson City Council	609,333
New Plymouth District Council	869,359

**Local Government Members (2023/24) Determination
2023**

Explanatory
memorandum

Territorial authority	Governance remuneration pool (\$)
Ōpōtiki District Council	312,896
Ōtorohanga District Council	262,886
Palmerston North City Council	865,016
Porirua City Council	593,234
Queenstown–Lakes District Council	532,201
Rangitikei District Council	361,539
Rotorua District Council	858,787
Ruapehu District Council	359,652
Selwyn District Council	555,420
South Taranaki District Council	504,125
South Waikato District Council	457,108
South Wairarapa District Council	245,998
Southland District Council	466,709
Stratford District Council	268,362
Tararua District Council	420,455
Tasman District Council	666,580
Taupo District Council	527,532
Tauranga City Council	1,198,246
Thames–Coromandel District Council	513,295
Timaru District Council	519,365
Upper Hutt City Council	488,666
Waikato District Council	832,914
Waimakariri District Council	555,247
Waimate District Council	239,400
Waipa District Council	544,506
Wairoa District Council	333,533
Waitaki District Council	423,096
Waitomo District Council	325,194
Wellington City Council	1,639,633
Western Bay of Plenty District Council	546,556
Westland District Council	246,000
Whakatane District Council	526,578
Whanganui District Council	576,061
Whangarei District Council	898,097

Note: The above remuneration pools do not apply to mayors, regional council chairpersons, Auckland local board members, or community board members.

However, if a council has delegated significant powers and functions to a community board and as a consequence proposes an increase to the remuneration of community board members, the additional funds will come out of the council's governance remuneration pool.

Issued under the authority of the Legislation Act 2019.
Date of notification in *Gazette*:

