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## **Council Kaunihera OPEN MINUTES**

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**Minutes of a meeting of the Council held in Council Chamber and Audio Visual Link, Municipal Building, Garden Place, Hamilton on Thursday 30 September 2021 at 9.36am.**

### **PRESENT**

**Chairperson** Mayor P Southgate

*Heamana*

**Deputy Chairperson** Deputy Mayor G Taylor

*Heamana Tuarua*

#### **Members**

Cr M Bunting

Cr M Gallagher

Cr R Hamilton

Cr D Macpherson (partial via Audio visual link)

Cr K Naidoo-Rauf (exclusively via Audio visual link)

Cr M Donovan

Cr A O'Leary (exclusively via Audio visual link)

Cr R Pascoe

Cr S Thomson

Cr M van Oosten

Cr E Wilson

#### **In Attendance**

Keiran Horne – Strategic Risk and Assurance Committee Chair

Richard Briggs – Chief Executive

Blair Bowcott – General Manager Growth

Eeva-Liisa Wright - General Manager Infrastructure Operations

David Bryant - General Manager People, and Organisational Performance

Sean Murray – General Manager Venues, Tourism and Major Events

Andrew Parsons - Executive Director Strategic Infrastructure

Stephen Halliwell - Water Reform Financial Advisor

Debra Stan-Barton – Acting City Planning Manager

Lachlan Muldowney -

#### **Governance Team**

Becca Brooke – Governance Manager

Amy Viggers – Governance Team Leader

Tyler Gaukrodger and Narelle Waite – Governance Advisor

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*The meeting was opened with a karakia by Tame Pokia.*

- 1. Apologies – Tono aroha**  
There were no apologies.

**2. Confirmation of Agenda – *Whakatau raarangi take***

**Resolved:** (Mayor Southgate/Cr Bunting)

That the agenda is confirmed noting:

- a) Item 13 (RMA Delegations Policy) be taken following item 14 (Three Waters Reform - Formal Feedback to Government) to accommodate Elected Members and presenter availability;
- b) that the late attachments circulated to Elected Members relating to Items 15 (Recommendations from Open Committee Meetings – Strategic Risk and Assurance) and C9 (Final Report from the Chief Executive) are accepted, noting the reason for lateness for both items were due to timing constraints.
- c) Item 15 (Recommendations from Open Committee Meetings) with reference to the Strategic Risk and Assurance Committee recommendation may need to be taken later on in the meeting to allow for confirmation of final verbal clearance of the Annual Report from Audit New Zealand; and
- d) the debate time for item 14 (Three Waters Reform - Formal Feedback to Government) be increased to 5 minutes.

**3. Declarations of Interest – *Tauaakii whaipaaanga***

No members of the Council declared a Conflict of Interest.

**4. Public Forum – *Aatea koorero***

**Garry Moore** spoke to item 14 (Three Waters Reform – Formal Feedback to Government) the proposed structure, discussion he was having with other Local Councils, and asked that Local Councils to work together to establish a workable solution. He responded to questions from Elected Members concerning risks to delay the establishment of a waters entity and timeline.

**Garry Mohn** spoke to item 14 (Three Waters Reform – Formal Feedback to Government) his concerns that the process was rushed and that the proposed governance structure, costs and risks he saw in the Central Government's Proposal.

**Benjamin Dunbar** spoke to item 14 (Three Waters Reform – Formal Feedback to Government) with a presentation (attached as **appendix 1** of these open minutes) and his various concerns with the Central Government's Three Water Proposal.

**Russelle Knaap** spoke to item 14 (Three Waters Reform – Formal Feedback to Government), her support of the previous submissions, and requested that the Council reject the Central Government's Three Water Proposal.

**Raymond Mudford** spoke to item 14 (Three Waters Reform – Formal Feedback to Government) and requested that the Council opt out the Central Government's Three Water Proposal.

**Graeme Mead** spoke to item 14 (Three Waters Reform – Formal Feedback to Government), his fear that the Council was going to give away Councils biggest asset, potential the cost to ratepayers. He responded to questions from Elected Members concerning what he feels is the best for Hamiltonians.

A written submission from Armand Petrin was circulated to Elected Members prior to the meeting and will be attached to the minutes as **appendix 2**.

*Deputy Mayor Taylor left the meeting (10.24am) at the conclusion of the above item.*

**5. Confirmation of the Council Open Minutes of 12 August 2021**

**Resolved:** (Mayor Southgate/Cr van Oosten)

That the Council confirm the Open Minutes of the Council Meeting held on 12 August 2021 as a true and correct record.

**6. Confirmation of the Extraordinary Council (Swearing in Ceremony) Minutes 31 August 2021**

**Resolved:** (Mayor Southgate/Cr van Oosten)

That the Council confirm the Open Minutes of the Extraordinary Council (Swearing in Ceremony) Meeting held on 31 August 2021 as a true and correct record.

**8. Confirmation of the Elected Member Open Briefing Notes - 4 August 2021**

**Resolved:** (Mayor Southgate/Cr van Oosten)

That the Council confirm the Open Briefing Notes of the Elected Member Briefing held on 4 August 2021 as a true and correct record.

**9. Confirmation of the Elected Member Open Briefing Notes - 18 August 2021**

**Resolved:** (Mayor Southgate/Cr van Oosten)

That the Council confirm the Open Briefing Notes of the Elected Member Briefing held on 18 August 2021 as a true and correct record.

**10. Confirmation of the Elected Member Open Briefing Notes - 1 September 2021**

**Resolved:** (Mayor Southgate/Cr van Oosten)

That the Council confirm the Open Briefing Notes of the Elected Member Briefing held on 1 September 2021 as a true and correct record.

**11. Confirmation of the Elected Member Open Briefing Notes - 15 September 2021**

**Resolved:** (Mayor Southgate/Cr van Oosten)

That the Council confirm the Open Briefing Notes of the Elected Member Briefing held on 15 September 2021 as a true and correct record.

*Deputy Mayor Taylor re-joined the meeting (10.27am) at the conclusion of the above item. He was not present when the matter was voted on.*

**12. Chair's Report**

The Chair took the report as read and responded to questions from Elected Members concerning the membership of the Chief Executive Review Committee.

The Chair noted a correction to her report in that paragraph 8 sentence 2 should read 'We all have questions and all Councillors have raised legitimate concerns.'

**Resolved:** (Mayor Southgate/Cr van Oosten)

That the Council receives the report.

**Cr Bunting, Cr O'Leary and Cr Wilson Dissenting.**

**Resolved:** (Mayor Southgate/Deputy Mayor Taylor)

That the Council approves all changes to the Governance Structure Terms of Reference and Delegations 2019-2022 as summarised below and as set out in **attachment 2 (track changes) and 3 (clean version)** of this report:

- i. establishment of a Traffic, Speed Restrictions and Road Closure Hearings Panel;
- ii. quorum of the Hearings and Engagement Committee be eight members for matters relating to those functions in paragraph 3 and 4 of the Committee's terms of reference;
- iii. Cr van Oosten replace Cr Gallagher as a member of Waikato Tainui/HCC Co-governance Forum and Crs Gallagher, Bunting and Donovan be appointed as alternate HCC members of the Forum (noting these changes will be subject to approval by the Forum at its next meeting);
- iv. Cr van Oosten be appointed as a member of the Strategic Risk and Assurance Committee;
- v. Cr van Oosten and Cr Bunting be appointed as a member of the Chief Executive Review Committee;
- vi. Cr Donovan replace Cr Gallagher as Deputy Chair of the Hearings and Engagement Committee (effective from 18 October 2021); and
- vii. approval of the Heritage Fund grant allocation and oversight of the plan be delegated to the Community Committee.

**The meeting was adjourned 10.50am to 11.10am.**

*Item 14 (Three Waters Reform - Formal Feedback to Government) was taken following the above adjournment to accommodate Elected Members and presenters.*

#### **14. Three Waters Reform - Formal Feedback to Government**

The Executive Director Strategic Infrastructure outlined the history of Central Government's Three Waters Reform since August 2016 Havelock North Water supply contamination.

##### **Procedural Motion**

**Resolved:** (Mayor Southgate/Deputy Mayor Taylor)

That the standing order 22.2 (Time Limits on Speakers) in relation to the right of reply be suspended to enable the mover of the Amendment to have a right of reply.

Staff responded to questions from Elected Members concerning Central Government consultation with Local Government, the draft 'Three Waters Reform Formal Feedback to Government' in particular the opt-in/opt out model, the ownership structure and the detail included in the Governance key success factors, Taumata Arowai, the Department of Internal Affairs and Local Government New Zealand guidance, feedback from other Local Councils, funding including those relating to the National Policy Statement (NPS), efficiency, the better of package, exploring potential solutions, factuality of information provided on the Department of Internal Affairs website, legal opinion received by Local Government New Zealand, 30 year prediction figures, engagement undertaken by Council, privatisation option and process, the next phase/timeline, and regional compliance standard.

**Motion:** (Cr Pascoe/Cr van Oosten)

That the Council:

- a) approves the Hamilton City Council "Three Waters Reform Formal Feedback to Government" including the changes discussed during the meeting;
- b) requests the Chief Executive to provide the Hamilton City Council "Three Waters Reform Formal Feedback to Government" to the Minister of Local Government, Department of Internal Affairs and Local Government New Zealand on or prior to 1 October 2021, and our JMA partners and the 21 councils of Entity B, as soon as reasonably practicable;
- c) notes the Entity B Feedback to Government (to be tabled); and
- d) that the response letter to the Minister be prefaced with the following statement:

*'Hamilton City Council does not support in its entirety the 3 -waters model currently*

*proposed by Government. In addition, the many unanswered questions submitted by this council and others in the sector along with the lack of important detail in most areas continues to be of concern.*

*Hamilton City Council encourages Government to continue its reform programme by collaborating with us and the Local Government Sector to agree on an ownership and governance model that will be acceptable to us, and meet the expectation of our communities. '*

**Amendment:** (Deputy Mayor Taylor/Cr Wilson)

That the Council:

- a) agrees to take the position of opposing the current water reform proposal and urges the Government to halt any further work, until:
  - i) the Future of Local Government Review is completed;
  - ii) the Resource Management System Reform is completed;
  - iii) Taumata Arowai has established and enacted the full regulatory framework, as required by the Waters Services Act 2021, and has determined which Councils do not meet standards and have non-compliant infrastructure;
  - iv) understands the full infrastructure impact of the National Policy Statement on Urban Development Capacity; including the impact on water quality, resilience of existing networks, and the total infrastructure cost (not just water) on Council's debt levels; and
  - v) the Government has developed a clear framework on how the various Local Government reforms, regulatory changes, and National Policy Statements, will integrate so as to optimise community outcomes, including the provision of three waters;
- b) approves the Hamilton City Council "Three Waters Reform Formal Feedback to Government" with the following amendments:
  - i) The feedback be altered to reflect that Hamilton City Council opposes the current reform proposal and urges the Government to withdraw it, halt the process, and complete all reforms and regulatory changes (as noted in a above);
  - ii) The feedback be altered to remove the council's opposition to territorial authorities having the ability to opt out of the current reform proposal;
  - iii) The feedback be altered to reflect that that if the Government's proposal continues in its present form of dividing councils' water assets among four entities, Hamilton City Council will seek to opt out;
  - iv) The following paragraphs be added to the top of Hamilton City Council's covering letter accompanying the feedback:

*"Hamilton City Council does not support the 3-Waters model currently proposed by Government. In addition, the many unanswered questions submitted by this council and others in the sector along with a lack of important detail in other areas continues to be of concern.*

*We remain committed to reform in a water delivery programme.*

*Hamilton City Council urges Government to delay the reform process until other local government reforms have taken place. We urge the Government to then approach reform by collaborating with the local government sector and by putting up more than one reform option for public discussion and consultation."*

- c) requests the Chief Executive to provide the Hamilton City Council "Three Waters Reform

Formal Feedback to Government” to the Minister of Local Government, Department of Internal Affairs and Local Government New Zealand on or prior to 1 October 2021, our JMA partners, and the 21 councils of Entity B, as soon as reasonably practicable.

**The Amendment was put.**

<b>Those for the Amendment:</b>	Deputy Mayor Taylor, Councillors O'Leary, Bunting, Naidoo-Rauf, Wilson and Donovan.
<b>Those against the Amendment:</b>	Mayor Southgate, Councillors Gallagher, Pascoe, Macpherson, Hamilton, van Oosten and Thomson

**The Amendment was declared LOST.**

**The Motion was Put and declared CARRIED.**

<b>Those for the Motion:</b>	Mayor Southgate, Councillors Gallagher, Pascoe, Macpherson, Hamilton, van Oosten and Thomson.
<b>Those against the Motion:</b>	Deputy Mayor Taylor, Councillors O'Leary, Bunting, Naidoo-Rauf, Wilson and Donovan.

**Resolved:** (Cr Pascoe/Cr van Oosten)

That the Council:

- a) approves the Hamilton City Council “Three Waters Reform Formal Feedback to Government” including the changes discussed during the meeting;
- b) requests the Chief Executive to provide the Hamilton City Council “Three Waters Reform Formal Feedback to Government” to the Minister of Local Government, Department of Internal Affairs and Local Government New Zealand on or prior to 1 October 2021, and our JMA partners and the 21 councils of Entity B, as soon as reasonably practicable;
- c) notes the Entity B Feedback to Government (to be tabled); and
- d) that the response letter to the Minister be prefaced with the following statement:

*‘Hamilton City Council does not support in its entirety the 3 -waters model currently proposed by Government. In addition, the many unanswered questions submitted by this council and others in the sector along with the lack of important detail in most areas continues to be of concern.*

*Hamilton City Council encourages Government to continue its reform programme by collaborating with us and the Local Government Sector to agree on an ownership and governance model that will be acceptable to us, and meet the expectation of our communities. ‘*

**The meeting was adjourned 1.28 to 2.38pm during the discussion of the above item.**

*Cr Macpherson left the chamber and joined the audio visual link (3.59pm) during the discussion of the above item. He was present when the matter was voted on.*

**16. Resolution to Exclude the Public****Resolved:** (Mayor Southgate/Cr Gallagher)**Section 48, Local Government Official Information and Meetings Act 1987**

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

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 follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C5. Appointment of Directors - Waikato Regional Airport Limited	) Good reason to withhold ) information exists under ) Section 7 Local Government ) Official Information and ) Meetings Act 1987 )	Section 48(1)(a)
C6. Appointment of Maangai Maaori to the Finance and Strategic Risk and Assurance Committees		

This resolution is made in reliance on section 48(1)(a) 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 which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C5.	to protect the privacy of natural persons	Section 7 (2) (a)
	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h)
	to enable Council to carry out negotiations	Section 7 (2) (i)
Item C6.	to protect the privacy of natural persons	Section 7 (2) (a)

**The meeting moved into a public excluded session at 4.35pm.**

**During the above public excluded session the meeting was adjourned (5.30pm) until 2.00pm Tuesday 5 October 2021.**

**The meeting resumed in an open session on Tuesday 5 October 2021 at 2.48pm exclusively via Audio Visual Link.**

*Cr O'Leary and Cr Naidoo-Rauf retired from the meeting during the above adjournment.*

*Cr Bunting left the meeting during the above adjournment.*

**7. Apologies – *Tono aroha* (Continued)**

**Resolved:** (Mayor Southgate/Deputy mayor Taylor)

That the apologies for partial attendance from Cr Bunting, Cr O'Leary and Cr Naidoo-Rauf are accepted.

**8. Confirmation of Agenda – *Whakatau raarangi take* (Continued)**

**Resolved:** (Mayor Southgate/Deputy Mayor Taylor)

That the agenda is confirmed noting the following:

- a) that late item C10 (City Honours Recommendations - October 2021), updated item 15 (Recommendations from Open Committee Meetings) and item C7 (Recommendations from Public Excluded Committee Meetings) in relation to the 5 October 2021 Finance Committee recommendations are accepted, noting the reason for lateness was due to timing constraints;
- b) that item 15 (Recommendations from Open Committee Meetings) in relation to the 29 September 2021 Strategic Risk and Assurance Committee meeting is deferred to a future Extraordinary Council meeting due to a delay in receiving final clearance from Audit NZ; and
- c) that item C10 (City Honours Recommendations - October 2021) is taken after to item C7 (Recommendations from Public Excluded Committee Meetings) to accommodate availability.

**13. RMA Delegations Policy**

The Acting City Planning Manager outlined the staff report.

**Resolved:** (Mayor Southgate/Deputy Mayor Taylor)

That the Council:

- a) receives the report;
- b) notes that a full review of the *Delegations to Officers Specific to the Resource Management Act 1991* has been completed; and
- c) approves the revised Council Policy: Delegations to Officers Specific to the Resource Management Act 1991 ('RMA') (**Attachment 1** of the staff report).

**15. Recommendations from Open Committee Meetings**

**Commuter Parking in Central City 2 hour free parking zone**

**Resolved:** (Cr Thomson/Mayor Southgate)

That the Council approves on-street commuter parking areas have a parking fee and charge of \$6 per space per day.

**Financial Strategy Monitoring Report (24 August 2021)**

**Resolved:** (Cr Pascoe/Cr van Oosten)

That the Council:

- a) approves the capital movement as identified in paragraph 30 of the 24 August 2021 Capital Portfolio Monitoring Report;
- b) approves the significant forecast adjustments as set out in paragraphs 19 and 20 of the staff report; and
- c) approves the revised Financial Strategy position for Debt to Revenue, Net Debt and Balancing the Books as set out in paragraphs 22 to 24 of the staff report.



**Financial Strategy Monitoring Report (5 October 2021)**

**Resolved:** (Cr Pascoe/Cr van Oosten)

That the Council:

- a) approves the capital movement as identified in paragraph 24 of the 5 October 2021 Capital Portfolio Monitoring Report;
- b) approves the significant forecast adjustments as set out in paragraphs 44 to 47 of the staff report; and
- c) approves the revised Financial Strategy position for Debt to Revenue, Net Debt and Balancing the Books as set out in paragraphs 50 to 52 of the staff report.

**COVID-19 Council Rent Relief Eligibility and Gardens Arts Additional Grant**

**Resolved:** (Cr Pascoe/Cr van Oosten)

That the Council:

- i. approves up to \$122,000 of immediate funding for 100% rent relief for eligible Council tenants in the Covid-19 Level 4 and Level 3 lockdowns;
- ii. approves up to \$61,000 of operating funding for 50% rent relief for eligible Council tenants in the Covid-19 Level 2 lockdowns;
- iii. approves the following criteria for assessing eligibility for rent relief:
  - a) tenants need to occupy Council-owned premises and operate in the hospitality, retail or community sectors;
  - b) provide proof of financial hardship and a reduction of more than 50% normal revenue for the period;
  - c) provide proof of any Government subsidies applied for and received; and
  - d) provide proof of any relief funding received from other sources.

**Open Air Burning Bylaw Deliberations Report**

**Resolved:** (Cr Gallagher/Cr Thomson)

That the Council revokes the Open Air Burning Bylaw 2015.

**16. Resolution to Exclude the Public**

**Resolved:** (Mayor Southgate/Cr Deputy Mayor Taylor)

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

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

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 follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Council Public Excluded Minutes of 12 August 2021	) Good reason to withhold ) information exists under ) Section 7 Local Government	Section 48(1)(a)
C2. Confirmation of the Elected Member Public Excluded Briefing Notes - 18 August 2021	) Official Information and ) Meetings Act 1987 )	
C3. Confirmation of the Elected		

- 
- Member Public Excluded  
Briefing Notes - 1 September  
2021
  - C4. Confirmation of the Elected  
Member Public Excluded  
Briefing Notes - 15 September  
2021
  - C7. Recommendations from Public  
Excluded Committee Meetings
  - C8. Confirmation of the  
Extraordinary Council (CE  
Recruitment Matters) Public  
Excluded Minutes 1 September  
2021
  - C9. Final report from the Chief  
Executive
  - C10. City Honours  
Recommendations - October  
2021

This resolution is made in reliance on section 48(1)(a) 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 which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C3.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C4.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C7.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C8.	to protect the privacy of natural persons to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (a) Section 7 (2) (j)
Item C9.	to protect the privacy of natural persons to maintain the effective conduct of public affairs through protecting persons from improper pressure or harassment	Section 7 (2) (a) Section 7 (2) (f) (ii)
Item C10.	to protect the privacy of natural persons	Section 7 (2) (a)

**The meeting moved into a public excluded session at 2.55pm.**

**The meeting was declared closed at 4.44pm.**

**Minute Note 21/10/2021:**

*On 21/10/2021 the following resolutions were determined to be released to the public via these minutes and the quarterly update.*

**Appointment of Maangai Maaori to the Finance and Strategic Risk and Assurance Committees**

**Resolved:**

*That the Council:*

- a) approves the appointment of Jaydene Kana as Maangai Maaori on the Finance and Strategic Risk and Assurance Committees;*
- b) notes that the General Manager People and Organisational Performance is delegated to authority to sign the individual kawenata between the Council and Jaydene Kana in respect of the appointment; and*
- c) approves the public release of the Council's decision on this matter.*

**Minute Note 21/12/2021:**

*On 21/12/2021 the following resolutions were determined to be released to the public via these minutes and the quarterly update.*

**Appointment of Directors - Waikato Regional Airport Limited**

**Resolved:**

*That the Council:*

- a) approves a vote in support of the appointment of two new directors, Renae Smart and Gus Gilmore to the Waikato Regional Airport Limited Board, of which Council is a shareholder;*
- b) notes the appointment, if successful, will be effective from the WRAL Annual General Meeting to be held on 3 December 2021; and*
- c) notes that the decision and information in relation to this matter be released at the appropriate time, to be determined by the Chief Executive.*

**Recommendations from Public Excluded Committee Meetings**

**Resolved:**

*That the Council:*

- a) approves a special funding grant of \$40,000 to the Hamilton Gardens Arts Festival for their February 2022 event, to be paid out upon the successful completion of the event;*
- b) notes that Staff will hold a meeting with the Arts Festival Trust to discuss future of the event; and*
- c) notes that the decision in relation to this matter be released at the appropriate time, to be determined by the Chief Executive.*

# Opposition to the Government's Three Waters Reforms

Presentation to Hamilton City Council  
30<sup>th</sup> September 2021

Benjamin Dunbar-Smith  
Hamilton resident

## What the thing that is most vital to life ?

- Water
- We can live 2 months without food....but only 3 days without water
- That's why major corporates around the world want to own water assets



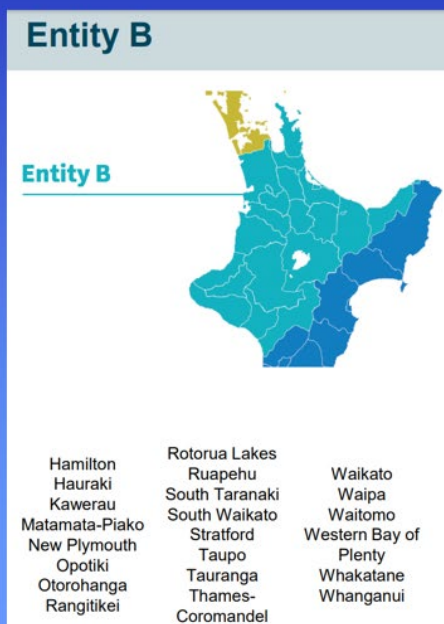
Water is the new gold !  
It's the petroleum of the 21<sup>st</sup> century  
which wars will be fought over!

# So what's the Govt got planned for our water assets ?



- 3 Waters involves a centralisation of power to an unelected Board
- Part of a "Big Govt" agenda which reduces power of the people.
- Reduces the role and strength of local councils
- Increases the risk of future privatisation

## Assets given to an unelected Board of mega-entity



- Governance group:
  - 6 seats for 22 councils
  - 6 seats for iwi
- Appointment panel chooses unelected Board
- Difficult for HCC to obtain prioritisation for funding
- Loss of control over Hamilton's destiny



## Govt has made up a slick PR campaign to push reform



But this is a fear-based campaign based on one isolated incident in Havelock North

- from one bore that provided untreated water
- This is being used as a justification for forcibly taking water assets from 67 councils

## This is Labour's equivalent of the Dancing Cossacks



## Hamilton's water assets are well managed

- Finance Committee chairman Rob Pascoe's sets out the situation clearly:
  - Hamilton has \$1.45 billion in water assets
  - Only \$370 million in water-related debt
  - Govt plans to take with virtually no compensation
  - Council loses control over its assets to a joint iwi-LG Board with 22 other councils !

## "No worse off" rhetoric

- Govt claims councils will be "no worse off" by opting into scheme
- But what about individual ratepayers ?
  - Hamilton residents face "price harmonisation" – which means individual ratepayers will pay MORE in 2024
- Govt claims people will be better off in 30 years time – but won't say how much individual rates will go up in 2024 !
  - Westland estimates 240% increase in individual water rates



# Risk of privatisation

- Merging 67 councils into 4 water entities is corporatisation model which increases risk of subsequent privatisation
- Govt says 75% majority required at referendum – but subsequent Govt's can tweak this rule
- DIA says future privatisation is protected because of "restrictions on the sale or transfer of strategic water assets – similar to the current restrictions on councils" (Key questions document – Sept 2021)



## Unbridled Power of an Absolute Majority Government

- Remember what happened the last time we had a Government with an absolute majority
- Labour under Douglas-Prebble-Caygill corporatized forestry, rail, steel, banking and Telecom – all subsequently privatised
- Around the world mega-corporates are privatising water – because you can't live without it
- If the new water entity gets into financial trouble, then easy answers is to call in private equity owners. We lose local control of our water



## What is happening to your LGA provisions to consult on asset sale ?

- Minister Mahuta has made it clear she is going to mandate these reforms
- Your Council report speaks of:
  - Disappointment with the Govt's process
  - Concerns about compressed timeframe
    - Lack of detail on critical elements
  - Lack of information on impact of price harmonisation in the initial years
  - Failure to consider alternative options

## But are you going to get to consult with your ratepayers ?

- No ! Minister Mahuta intends to mandate amalgamation through legislation
- So LGA safeguards on sale or transfer of strategic assets go out the door
- The same forcible mandate can apply to subsequent privatisation
- Only option for feedback is to Select Committee – where absolute majority can ignore differing views

## Why the urgency – and why only one option ?

- As your Council report points out there are many ways Govt could support water upgrades:
  - Govt could underwrite Council debt on water infrastructure
  - Develop “off-balance-sheet” models to avoid debt ceilings
  - Direct fund investment just like roads
- **But No !** Govt only allowing one iwi-council model to be considered

## This is a crucial turning point

- At what point does a Government stop being a democracy – and start becoming a dictatorship ?



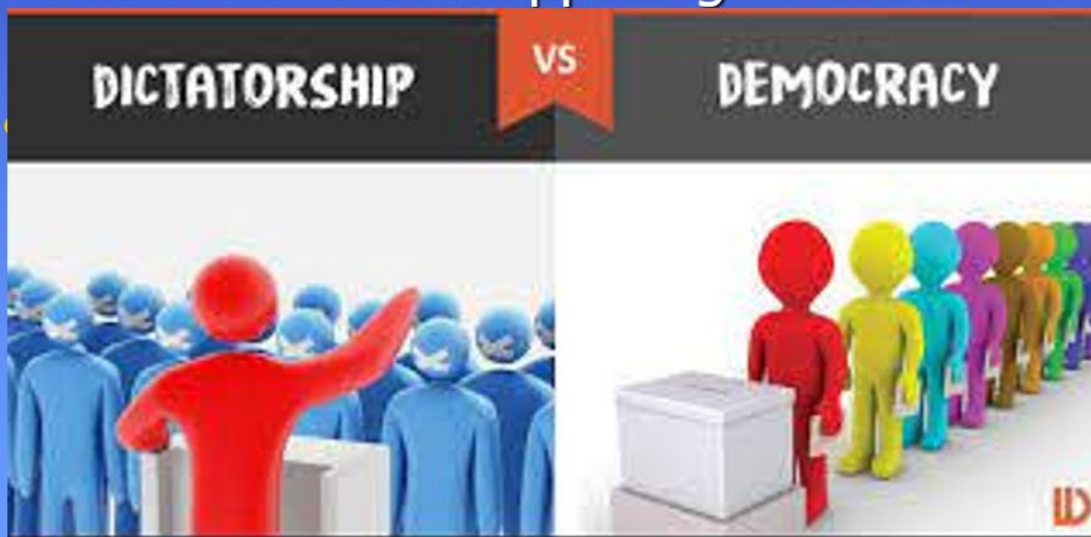


# Democracy v Dictatorship

- A Government starts to become a dictatorship when it stops listening to the will of local people
- When it starts forcibly taking their assets without asking their opinion or following statutory legal LGA processes
- When it stops allowing consideration alternative options

## The voice of dictatorship

- When the Minister believes she is absolutely right to impose her will as Law, and will not hear opposing voices of



# Stand up to Govt's mandate

- As a Hamilton resident and concerned citizen, I urge you to signal your opposition to the Government's water reforms due to
  - their negative impact on water price rises for Hamilton ratepayers due to "harmonisation"
  - The loss of \$1.45 billion in water assets built up by generations of Hamiltonians
  - The risk of future privatisation
  - The lack of LGA consultation

**Armand Petrin Written Submission:**

**Three Waters Presentation to Hamilton City Council – 30 September 2021**

**Your worship, Councillors.**

Thank you for providing the opportunity to address you on the Three Waters Reforms being promoted by the existing government, and which will, if it proceeds result in a major change to how services and infrastructure relating to water services are provided to the citizens of New Zealand. This will include not only drinking water, but also wastewater and stormwater.

The four mega water agencies to be created under something called “Taumata Arowai”, (*Optimal Level*) that will be responsible for how well pipes are maintained, how quickly repairs done and where and when new infrastructure will be built. Each agency will be controlled by a twelve-member Board, six appointed I thought by the councils in the agency area. I see now according to Dept of Internal affairs, will be appointed by an independent selection panel. One of the criteria being that the appointee will require to have statutory recognition of the Treaty and Te Mana o Te Wai (whatever that means). The other six by local iwi in that area.

Much of the detail as to how this would work in practise has yet to be revealed or has been purposely withheld by a government long on rhetoric, but extremely short on achieving promises. The country still awaits the building of some 95,00 houses, more mental health facilities, more ICU beds etc. What we do know is that councils have been promised three cents in the dollar for the assets which their ratepayers have paid for over many preceding years. Normally this would be defined as “rape and pillage”.

It is important that the following questions be asked:

1. Why are these reforms necessary?
2. What evidence has been presented to support the proposed reforms?
3. Where will each of the four agencies be based.
4. Were any other systems review and/or considered?
5. Will the citizens of New Zealand have any input or control over the new agencies?

**1. Why are these reforms necessary?**

These reforms appear to have stemmed from a problem in Havelock North in 2016 when the town’s water bore was contaminated, which resulted in 4 deaths and 5000 citizens became ill. This incident was specifically mentioned in Minister Mahuta’s speech notes on 15 September 2020 as one of the reasons for the need to completely overhaul existing systems relating to water delivery and disposal. In addition to that event was the failure of wastewater pipes in central Wellington caused by a lack of maintenance to the old underground sewage system. Given the huge amount of effluent discharged from parliament daily, it is surely a miracle that they lasted as long as they did.

**2. What evidence has been presented to support the proposed Reforms?**

As is usual for public bodies, reports were commissioned, and surprise-surprise, they confirmed exactly what the government thought would be necessary to resolve this issue, namely a redesign of the total system and impose total bureaucratic control over the nations water systems.

These reports when released promised hellfire and damnation throughout the country if the peasantry did not conform. The reports, projecting out over the next 30 years. advised of unsustainable costs for water Scotland was used as the example of what could be achieved if the proposed model, based on that currently in force in Scotland, was adopted. Apparently that country was chosen as the total population corresponded to NZ. However, that is where the comparison ends. Scotland is approximately one-third the size of NZ, and 80% of their population reside in 50% of their land area. In addition, the birth-rate in Scotland, as with most developed western countries is declining to the point where without immigration the total population would decline.

In fact, in a document issued by the Dept of Internal Affairs following receipt of the reports it states:

***The Department of Internal Affairs, in partnership with the Joint Central/Local Government Three Waters Steering Committee, commissioned significant input from specialist economic, financial, regulatory and technical advisors to support the Three Waters Reform Programme and inform the development of policy advice to ministers. (No attempt to seek information other than to support a pre-defined agenda.)***

***In recent reports for Councils Castalia make several broad-ranging and critical statements of the evidence base, which had been based mostly on the Water Industry commission for Scotland's modelling and analysis. (Includes some of the points mentioned previously)***

***...The Dept considers the Castalia report misrepresents the evidence base and analysis supporting the reform proposals and reaches conclusions that are not well supported by the empirical evidence from similar reforms undertaken in other jurisdictions.***

Interpreted, means Castalia disagree with what they were supposed to prove.

A comment from Farrierswiers report notes that:

***...that the approach Water Infrastructure Commission of Scotland takes in assessing the potential efficiency gains appears reasonable, but care needs to be taken in translating overseas experience into a NZ context.***

There are now a number of councils, who have had considerably more time than NZ's public to review these reports and the detail therein, have concluded that the modelling is not realistic. As someone who has created a considerable number of finance and operating models, I know that one simple change to any of the parameters used can seriously distort the final answer. In addition, I and many others, have little faith in models which try to predict results over such lengthy time frames.

The Minister obviously has no confidence in local bodies to perform the functions included in the Three Waters Reform and again in the minutes for one of her speeches she states:

***"As a starting point, the Government would like to see the creation of a small number of entities that:***

***Are structured as statutory entities, guided by professionals and led by competency-based boards, with mechanisms to allow for Iwi/Maori input...."***

Surely this a smack over the ear for local bodies who she considers are not guided by professionals or competency-based boards, - a bunch of hicks elected by local rate payers who know no better.

The reality, obvious to most is that NZ is not the UK and UK water services do not have an indigenous 50:50 "partnership" co-management model that is the foundation stone of The Three Waters reform. We know from other co-governance arrangements that iwi act in the best interests of iwi, an example being the debacle involving the information centre at Punakiki. Maori control of water, with a royalty paid to Maori tribes is one of the key goals specified in He Puapua, and The Three Waters proposal has been designed to deliver that objective

What is the most frustrating fact with this presentation is the fact the Government consulted with a specific group, holding over 60 individual meetings, who represented only 16% of the New Zealand population for four months between July and October 2020 before issuing details of their proposals to the other 84% of the population, or more correctly local councils. Now, local bodies have asked for input from their local ratepayers, a period of less than two weeks was set. We have generously been given 5 minutes to present our views on what is an extremely important and complex matter.

In addition, the public have been issued with very little information but is being subjected to a less than sophisticated ad campaign, using fear and misinformation to garner support for these reforms.

Under the present proposal the new water agencies will be charging citizens for water services, while councils will continue to collect rates and charge fees to fund their other services. The question is – Will councils be able to reduce their rates to fully offset the bills from the new water entities.

The reality is that local councils will be foregoing a significant income stream which contributes to their total overheads. This being the case will overheads be reduced, presumably by Councillors taking a pay cut, perhaps reducing the number of elected councillors, the CEO's salary being reduced to reflect a lower council revenue stream, a reduced work force. Can councils reduce office space, vehicles etc, or will fees for other council services including rates, be increased to recover the shortfall. The Three Waters Authorities will be huge bureaucracies, and while the government talks about economies of scale, experience shows almost without exception that the bigger the bureaucracy the greater the inefficiency.

The co-governance is far from being a fair structure. Apart from the fact that six members of each Board will have contributed nothing, the other members who allegedly represent the citizens in their area, whose organisations will have contributed assets comprising many billions of dollars, will have the same voting power. Further the public representatives have nothing at stake, may choose an easy life and simply agree to whatever the iwi representatives' demand.

In some of the misinformation issued by the Dept of Internal Affairs, they state:

***“Entities will need to operate within a highly transparent accountability framework, with strong customer and community consultation and engagement expectations, much like local government does now.”***

The major difference is that local ratepayers get the chance to elect local officials each three years, and even though usually less than 40% of ratepayers exercise that right at elections, at least they are given their chance to show their approval or otherwise to their council's actions.

The Dept of Internal Affairs then goes on to threaten local bodies with the statement:

***“The status quo for water services is changing and council water providers and their communities will face very significant regulatory obligations and costs if they were to opt out of the reforms.”***

Should we be worried. If history is any indication, the government agencies tasked with checking these facilities previously have done an abysmal job which has led to the current situation with water infrastructure nationally.

### **3. Where will each of the 4 agencies be based.**

If for example, Area B is based in Hamilton, do people in Taupo who have a problem need to contact that office? Is the intention to contract each existing council to undertake repairs and maintenance? Is it the intention for Taumata Arowai to operate in a similar way to Transit New Zealand, where the 4 Boards will provide a list of capital and upgrade projects required going forward and Taumata Arowai will decide who gets what and where? As a result, what checks will be in the system to ensure that the charges they issue to NZer's are within the capability of individuals to pay.

### **4. Were any other systems reviewed and/or considered?**

It can be seen from the actions in respect of the reports that were created, the government went into the whole exercise with a fixed mindset, so there was never going to be any alternatives explored. One must ask why? The answer is surely not about water supply/quality or the improvement in NZ's waterways. It is surely and solely about providing a minority in this country with the control of our most important and essential natural resource.

The evidence is in the fact the proposals for the Boards of Taumata Arowai are that decisions must be made with a majority of 75%, which provides the iwi representatives to effectively veto anything with which they do not agree. Iwi appointees will no doubt come from the families of MPs, as has recently occurred with a recent Health Board appointment.

Attempts to question Minister Mahuta over the reforms, by a lacklustre interviewer recently, provided little serious content. In the 13-minute interview she was unable to provide any significant detail on the reforms. These interviews and press releases are being carefully managed by the media who now rely on the government purse to provide significant revenue. Anything that does not conform to the conditions set the government result in nil grants, or for serious diversion from the required script, could result in previous grant being recalled. Democracy requires an independent media, something which is now absent in NZ.

There is no doubt that as a nation we could do better in relation to drinking water wastewater treatment. Why was not the possibility of merging various council systems within close and defined geographic area? The Waikato is an example where possibly six council's systems could be merged.

An example of the nonsense that we see in Hamilton daily, is the water systems required for the new Peacocke subdivision, where new sewage lines have had to be laid across the city. I understand that approaches were made to adjoining councils for a joint treatment station to the south of the city. In such circumstances, an authority could be created to adjudicate and force councils to co-operate with each other. Can other mechanisms be established to help councils work together and those that are struggling. If finance for infrastructure is a problem, could not all financing be via a pool created by central government.

Other alternative options were considered but discounted by Internal Affairs in a scant two pages. Some of these options surely deserve more debate and additional critical assessment.

### **5. Will the citizens of New Zealand have any input or control over the new agencies?**

The short answer is no. The guidelines issued by Internal Affairs make it clear that an independent selection panel will appoint board members. Entities are operationally and financially independent from local authorities. These entities will assume ownership of three waters infrastructure and service delivery arrangements, as well as associated debt and revenue

The public will under these circumstances have no more influence on these boards than they have been able to exert since the government made councils aware of what they were proposing. My many conversations with friends and acquaintances reveal that public knowledge of what is proposed under the reforms is scant at best, and at worse, absolutely non-existent. Whilst it appears local councils have been directed from high to keep details, such as they have, to themselves, councils have a duty to keep their ratepayers fully informed on these changes, which will have long lasting effect.

### **Hamilton City Council action going forward.**

There is no argument that all NZer's should have access to clean and safe drinking water, and that waste and stormwater are being disposed in a safe and sustainable manner. This is surely the right of us all, and it disturbs citizens when it is revealed that our elected officials are not doing so. However, this present proposal is taking a sledgehammer to smash a walnut and its whole premise needs to be questioned.

The Local Government Act requires councils to consult ratepayers over major decisions affecting water.

Allowing ratepayers 5 minutes to present their views in a meeting with a crowded agenda surely does not constitute "consulting" The government's Three Waters proposal involves the dismantling of our democracy, the denial of access by individuals to decision makers, and the loss of accountability to affected communities. With respect, the council needs to stand up for ratepayers to protect the assets that the ratepayers have paid for over many years.

It is also incumbent on the council to advise all ratepayers without delay, the details of the Three Waters proposal in an unbiased and factual manner. I have no doubt that submissions made in today's meeting will receive little attention from either local or national media. At the very least, a referendum should be held so that ratepayers are fully involved in the decision about the disposition of assets that they and previous ratepayers have paid for.

Thank you.