

# Canterbury Policy Forum

## MEETING PACK

for

## Canterbury Policy Forum

Friday, 10 December 2021

1:00 pm

Held at:

Remote Meeting

Zoom

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# AGENDA

## CANTERBURY POLICY FORUM

<b>Name:</b>	Canterbury Policy Forum
<b>Date:</b>	Friday, 10 December 2021
<b>Time:</b>	1:00 pm to 2:30 pm
<b>Location:</b>	Remote Meeting, Zoom  <a href="https://us06web.zoom.us/j/94565040219?pwd=eWtrNnZvOEJFcjBqU2t4UThVSGRDZz09">https://us06web.zoom.us/j/94565040219?pwd=eWtrNnZvOEJFcjBqU2t4UThVSGRDZz09</a> <b>Remote Meeting only</b> - Please join this meeting via the link above.
<b>Committee Members:</b>	David Ward (Committee Chair), David Falconer, James Thompson, Judith Batchelor, Mark Low, Simon Markham, Tim Davie, Toni Durham, Victoria van der Spek
<b>Attendees:</b>	Amanda Wall, Maree McNeilly, Rosa Wakefield
<b>Apologies:</b>	Katherine Trought, Carolyn Johns, Emma Davis, Murray Washington, Paul Numan, Matt Hoggard
<b>Guests/Notes:</b>	Leo Milani, Waimate District Council (for Carolyn Johns), Elizabeth Wilson, Christchurch City Council (for Emma Davis), David Caygill - item 2.3

### 1. Opening meeting

#### 1.1 Welcome, introductions and apologies 1:00 pm (2 min)

David Ward

#### 1.2 Confirmation of agenda 1:02 pm (2 min)

David Ward

#### 1.3 Confirmation of minutes 1:04 pm (3 min)

David Ward

Supporting Documents:

1.3.a Minutes : Canterbury Policy Forum - 24 Sep 2021	6
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#### 1.4 Actions 1:07 pm (5 min)

David Ward

Supporting Documents:

1.4.a Action List	12
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## 2. For discussion and decision

### 2.1 Building consent collaboration - verbal update

1:12 pm (5 min)

David Ward

### 2.2 Regional forums report and three-year work programme update

1:17 pm (5 min)

Maree McNeilly

Supporting Documents:

2.2.a	CPF Regional Forums report Dec 2021.docx	13
2.2.b	CPF Regional Forums report Attachment 1 Three Year Work Programme Dec 2021.pdf	17

### 2.3 Economic regulation and consumer protection for three waters services

1:22 pm (20 min)

David Ward

Supporting Documents:

2.3.a	CPF Economic regulation and consumer protection for three waters services Dec 2021.docx	19
2.3.b	CPF Economic regulation and consumer protection for three waters services Attachment 1 draft submission Dec 2021.docx	22

### 2.4 Review of regional forums and working groups

1:42 pm (10 min)

Maree McNeilly

Supporting Documents:

2.4.a	CPF Review of regional forums and working groups Dec 2021.docx	47
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### 2.5 Future for local government update - verbal update

1:52 pm (10 min)

David Ward

## 3. Working group reports

### 3.1 Climate Change Working Group update

2:02 pm (5 min)

Tim Davie

Supporting Documents:

3.1.a	CPF Climate Change Working Group update Dec 2021.docx	51
3.1.b	CPF Climate Change Working Group Attachment 1.docx	55
3.1.c	CPF Climate Change Working Group Attachment 2 Dec 2021.docx	56

### 3.2 Canterbury Planning Managers Group update

2:07 pm (5 min)

David Falconer

Supporting Documents:

3.2.a	CPF Canterbury Planning Manager Report Dec 2021.docx	59
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### **3.3 Natural Hazards Risk Reduction Group update**

2:12 pm (5 min)

James Thompson

Supporting Documents:

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3.3.a CPF Natural Hazards Working Group report December 2021.docx

63

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## **4. General business**

### **4.1 General business**

2:17 pm (5 min)

## **5. Close meeting**

### **5.1 Close the meeting**

**Next meeting:** No date for the next meeting has been set.

Next meeting: 1pm Friday 1 April 2022 - Selwyn (in person)

# MINUTES (in Review)

## CANTERBURY POLICY FORUM

<b>Name:</b>	Canterbury Policy Forum
<b>Date:</b>	Friday, 24 September 2021
<b>Time:</b>	1:00 pm to 2:11 pm
<b>Location:</b>	Remote Meeting, Zoom
<b>Committee Members:</b>	David Ward (Committee Chair), Carolyn Johns, David Falconer, Emma Davis, James Thompson, Katherine Trought, Mark Low, Matt Hoggard, Murray Washington, Simon Markham, Toni Durham, Victoria van der Spek
<b>Attendees:</b>	Rosa Wakefield, Maree McNeilly
<b>Apologies:</b>	Tim Davie
<b>Notes:</b>	<b>Zoom Meeting</b> Meeting ID: 980 5406 7487 Passcode: 415329

### 1. Opening meeting

#### 1.1 Welcome, introductions and apologies

Attendance and apologies were noted as recorded.

#### 1.2 Confirmation of Agenda

The agenda was confirmed and no items of general business were raised.

#### 1.3 Confirmation of minutes - 25 June

All actions are complete or on the agenda.



#### Decision

Minutes of the meeting held on 23 June were confirmed.

**Decision Date:** 24 Sep 2021

**Outcome:** Approved

#### 1.4 Action List

Due Date	Action Title	Owner
10 Dec 2021	Provide an updated Terms of Reference for the Climate Change Working Group <b>Status:</b> In Progress	Tim Davie

## 2. For discussion and decision

### 2.1 Building consent collaboration update

The chair spoke to the paper, noting that the Chief Executives discussed avoiding poaching staff from each other, and noting that this is not a short term problem.

The working party is currently processing updated statistics from each council. Canterbury mayors have expressed a lot of interest in pursuing a collaborative approach and the working party has been asked to explore how to progress this and report back to the mayors. The working party will meet again in the next 2-3 weeks.



#### Decision

The Forum agreed to note the update on the activities, outcomes and next steps of the building consent collaboration working group.

**Decision Date:** 24 Sep 2021

**Outcome:** Approved

### 2.2 Productivity Commission consultation on New Zealand's immigration system

Maree McNeilly spoke to the paper, noting that the Mayoral Forum has advocated on various immigration issues over the past couple of years and will submit on this. Input is needed from councils on this.

Members discussed the significance of immigration for the region and agreed to meet separately to discuss. The secretariat will invite members who wish to contribute to work together on finalising the submission.

The secretariat will also work with the RSLG, GCP and Regional Public Sector Lead to ensure work is aligned.



#### Decision

The Forum agreed to:

1. develop a regional submission on the productivity Commission's issues paper "immigration, productivity and wellbeing"
2. provide feedback to the secretariat on the issues that the draft submission should seek to cover.

**Decision Date:** 24 Sep 2021

**Outcome:** Approved



#### Action

Invite members to contribute to the immigration consultation submission.

**Due Date:** 31 Oct 2021

**Owner:** Secretariat Secretariat

### 2.3 Carbon forestry - an emerging land use

Victoria van der Spek spoke to the paper, noting that current regulations focus on plantation forestry but the effects of permanent forests can be different. This can have a disproportionate impact on rural communities. In the Waitaki there has been a lot of concern around land

conversion. This is a permitted activity for the district. Waitaki has submitted to Otago Regional Council seeking regional guidance and this is still in progress with them.

There is a strong view that the price of carbon reaching \$100/ton could prompt a lot more land use change as it will outrank sheep and beef for value use of land; this price is likely to be reached in 2026.

From a natural hazards perspective climate change will result in an increase in forest fires, so an increase in forest, particularly in peri-urban locations is something to be considered as part of regional policy statements going forward.

The Planning Managers met last Friday and consider this is an emerging issue, and will keep a watching brief on it. MfE also attended this meeting and plan to look at this issue.

Environment Canterbury is currently reviewing the regional policy statement for 2024.

The RM reforms provide an opportunity for influence. The Parliamentary Enquiry on Natural and Built Environment Act may address this. The Government's initial draft response to climate change recommendations is also due in the next couple of months.

Members agreed to keep a watching brief on this issue and to engage with regulatory reforms as appropriate. The Planning Managers will report to the Mayoral Forum in November.



## Decision

The Forum agreed to:

1. note the issues surrounding carbon forestry in parts of the Canterbury region
2. provide guidance as to whether the effects of carbon forestry should be managed centrally, regionally or on a case by case basis
3. agree to request the Canterbury Mayoral Forum advocate to central government for guidance and/or direction on how to manage the effects from carbon forestry.

**Decision Date:** 24 Sep 2021

**Outcome:** Approved



## Report to the Policy Forum in December on Carbon Forestry

29/11 Removed from Policy Forum agenda as LGNZ are arranging a webinar for interested councils.

**Due Date:** 30 Nov 2021

**Owner:** Maree McNeilly

## 2.4 Future for local government update - verbal update

The chair gave a verbal update. The working party's first report is with the Minister. It is an independent inquiry and may be publicly available in October.

It was noted that our collaborative approach is beneficial for the future of local government.

## 2.5 Resource management reform update

The chair spoke to the paper. The paper seeks formation of a subgroup and covers the letters sent to MfE, DIA, LGNZ and Taituarā regarding Canterbury representation. MfE and Taituarā have responded, and Taituarā noted that they call for nominations but have not received any from Canterbury.



The paper suggests the formation of a subgroup to recruit a contractor to assist the Mayoral Forum with engagement through the resource management reform process. Katherine Trought, David Falconer, Victoria van der Spek and Mark Low agreed to work together on this. The budget for this work is \$30k; this group would seek three or four contractors to submit expressions of interest, and then to manage work once contractor on board. Ideally the contractor would cover all three bills in the RM package, though input from outside the planning space will be needed on the Climate Change Adaptation Act.



## Decision

The Forum agreed to:

1. nominate members to form a subgroup to support the recruitment of a contractor to assist the Canterbury Mayoral Forum with engagement through the resource management reform process and develop future submissions on the Natural and Built Environments Bill, Strategic Planning Bill and Climate Adaptation Bill
2. note the responses received so far from Taituarā and the Ministry for the Environment to the Mayoral Forum's letters regarding ensuring a Canterbury voice on national-level working groups and committees.

**Decision Date:** 24 Sep 2021

**Outcome:** Approved

## 2.6 Regional forums report and three-year work programme update

Maree McNeilly spoke to the paper, noting the Mayoral Forum has formally requested that the Minister for Local Government pause the three waters reforms, and that the Minister is meeting with the Forum on Monday 27 September.

The chair noted that the health workshop the Mayoral Forum held was very interesting. The report from this workshop is on Mayoral Forum website.

James Thompson noted that three CDEM papers have been endorsed by Joint Committee and sent to the Government, covering; allocation of funding from Waka Kotahi on repairs following damage; more resilient roading, including second bridges for major state highways; and flood management.



## Decision

The Forum agreed to:

1. receive the quarterly report from the Secretariat
2. note updates to the three-year work programme as reported to the Mayoral Forum on 20 August 2021.

**Decision Date:** 24 Sep 2021

**Outcome:** Approved



## Action

Share Basil Chamberlain's presentation from the Mayoral Forum with members.

**Due Date:** 31 Oct 2021

**Owner:** Secretariat Secretariat

### 3. Working group reports

#### 3.1 Canterbury Planning Managers Group - verbal update

David Falconer gave a verbal update. The Planning Managers met last week, and had good engagement from Ngāi Tahu, the Ministry for the Environment and Kāinga Ora. As well as issues already noted the group:

- heard from the Regional Transport Committee on its work programme, which looks at the impacts of growth on transport and vice versa
- received a presentation from Environment Canterbury on regional planning work, and work towards the regional policy statement review in 2024
- learned about West Coast Regional Council's combined regional plan, and thought about how we could work together if the changes to the Act go through, including dealing with challenges around boundary issues in relation to natural hazards
- had an update from MfE on RM reform; the Select Committee report will come back next month, then there will be further engagement in early 2022. MfE are also looking at engaging on the climate change and strategic planning bills in the new year
- discussed national policy statements, noting that the indigenous biodiversity and highly productive land policy statements have been delayed
- noted records in resource consents as well as building consents.



#### Decision

The Forum agreed to note the verbal update.

**Decision Date:** 24 Sep 2021

**Outcome:** Approved

#### 3.2 Climate Change Working Group update

Katherine Trought spoke to the paper, noting that the Climate Change Risk Assessment has been delayed and is now due on 15 October. This is a very tight timeline as it is to go to the Climate Change Steering Group, also on 15 October. Environment Canterbury were planning to present to each council around this but this will now not be possible.

Geoff Meadows' significant contribution to this working group was noted.

Whether this should be released in late November / early December or early 2022 is still being considered.



#### Decision

The Forum agreed to note the progress achieved to date by the Canterbury Climate Change Working Group on delivering its work programme for 2020/2022.

**Decision Date:** 24 Sep 2021

**Outcome:** Approved

### 4. General business

#### 4.1 General business

Members agreed to move the next meeting from 17 December to 10 December. This will be held via Zoom.

## 5. Documents of the original meeting

### 5.1 Original Board Pack

## 6. Close meeting

### 6.1 Close the meeting

**Next meeting:** Canterbury Policy Forum - 10 Dec 2021, 1:00 pm

Next meeting: 1pm Friday 17 December (via Zoom)

**Signature:**\_\_\_\_\_

**Date:**\_\_\_\_\_

# Action List

## Canterbury Policy Forum

*As of: 2 Dec 2021*

### **Report to the Policy Forum in December on Carbon Forestry** **In Progress**

29/11 Removed from Policy Forum agenda as LGNZ are arranging a webinar for interested councils.

**Due Date:** 30 Nov 2021  
**Owner:** Maree McNeilly  
**Meeting:** 24 Sep 2021 Canterbury Policy Forum, 2.3 Carbon forestry - an emerging land use

### **Provide an updated Terms of Reference for the Climate Change Working Group** **In Progress**

30 November - Draft TOR going to Policy Forum 10 Dec for endorsement

**Due Date:** 10 Dec 2021  
**Owner:** Tim Davie  
**Meeting:** 26 Mar 2021 Policy Forum, 4.1 Action List

# Canterbury Policy Forum

**Date:** 10 December 2021

**Presented by:** Secretariat

## **Regional Forums update and three-year work programme**

### **Purpose**

1. This paper reports on the work of regional forums since September 2021.

### **Recommendations**

**That the Canterbury Policy Forum:**

1. **receive the quarterly report from the Secretariat**
2. **note updates to the three-year work programme as reported to the Mayoral Forum on 19 November 2021.**

### **Key points**

2. The Mayoral Forum met on 19 November.
3. The Chief Executives Forum met on 2 November.
4. The Corporate and Operations Forums met on 13 September and meets on 13 December.
5. The Policy Forum met on 24 September and meets on 10 December.

## **Canterbury Mayoral Forum**

### **19 November meeting**

6. The Mayoral Forum met on 19 November. At this meeting, the Mayoral Forum:
  - endorsed the Climate Change Risk Assessment technical report for public release
  - discussed a shared regional approach on biodiversity with representatives of the Biodiversity Champions councillor group
  - received a presentation from the Greater Christchurch Partnership on its work and recent activities
  - discussed the content and structure of its meetings for 2022

- received an update on the Forum's Economic Development Group, which met for the first time in early November, and approved its terms of reference
  - received an update from Paul Stocks, the Regional Economic Development Senior Official
  - discussed the three waters reform and agreed to write to the Minister of Local Government expressing disappointment at the mandating of the reforms
  - received reports from Ashburton District Council on the economic and social impacts of the Essential Freshwater reform in the district
  - discussed the Review into the Future for Local Government, and upcoming engagement opportunities as the review progresses
  - discussed progress with the Government's resource management reform process
  - received updates on the CREDS, Canterbury Water Management Strategy, and the activities of the Climate Change Steering Group and Chief Executives Forum.
7. Since the Policy Forum last met, the Mayoral Forum has undertaken a range of other meetings and engagement outside of its formal meetings. This includes:
- meeting with the Minister of Local Government to discuss three waters reform
  - meeting with the Minister for the Environment to discuss the Essential Freshwater and resource management reforms
  - meeting with the chief executive of Waka Kotahi to further discuss the matters raised at its meeting in August with the agency, and matters raised in previous letters to the Minister of Transport
  - a workshop hosted by the Ministry for the Environment to discuss the resource management reform process.
8. The Mayoral Forum also met with Canterbury MPs following their meeting on 19 November.

## Submissions

9. The Mayoral Forum is completing or has recently completed regional submissions on:
- the Natural and Built Environments Bill parliamentary paper
  - MfE's emissions reduction plan discussion document
  - MBIE's discussion paper, *Economic regulation and consumer protection for three waters services in New Zealand* (see item 2.3)
  - MfE's waste strategy consultation
  - the Pae Ora (Healthy Futures) Bill
  - the Productivity Commission's inquiry into New Zealand's immigration settings.
10. Signed versions of all submissions are available on the [www.canterburymayors.org.nz](http://www.canterburymayors.org.nz) website.

## Next meeting

11. The Mayoral Forum's next meeting will be in February 2022.

## Chief Executives Forum

12. At the meeting on 2 November, the Chief Executives Forum:

- approved the regional Climate Change Risk Assessment to be provided to the Mayoral Forum for its consideration and endorsement
- received an update from Ben Clark, Regional Public Service Commissioner
- discussed the establishment and first meeting of the Mayoral Forum's economic development group
- agreed to appoint an independent contractor to support the Canterbury Mayoral Forum's engagement with the resource management reform process
- agreed to proactively support the nomination of Canterbury representatives on to national level working groups and committees
- received updates on the Regional Transport Committee's three-year work programme, the Corporate Forum's work to improve collaborative procurement for Canterbury, the Canterbury Water Management Strategy, and the project to take a regional approach to council carbon footprint assessments
- confirmed the current chairs of the Chief Executives, Corporate, Operations and Policy Forums to continue in the role for 2022
- discussed COVID-19 vaccinations and councils' health and safety responsibilities
- received a report from the short-term working group set up to review councils' approach to flexible working during the 2020 lockdown.

13. The Chief Executives Forum will next meet in mid-January to review its strategic approach to supporting the Mayoral Forum. Its next formal meeting is planned for 31 January.

## Corporate Forum

14. At its meeting on 14 September, the Corporate Forum:

- received an update on the digitisation plan
- discussed the carbon footprint assessment project, noting the importance of this project connecting in with both policy and operations arms of councils
- discussed the collaborative procurement project and that the Finance Managers are confirming the scope of work for a consultant to consider a shared services model for procurement
- received an update from the Public Records Act Executive Sponsors Group and CRIMS

- received a report from the Chief Information officers group and discussed the `10-year work plan to move to common platforms
  - received an update on the short-term working party on flexible working
15. The agenda for its 13 December meeting includes an update on the carbon footprint assessment project, collaborative procurement update, and updates from the working groups that report to it.

## Operations Forum

16. At the Operations Forum meeting on 14 September, the Forum:
- discussed the three waters reform programme
  - agreed to establish a wastewater working group
  - discussed the use of herbicides in and around Canterbury waterways
  - approved revised terms of reference for the Drinking Water Reference Group
  - received a presentation from Environment Canterbury on the May flooding events and next steps in response
17. The agenda for 13 December includes an update on regulation and reporting under the Water Services Act, the regional submission on the economic regulation of three waters, and updates from the working groups that report to it, including the recently established Wastewater Working Group.

## Next meetings

18. Scheduled forum meetings coming up are:

17 January	Chief Executives Forum – strategy session
31 January	Chief Executives Forum
18 February	Mayoral Forum
7 March	Climate Change Steering Group
21 March	Corporate and Operations Forum
1 April	Policy Forum

## Attachments

- Three-year work programme.



## Three-year work programme 2020–22

as at 2 December 2021

WHAT	TASK	PLAN FOR CANTERBURY PRIORITY	SPONSOR	LEAD	ACTION	DUE	STATUS	UPDATE
Canterbury Water Management Strategy	To continue providing governance oversight and strategic support to the implementation of the Canterbury Water Management Strategy (CWMS)	Sustainable environmental management of our habitats	Mayoral Forum	Jenny Hughey	Request the Regional Committee to work with CWMS partners to re-engage communities and stakeholders on actions undertaken to deliver the CWMS across the region in order to maintain and nurture commitment to the delivery of the CWMS	30/09/2022	On track	Updated Zone Committee terms of reference approved at the Mayoral Forum 27 November 2020
	Renew community acceptance and commitment to the Canterbury Water Management Strategy				CWMS Regional Committee reports on progress towards the 2025 and 2030 goals	30/06/2022	On track	Work in progress with CWMS team
Build capacity and influence to understand climate impacts, risks and opportunities and incorporate these into regional planning documents and community awareness.	Complete our first regional climate change risk assessment, aligned with the national climate change assessment, and identify critical gaps in our adaptation planning	Climate change mitigation and adaptation	Mayoral Forum	Climate Change Steering Group	Progress Stages 2 and 3 of the Climate Change Risk Assessment	30/06/2021	Delayed	Climate Change Risk Assessment (Stage 2 & 3) expected to be completed third quarter 2021
	Encourage all Canterbury local authorities to complete carbon footprint assessments, to inform action plans for reductions				All Canterbury local authorities are encouraged and supported to commission council carbon footprint assessments	31/12/2020	Delayed	Working group went to market in December 2020 with an RFP and expected to be in a position to begin negotiations and plan the implementation of the agreed methodology for reporting on carbon emissions by February 2021.
CREDS 2016–2019 continuing work programmes	Food, Fibre and Innovation	Shared economic prosperity	Mayoral Forum	Secretariat	High value manufacturing Value added production	30/06/2022	On track	Work is underway on hosting and publishing industry roadmaps, work on developing industry clusters continues, and initiatives are underway with Ara and FoodSouth to continue to build the industry pipeline and improve productivity
Freshwater Package investments	Advocate with Government for the region's interests to be addressed in the investment decisions to support the Government's Freshwater Package	Sustainable environmental management of our habitats	Mayoral Forum		Add to the agenda for the Mayoral Forum meetings with Ministers.	30/09/2022	On track	Essential Freshwater Steering Group established in March. Hon David Parker met with the Mayoral Forum on 11 October. Ashburton DC has prepared economic and social impact reports on the new Essential Freshwater regulations for the Ashburton district.
Education Forum	Facilitate a forum of key tertiary education and training providers to enable the exchange of ideas and information and support collaboration Advocate for transition of secondary students to further study and training or work	Shared economic prosperity	Mayoral Forum	Dan Gordon	Forum meets at least twice each year	30/09/2022	On hold	Meeting held 1st quarter 2021, secretariat working with RSLG to refine purpose and approach. Further work needed to ensure alignment to ensure the Mayoral Forum remains engaged with work already ongoing in the region.
Skilled Workforce	Advocate with Government for education and immigration policies that deliver a skilled workforce now and into the future	Shared economic prosperity	Mayoral Forum		Add to the agenda for the Mayoral Forum visit(s) to Wellington	30/09/2022	On track	A submission has been made on the Productivity Commission's review of immigration settings.
Better freight options	Collaborate with South Island chairs of RLTC to drive multi-modal transport planning investment	Better freight transport options	Mayoral Forum			30/09/2022	On track	The Regional Transport Committee are planning a South Island RTC Freight Summit
	Advocate with Government for investment in multi-modal transport outcomes, especially moving more long-distance freight by rail				Write to Ministers to advocate for Canterbury's position Add to agenda for Mayoral Forum visit(s) to Wellington	30/09/2022	On track	Discussed at the Mayoral Forum on 19 February 2021 Met with Minister Wood 27 May 2021. The Forum has written to Minister Wood to raise issues with funding for the RLTP, and in particular resilience, maintenance and timing of NLTP decisions

Three Waters	Advocate a Three Waters regulatory system that utilises risk-and evidence-based interventions to ensure safe and efficient delivery of water services	Three Waters services	CEs Forum	Secretariat	Write to Ministers to advocate for Canterbury's position Add to agenda for Mayoral Forum visit(s) to Wellington	30/09/2022	On track	Met with Minister Mahuta 12 May 2021, with LGNZ Zone 6 and Ngāi Tahu. Written to Minister Mahuta requesting a pause to the reform process
Update Canterbury Biodiversity Strategy	Oversee the review of the Canterbury Biodiversity Strategy 2008 to ensure alignment with the NZ Biodiversity Strategy 2020 and the proposed National Policy Statement on Indigenous Biodiversity	Sustainable environmental management of our habitats	Policy Forum			30/09/2022	On track	Environment Canterbury's LTP includes the Canterbury Biodiversity Strategy review and work will commence when the Government announces the NPS IB. Canterbury Regional Biodiversity Champions Group established in Environment Canterbury.
IT systems and digital services	Lead development of a 10-year plan for Canterbury councils to move to a common platform for IT systems and digital services (including valuation and rating functions) and secure cost savings through group licensing procurement, with specific concrete actions to be implemented in each year of the 10-year plan		Corporate Forum	Chief Information Officers Group (CIOs)	Conduct a stocktake of where everyone is at	13/12/2022	On track	CCF agreed 16 March 2020 that CIOs will conduct a stocktake of Canterbury councils' IT platforms, applications and procurement / licensing cycles and investment intentions to inform planning to move towards a common platform by 2030. Next actions to be confirmed at Corporate Forum 13 December meeting.
	Develop a business case (with value proposition and a request for funding) to go to member councils to test and build consensus on a collective vision, commitment and understanding of what it might mean over time for procurement and renewal					13/12/2022	On track	Pending outcome of collaborative procurement investigations. Report back expected at Corporate Forum meeting 13 December 2022.
Procurement	Develop a proposal for a joined-up procurement system/service for Canterbury councils, including legal services provisioning Develop a proposal for consideration by member councils		Corporate Forum	Canterbury Finance Managers Group		13/12/2021	On track	In late 2020 Deloitte were contracted to analyse third-party expenditure by Canterbury councils, to inform collaborative procurement options. In August 2021 the CEs Forum approved funding to engage a consultant to evaluate options for collaborative procurement for Canterbury. Work is underway to initiate this contract. Report back expected at Corporate Forum meeting 13 December 2021.
Implementing new Water Safety Plan format	Share advice and lessons between drinking water suppliers from implementing the new Water Safety Plan to improve compliance across the region		Operations Forum	Drinking Water Reference Group		13/12/2021	On track	Councils are working on plans but it is a slow process as they require a lot of effort and DHB-side resources have been preoccupied by Taumata Arowai changes. At least three in Canterbury have been approved as of June 2021. There is concern about the what the status of these will be as we transition through with Taumata Arowai.
Resource Management Reform	Engage with central government on the resource management reforms through participation in the Local Government Forum of Chief Executives for resource management reform, reviewing and preparing submissions on new legislation, participating in Select Committte processes		Chief Executives Forum	David Ward	Jim Harland nominated for Local Government Forum of Chief Executives for resource management reform Policy Forum (through CPMG) keep watching brief on exposure drafts of the Natural and Built Environment Act and prepare to draft a regional submission when released	30/09/2022	On track	Mayoral Forum submission made on the Inquiry on the Natural and Built Environments Bill: Parliamentary Paper. Letter to sent to LGNZ, Taituarā, Department of Internal Affairs and Ministry for the Environment requesting Canterbury presence on national working parties and reference groups.
				Policy Forum	Policy Forum (with Climate Change Working Group & Canterbury Planning Managers Group) keep watching brief on drafts of Strategic Planning Act and Climate Change Adaptation Act	30/09/2022	On track	
Future for Local Government	Engage with central government on the future for local government by supporting development of a regional approach and participating in the Future for Local Government Review		Mayoral Forum	Chief Executives Forum	Progress actions from the Future for Local Government Workshop (April 2021) and actively participate in engagement with central government's Future for Local Government Review	1/04/2023	On track	Workshops held with papatipu rūnanga chairs and central government regional directors on 19 March and 28 May. The May session also included the chair and executive director of Local Government Review Panel. Health Reform workshop held 5 July 2021

# Canterbury Policy Forum

**Date:** 10 December 2021

**Presented by:** David Ward, Chair

## **Economic regulation and consumer protection - three waters services**

### **Purpose**

1. The purpose of this paper is to discuss and confirm the Canterbury Mayoral Forum submission to the Ministry of Business, Innovation and Employment's discussion paper, *Economic regulation and consumer protection for three waters services in New Zealand*.

### **Recommendations**

**That the Canterbury Policy Forum:**

1. **provide feedback on the draft submission**
2. **confirm the draft submission for review and sign off by the Canterbury Mayoral Forum.**

### **Background**

2. The Ministry of Business, Innovation and Employment (MBIE) is consulting on how economic regulation and consumer protection for the future three waters system should be designed and is seeking written submissions on the issues raised in the *Economic regulation and consumer protection for three waters services in New Zealand* discussion paper by 20 December 2021.
3. The Chief Executives Forum considered this matter at their forum meeting on 8 November and confirmed the intention to prepare a submission on behalf of the Canterbury Mayoral Forum (CMF) and to seek input from David Caygill to the CMF submission.

### **Discussion paper**

4. MBIE has produced a discussion paper that looks at both economic regulation and consumer protection<sup>1</sup>.

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<sup>1</sup> [Economic regulation and consumer protection for three waters | Ministry of Business, Innovation & Employment \(mbie.govt.nz\)](https://www.mbie.govt.nz/economic-regulation-and-consumer-protection-for-three-waters-services)

- **Economic regulation** to help consumers with problems that can occur when businesses have a lot of market power.
  - **Consumer protection** to incorporate the voices of consumers and communities should be incorporated throughout the design of the three waters regulatory system, to ensure it is responsive and accountable.
5. Specifically the discussion paper seeks feedback on issues such as:
- whether economic regulation should apply to all three waters, or just drinking water and wastewater, and which suppliers it should apply to
  - what form of economic regulation should apply, such as information disclosure and price-quality regulation, and how this should be designed
  - whether additional consumer protections are needed for the three waters sector, e.g. whether there should be minimum service level requirements
  - how to give consumers a strong voice and resolve consumer disputes
  - who the economic regulation and consumer protection regulator(s) should be, and how the regimes should be funded.

## Draft submission

6. The draft submission has been prepared with input from Canterbury councils and has been circulated to members of the Policy, Corporate and Operations Forums and David Caygill, with feedback being sought by Monday 6 December.
7. Key points for the forum to consider in their submission include:
- Water services are natural monopolies as they cannot easily be duplicated. There is therefore both a risk of over-charging and of under-delivery in terms of quality. In New Zealand and other countries these risks are typically countered by requiring the utilities to disclose standard performance information and by subjecting them to price and/or quality controls. There is no need to do both, at least immediately.
  - Regulation could sensibly start with information disclosure requirements and move later to quality/price controls. There may be good reason to stage regulation given that much about the new water service entities (WSEs) will not be known for some time – including their capital investment intentions and hence their revenue requirements.
  - In setting out the various forms that economic regulation might take the discussion document implies (but does not state) that all issues need to be resolved now. Whether it is necessary to resolve all these issues now should be considered, because there is much that is not yet known and setting up a more comprehensive regime than is necessary would be costly. Whether a system relying on information disclosure and price/quality controls would also require a complaints service and/or a council of water regulators from the outset should also be considered.

- Whether economic regulation initially only requires information disclosure or immediately implements price and quality controls has an important bearing on who should discharge these regulatory functions. Information disclosure requirements would sit comfortably alongside the tasks already being delegated to Taumata Arowai. Price and quality controls would sit more naturally with the Commerce Commission's expertise, so if price and quality controls are implemented water services should be added to the Commerce Commission's jurisdiction rather than setting up a new water services economic regulator. This would avoid duplicating the Commission's price control expertise and driving up the cost of securing such scarce skills.
  - The alleged under-provision of water services infrastructure and the alleged savings to be made by setting up the WSEs in place of local government have been the government's main arguments in favour of these reforms. It would be sensible to design the regulatory system in the light of the proposed investment by WSEs rather than trying to do this as some abstract exercise. Price controls would limit the charges that WSEs can impose and would therefore make capital investment plans the major driver of the WSEs' charges. Development of price control should therefore wait until there is some idea of the scale of what the regulation is to control.
  - One related and potentially significant issue is raised in paragraphs 120-124 of the discussion paper. It refers to "prices for different groups of consumers e.g. consumers in a given geographic area." There is a question around who should determine the structure of water service charges. The paper asks whether the government should determine pricing structures, but this would undermine the point of creating WSEs and add layers of cost and complexity to the determination of water service charges. The WSEs (subject to overall price/quality limits set by the economic regulator) should determine pricing systems. A related question is the extent of permissible cross-subsidies between communities. This is a familiar issue to local government as it wrestles with the funding of long-lived infrastructure.
8. The draft submission, which incorporates feedback received to date is provided at attachment 1 for the Policy Forum's consideration.

## Next steps

9. The draft submission will be updated to reflect the discussion from the Policy Forum before being circulated to the Mayors and Chief Executives for final review and sign off and submission to the Ministry of Business, Innovation and Employment.

## CANTERBURY Mayoral Forum

*A strong regional economy with resilient, connected communities and a better quality of life, for all.*

20 December 2021

Competition and Consumer Policy  
Building Resources and Markets  
Ministry of Business, Innovation and Employment  
PO Box 1473  
Wellington 6140

by email: [economicregulation@mbie.govt.nz](mailto:economicregulation@mbie.govt.nz)

### **Canterbury Mayoral Forum submission on the Ministry of Business, Innovation and Employment's Discussion paper: Economic regulation and consumer protection for three waters services in New Zealand**

1. The Canterbury Mayoral Forum (CMF) thanks the Ministry for the opportunity to make a submission on discussion paper: Economic regulation and consumer protection for three waters services in New Zealand.

### **Background and context**

2. The CMF comprises the Mayors of the ten territorial local authorities in Canterbury and the Chair of the Canterbury Regional Council (Environment Canterbury), supported by our Chief Executives. The purpose of the Forum is to promote collaboration across the region and increase the effectiveness of local government in meeting the needs of Canterbury's communities.
3. All Canterbury councils actively participate in the Forum: the Kaikōura, Hurunui, Waimakariri, Selwyn, Ashburton, Timaru, Mackenzie, Waimate and Waitaki District Councils, the Christchurch City Council and the Canterbury Regional Council (Environment Canterbury).
4. We note that the Christchurch City Council, Waimakariri District Council [please advise if your council is making an individual submission], are also making individual submissions. We support careful consideration of these submissions.

### ***Mayors standing together for Canterbury.***

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Ashburton District Council • Canterbury Regional Council • Christchurch City Council • Hurunui District Council  
Kaikōura District Council • Mackenzie District Council • Selwyn District Council • Timaru District Council  
Waimakariri District Council • Waimate District Council • Waitaki District Council



## Mayoral Forum's *Plan for Canterbury*

5. The CMF published the *Mayoral Forum's Plan for Canterbury* in September 2020, which sets out the CMF's five key priorities in this local government term.
6. One of the key objectives of the Plan is:
  - *sustainable delivery of Three Waters services in Canterbury.*
7. Advocating for a Three Waters regulatory system that utilises risk-and evidence- based interventions to ensure the safe and efficient delivery of water services is a key action for the CMF.
8. We welcome this opportunity to provide Canterbury's view on the matters in the discussion paper.

## General comments

9. Following the review of the discussion paper on *Economic Regulation and Consumer Protection for Three Waters Services in New Zealand* we have followed the template to provide answers and comments to the questions asked.

### 1 ***What are your views on whether there is a case for the economic regulation of three waters infrastructure in New Zealand?***

#### **Response:**

The Canterbury Mayoral Forum (CMF) considers the establishment of an economic regulator essential, especially under the proposed four Water Services Entities (WSE). Given the significance of the entities, being by far the largest organisations in New Zealand, and being geographic monopolies, there needs to be economic regulation and associated enforcement. Firstly in order to protect communities, the assets, and to force accountability, but also to assist the entities in managing Three Waters responsibly on behalf of communities as they establish and set new processes. In the initial period of information disclosure transitioning to regulation over price and quality decisions after several years.

#### **Other comments:**

Considering the purpose of Taumata Arowai and the proposed economic regulator, the greatest area where environmental outcomes and costs need to be traded-off will be stormwater networks. This needs to be balanced between Taumata Arowai and the Economic Regulator to ensure both aspects are considered rather than weighting one more significantly. The discussion paper does not seem to recognise this important consideration. When read in detail and as a whole it appears to us that the discussion paper has been developed in isolation of a full understanding of the three waters reform and how each component will work with each other to achieve alignment.

Section 44 states that one of the starting points is; *"Where stormwater network specific assets are attached to assets owned by another party (e.g. treatment devices attached to roading assets), these assets will be economically regulated."*

This is an unexpected and concerning approach and implies that the three waters economic regulation will reach quite far into other Council services such as rural land drainage, roading, recreation and reserves, and buildings and property. A clear delineation is required as we consider this well beyond the scope of the three waters reform that has been promoted by the Government and advised to Councils to date.

Section 45 states; *“These kind of arrangements may be the subject of some form of **service level agreement** between the water services entity and relevant roading control authority or other land/asset owners.”*

This is a significant understatement and demonstrates a lack of understanding of stormwater in the discussion paper. The interrelationship between stormwater and other Council services to the Community are very complex and intertwined.

Section 47 states; *“Including stormwater in the economic regulation regime also avoids the complexity and compliance costs that arise from having regulated and unregulated services operated by the same supplier. In particular, it avoids the cost allocation issues that can arise from needing to allocate common costs between the regulated and unregulated business operations.”*

We consider this a weak argument but accept it is relevant. In keeping with this position, we think that through the water reform process the relationship between urban stormwater, rural drainage and roading has been underestimated. Based on the line of reasoning in the discussion paper it would lead to the conclusion that stormwater should not be included in the four large WSE and therefore should be left with Councils. Urban stormwater has far more interconnection with and relationship to other Council three waters services, and the proposed model will be very complex and have significant cost allocation challenges.

Section 48 states; *“Our preliminary view is that stormwater networks should be economically regulated, but recognise that the benefits and costs of doing so are likely to be more finely balanced than they are for drinking water and wastewater networks.”*

The benefit is a trade-off between environmental outcomes and cost. Reference to a collaborative approach between Taumata Arowai, the Economic Regulator and Regional, District and City Councils should be included.

2

***What are your views on whether the stormwater networks that are currently operated by local authorities should be economically regulated, alongside drinking water and wastewater?***

**Response:**

Yes, we consider that stormwater networks should be economically regulated for the same reasons as outlined in our response to question 1. Fundamentally the stormwater system is a natural monopoly which has the risk of underperformance and overpricing. If stormwater is taken over by the WSE it should be regulated in the same way as water and wastewater to achieve consistency, accountability, efficiency and transparency as well as community outcomes.

**Other comments:**

p. 24, Section 55 states that; *“The Government’s three water reforms have been designed to result in new Water Services Entities that have sufficient scale to be able to affordably address the infrastructure deficit, and generally deliver better outcomes for consumers. Each of the four Water Services Entities will serve populations of between 800,000 to 1,700,000 consumers and maintain the strong natural monopoly characteristics that are present in the current service delivery arrangements.”*

We note that the large WSE will have stronger monopoly characteristics than Councils currently do due to;

- Size
- Disconnect from Community



- Lack of ability for Community to 'vote out'

The four WSE proposal will amplify monopoly characteristics which could have lasting adverse economic and social effects on communities.

The need for flood response is becoming more regular as a result of climate change as we continue to experience more severe weather events, it is currently managed in a very localised manner by Councils with teams who are familiar with the area and its assets deployed to inspect infrastructure and direct any emergency works required to protect life and property. This is not a one size fits all approach. Responding to flood events is reactive and requires staff to be willing and motivated to work in adverse conditions often during the night. Across local government staff are keen to use their expertise in these events to assist the communities they serve and have an existing relationship with. The WSE are proposed to cover vast areas, a concern raised prior to the Government mandating the reform was how flood management and response would work, especially given that in our District the current arrangements are successful.

With increasing environmental regulation and enhanced treatment of stormwater discharges being required, it is likely that the cost of managing urban stormwater networks will increase significantly in the future.

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p. 25, Section 56 states; *"The Government has established governance arrangements to reduce the risks of entities becoming less responsive to community needs. The proposed governance arrangements for the Water Services Entities are set out in Figure 6 below, and obligations on each of the Water Services Entities to:*

- *establish consumer fora to act as a key vehicle for consumer views to be heard on issues such as price-quality trade-offs*
- *engage with the wider community in the development of key strategic documents such as the Statement of Intent, Asset Management Plan, and Funding and Pricing Plan."*

The second bullet point should say *"engage with wider community"* **and Councils**. There is a real lack of acknowledgment of local Councils through the entire discussion paper. This is an example where there is an important and obvious role for Councils, not only as the owner of the three waters assets, but also as a representative of the community.

In terms of Figure 6; why not include Councils as part of the consultation and engagement?

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p. 25, Section 57 states; *"While the governance arrangements and consumer engagement requirements will ensure that consumer voices are heard by the entities, the scale of the entities and the absence of competition means there are still significant risks that the entities do not act in the long-term interests of consumers."*

We agree with the point made and add there are very significant risks that the entities do not act in the long term interest of their collective Customers and communities. Economic regulation will help to avoid this.

3

***What are your views on whether the four statutory Water Services Entities should be economically regulated?***

**Response:**

Refer to question 1 response.

Yes, they should be to avoid issues such as under-investment, low valuations and other concerns raised by the Government (when justifying the Three Waters Reform case for change) from occurring in the future. The entities should be subject to economic regulation to

avoid these issues arising given they have been identified as pitfalls of Council processes. Although economic regulation could successfully tie into the current system (Three Waters administered by Councils), However if the 4 entity model goes ahead, we do not consider it worthwhile economically regulating Councils before the handover in 2024. This is considering the resource required to set up such a process which won't be long term, at a time when staff will be required to resource the transition on top of business as usual. Regardless of whether 3 waters services remain with Councils or go to larger entities, Economic regulation should start to come into force in mid 2024.

The entities will be new and will require shaping which can be done to some extent by Taumata Arowai, but establishment of an economic regulator would help ensure that all aspects of the entities are managed appropriately to provide the best outcome for Communities.

4

***What are your views on whether economic regulation should apply to community schemes, private schemes, or self-suppliers? Please explain the reasons for your views.***

**Response:**

Domestic self-supplies where one domestic dwelling has its own supply, as defined in the Act is excluded from the Water Services Act and therefore shouldn't be subject to economic regulation. Noting that the costs would likely outweigh the benefits, and these schemes are of a scale where users can have a direct line of sight to owners.

Because the entity won't manage self-supplies such as private wells, the economic regulator shouldn't be involved. This is a water supply that the private landowner(s) is responsible for managing and maintaining to appropriate standards, similar to a Right of Way. We also note that smaller collectively owned supplies will have far more direct line of sight to the owners of the scheme and therefore an ability to directly engage and influence the trade-off between cost and level of service. The main concern is the scale and revenue requirements of the 4 entities. It make sense to initially focus on them. Other entities can be subject to regulation later. On balance, the cost of compliance with economic regulation for small community owned supplies is likely to be prohibitive.

5

***What are your views on whether the Water Services Entities should be subject to information disclosure regulation?***

**Response:**

Yes, they definitely should be subject to information disclosure regulation, this should be publically available and subject to LGOIMA requirements to promote transparency and trust within communities. As the WSE will be monopolies with a risk of developing a lack of incentive to charge efficiently delivering services to appropriate standards, it is considered that WSE should be subject to information disclosure regulation

Reporting should be to a high level but without making the process unproductive in terms of cost/benefit.

**Other comments:**

p. 29, Section 71 reference to the absence of a profit motive weakens the argument for an economic regulator. We do not agree with this premise. A counter argument could be put that the motive of requiring a profit helps drive efficiencies. It's not the risk of profiteering (over-charging) alone that is the problem here. It's the fact that as "natural" monopolies the WSEs have little incentive to charge for their services efficiently or to supply water to appropriate quality standards. Our view is that there are benefits of price quality regulation

regardless of whether there is a profit motive or not.

p. 29, Section 72 states; ***“The lack of profit motive for councils does not appear to have been sufficient to ensure New Zealanders receive high-quality, affordable water services, or that water infrastructure is managed efficiently.*** Overseas experience regulating water services, as well as domestic experience regulating other utilities, suggest that price-quality regulation is a highly effective tool in attaining the sorts of outcomes the Three Waters Reform aims to achieve, i.e. incentivising suppliers to provide affordable, high-quality water services. In particular, price- quality regulation often plays a crucial role in driving economic efficiency within regulated suppliers to ensure that water services are as affordable as possible for consumers.”

We do not agree with this broad brush statement and contend that Councils do manage the current three waters services efficiently given the legislative constraints that they operate under.

6

***What are your views on whether Water Services Entities should be subject to price-quality regulation in addition to information disclosure regulation?***

**Response:**

Yes, the WSE should be subject to price-quality regulation in the long term, but this should have a phasing in period. Level of service and standards set out by Taumata Arowai should be contained in a framework that informs price-quality regulation in order to steer WSE improvements.

To avoid full establishment from day 1, a staged approach could be considered with stage 1 to include information disclosure requirements while the WSE establish their capital investment requirements initially. Although a timeline for review and commencement of stage 2 being price quality regulation should be planned from day 1, it is likely that this will be driven if/when evidence of overcharging or quality issues arise. Hopefully by this stage investment and revenue requirements for the 4 entities will be clearer.

Level of service provided by the entities may vary based on geographical location or community preference. For example, if a chlorination exemption is in place when the WSE takes over in 2024 the life of the exemption will be given effect to and then it is proposed that the community affected will be consulted with in terms of applying for further exemptions. This situation would affect price-quality, and proves that not all areas will be subject to the same quality. Administering water, wastewater and stormwater is not a one size fits all.

**Other comments:**

p. 30, Section 76 states; *“Combining the strong objectives that the government has around service quality and affordability, and the reformed three waters sector comprising four large Water Services Entities, our view is that individual price-quality regulation is the most appropriate form of price-quality regulation.”*

We agree, due to the monopoly that the 4 entities will have and the absence of electoral accountability that will exist (no elected members like in local government). This lack of accountability combined with a lack of profit drive could result in inefficiencies, price quality objectives would help reduce the risk of this scenario and provide better service to communities.

7

***What are your views on the appropriateness of applying individual price-quality regulation to the Water Services Entities?***

**Response:**

We consider this necessary, based on question 6 response provided. The entities will be different sizes with individual features, including different capital investment programmes and associated revenue requirements. As the diagram at paragraph 22 makes clear, investment plans have a critical influence on the proposed “building blocks” regulatory model. It should be noted also that standards are intended to increase when the WSE are established, therefore standards today should be a baseline that is not reduced.

Regional, City and District Councils should have a voice in establishing the regulations based on local knowledge, as well as providing mechanism to advocate for communities.

8

- A) Do you consider that the economic regulation regime should be implemented gradually from 2024 to 2027, or do you consider that a transitional price-quality path is also required?**
- B) If you consider a transitional price-quality path is required, do you consider that this should be developed and implemented by an independent economic regulator, or by Government and implemented through a Government Policy Statement?**

**Response:**

A) Yes, this should be transitional to avoid rapid change for ratepayers and to ensure standards are specific to the community concerned.

The draft timetable at para 82 suggests an advance commitment to implementing price/quality regulation. The issue here isn't simply whether economic regulation should be implemented gradually, which we support. As we all learn more about the scale and nature of the challenges facing the WSEs. The regulation of the WSEs would sensibly start with information disclosure and move to price/quality regulation as/if needed.

B) A transitional price-quality path should be developed by the Economic Regulator in conjunction with Taumata Arowai as well as Regional, City and District Councils. As mentioned in question 7 response, input from local government would not only provide local knowledge but also provide opportunity to advocate for communities.

It is important to note that the model for calculating regulated maximum allowable revenue as described in section 22 on page 16 is a completely different model to the way Councils fund the lifecycle of their assets. Under the proposed model for the 4 new entities they will effectively not fund depreciation. The entities will deplete the asset value over time without building any financial reserves for future renewals.

In addition to the above but still related to part B) of question 8, we consider there to be significant risk in using the Government Policy Statement mechanism. A regulatory process should be clear and unable to be influenced politically or otherwise. We consider implementation by an independent economic regulator to be more suitable.

For clarity we do not support the use of the Government Policy Statement mechanism. This will inevitably risk politicising the regulatory process.

9

- A) What are your views on whether the Minister of Commerce and Consumer Affairs should be able to reduce or extend the application of regulation on advice from the economic regulator?**
- B) What factors do you consider the economic regulator should include in their advice to the Minister?**

**Response:**

A) Yes, we consider that the regulation should be reviewed, but the Minister should rely on advice from Regional, City and District Councils as well as the economic regulator. In addition, alteration to the scope of the regulations is essential, but should only be allowed by Order in Council not by an individual Minister. This will preserve the opportunity for challenge in front of Parliament's Regulations Review Committee.

B) We consider that there should be consideration of community wellbeing and economic impact on communities including employment.

Also we agree with those listed in Section 90, as follows;

- *“whether a supplier has the ability and incentive to exercise substantial market power in, taking into account the effectiveness of existing regulation and governance arrangements (including ownership arrangements and consumer voice arrangements)*
- *whether the benefits of extending or reducing economic regulation materially exceed the costs, and the form(s) of economic regulation that should be extended or reduced*
- *any material long-term efficiency and distributional considerations associated with recommendations to extend or reduce the application of economic regulation.”*

10

- A) What are your views on whether the purpose statement for any economic regulation regime for the water sector should reflect existing purpose statements in the Telecommunications Act and Part 4 of the Commerce Act given their established jurisprudence and stakeholder understanding?**
- B) What are your views on whether the sub-purpose of limiting suppliers' ability to extract excessive profits should be modified or removed given that Water Services Entities will not have a profit motive or have the ability to pay dividends?**
- C) Are there any other considerations you believe should be included in the purpose statement, or as secondary statutory objectives?**
- D) What are your views on how Treaty of Waitangi principles, as well as the rights and interests of iwi/Māori, should be factored into the design of an economic regulatory regime for the three waters sector?**

**Response:**

B) should be replaced with something that is relevant to three waters.

The perspective that this document is written from replicates the telecommunications and electricity sector, however these services are very different to supplying water, wastewater and administering stormwater networks and associated discharges. Electricity and telecommunications have fewer variables, they are supplied in the same form across the country so nationally applied standards are more easily met. In keeping with this theme that appears throughout the discussion paper, it is considered that the repeated reference to consumer is a reflection of this industry administering a transactional relationship with its

Customer, as opposed to working with communities. Another significant complexity that further widens the gap between supplying electricity and three waters services is that it is challenging to supply water services to individual customers when they have different quality characteristics to their neighbours, or carry out urban stormwater initiatives that impact on service levels to whole neighbourhoods and communities. This is not the case for electricity supply where electricity consumers can have different interruptability conditions. For this reason we consider it will be more meaningful and effective to engage with whole communities rather than individual customers.

It isn't anticipated that the WSE be operated in isolation from Councils and communities solely for the purpose of providing services for a charge. Communities value the ability to input and have a strong sense of ownership over their three waters assets.

**Other comments:**

p. 35, Section 92 has a very narrow focus outlined in sub-sections a) to d).

p. 36, Section 96 states; *"One modification that may be desirable is to amend or remove limb (d) of the above example because the Water Services Entities that will most likely be the focus of the economic regulation regime will be publically owned statutory entities that will not have a profit motive, access to equity capital, or the ability to pay dividends. However, this modification could potentially limit the regime's ability to regulate private, community or other hybrid schemes in the future if they were to reach a scale that would make economic regulation desirable."*

However, may need replacing with (something like) justify cross subsidies, or justify efficiencies.

11

***What are your views on whether a sector specific economic regulation regime is more appropriate for the New Zealand three waters sector than the generic economic regulation regime provided in Part 4 of the Commerce Act?***

**Response:**

We consider that a sector specific regulation regime would be appropriate, taking into account the different financial circumstances (including starting positions and investment needs) of the 4 WSE and their communities. As described throughout the document, delivering three waters services is complex and can vary based on multiple factors therefore regulation needs to reflect this. Three waters, in particular stormwater are very different community services from electricity and telecommunications.

12

***What are your views on whether the length of the regulatory period should be 5 years, unless the regulator considers that a different period would better meet the purposes of the legislation?***

**Response:**

Neutral, however there may be a case for a shorter initial regulatory period if information disclosure is introduced ahead of price/quality controls.

**Other comments:**

Agree, it will be important for entities to establish with some idea of what the rules of the game will be, this will influence how they set themselves up. As mentioned previously, we



consider it to be appropriate to adopt a staged approach with information disclosure obligations occurring before quality and/or price regulation (as needs become apparent).

In p. 40, Section 113 on the third line, what is meant by “*altering depreciation*”? This is deeply concerning. You cannot alter depreciation, this would not be transparent. Funding of depreciation should be handled in a transparent manner, potentially this could include being transparent about altering any time period over which depreciation was allowed or required. We support the approach of any changes to costs to ratepayers/customers being phased in, while allowing for funding of necessary three waters infrastructure. The mechanism for managing this transition needs to be fully open and transparent. It’s also an important point to note that the Government is burdening the new entities with non-three waters debt on day one. This is not aligned with the practice that Councils adhere to in terms of ring fencing projects and ensuring that rates collected for a specific purpose are spent on that type of asset (e.g. water has to be spent on water projects).

p. 40, Section 116 states; “*Active approaches that set out robust efficiency challenges or targets that are accompanied by rewards (e.g. fast track investment approvals) if they are achieved, or penalties (e.g. consumer rebates or compensation) if they are not achieved.*”

We need to be careful not to drive unforeseen outcomes that may not be in the best interests of the Community overall. Potentially initial passive phase over 3-5 years and then consider active carefully beyond this point.

p. 41, Section 117 states; “*Economic regulation regimes in New Zealand have tended to take a passive approach to the achievement of efficiency gains. However, the Government’s strong focus on affordability and the potential for significant amounts of free cash-flow to be available - because of the absence of active owners demanding a return on equity through dividend payments - suggests that a more active approach to efficiency is highly desirable. This focus on cash efficiency is likely to require some modifications to the ‘building blocks’ approach outlined in Chapter 2, potentially to provide a stronger focus on ensuring that Water Services Entities having the minimum efficient level of cash required to finance their operations.*”

It is important to note the significant amounts of free cash flow because the entities are not going to fund depreciation as Councils do. This is a significant departure from current practice.

13

- A) What are your views on whether the economic regulator should be required to develop and publish input methodologies that set out the key rules underpinning the application of economic regulation in advance of making determinations that implement economic regulation?**
- B) What are your views on whether the economic regulator should be able to minimise price shocks to consumers and suppliers?**
- C) What are your views on whether the economic regulator should be required to set a strong efficiency challenge for each regulated supplier? Would a strong ‘active’ styled efficiency challenge potentially require changes to the proposed statutory purpose statement?**

**Response:**

A) Yes, the regulator should be required to do this.

B) Yes, the regulator should be able to minimise price shocks.

C) Passive 3-5 years, then review.

**Other comments:**

p. 39, Section 108, third bullet point states; *“Input methodologies typically cover issues such as the: allocation of common costs where a regulated supplier undertakes activities that are economically regulated alongside those that are not (e.g. if a supplier undertakes commercial activities in a market where there is workable competition)”*.

Agree with the above with the addition of the following aspects;

- Operations
- Capital
- Level of Service
- Growth
- Renewals

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p. 39, Section 111 states; *“Our preliminary position is that the economic regulator should be obligated to develop and publish input methodologies that set out the key rules underpinning the application of economic regulation in advance of making determinations that implement the economic regulation regime. However, this is a ‘on balance’ judgement.”*

14

- A) What do you consider are the relevant policy objectives for the structure of three waters prices? Do you consider there is a case for parliament to directly control or regulate particular aspects in the structure of three waters prices?**
- B) Who do you consider should have primary responsibility for determining the structure of three waters prices:**
- a) The Water Services Entity, following engagement with their governance group, communities, and consumers?
  - b) The economic regulator?
  - c) The Government or Ministers?
- C) If you consider the economic regulator should have a role, what do you think the role of the economic regulator should be? Should they be empowered to develop pricing structure methodologies, or should they be obliged to develop pricing structure methodologies?**

**Response:**

A. This is a very important question. Importantly it relates to the “structure” of three waters prices, rather than to the absolute level of such charges. But even so, it envisages the politicisation of water pricing.

The present system given that council asset owners are elected bodies, allows for local decision making subject a democratic process at a community level. But under the large entity model the proposal is to introduce scale efficiencies in the provision (including the financing) of water services. This key objective of the reform will not be achieved if Parliament decides the structure of water service charges. Inevitably this is likely to affect the total level of these charges. Parliament should be kept right out of such matters – or the delivery of water services should be left, as now, to locally accountable elected bodies.

B) a) This should include Councils as owners and community representatives. Not just Government or Ministers. If “reform” is to proceed then the logic of treating water services as quasi-commercial needs to be followed through. Therefore the WSEs should be responsible for determining the structure of their prices/charges. The role of the regulator is to manage a process to review and approve this. The Government and Ministers should be kept right away from such matters or the whole purpose of independent regulation will be undermined.



If there is to be any political oversight of the pricing this should be through Councils as the asset owners and elected community representatives.

**Other comments:**

In relation to p.41, Section 120; what about sustainability, resilience, well-beings, economy, employment, cost to service, deprivation, lifestyle choice, level of service? These appear to have been missed but are all significant to the conversation.

In relation to p.42, Section 121; is inter-entity cross subsidisation a consideration? We understood that a significant driver for reform was to have equity across the country. However this is not achieved in the current proposed 4 Entity model unless the Government is considering cross subsidisation between entities.

**15 What are your views on whether merits appeals should be available on the regulators decisions that determine input methodologies and the application of individual price-quality regulation?**

**Response:**

Broadly we agree with this, as per the preliminary view outlined in Section 135, as follows; "Our preliminary view is therefore that merits review should be available *on the input methodologies developed by the economic regulator, and determinations that implement individual price-quality regulation*. However, we do not consider merits reviews should be available on the regulator's determinations that implement procedural processes, such as information disclosure regulation." Above all, the right to judicial review must not be excluded.

Given the sums of money likely to be at stake the opportunity for any merit appeals is bound to be utilised. Therefore it should be limited, or the whole process will consume even more time and resource.

**Other comments:**

The economic regulator and WSE need to have a relationship agreement given that there are no alternative competitors. Both parties will be established long term and should be working for the best overall outcome for the community.

**16 Do you broadly agree that with the compliance and enforcement tools? Are any additional tools required?**

**Response:**

We broadly agree, compliance and enforcement by the regulator will be critical. Collaboration between Taumata Arowai and the economic regulator's compliance teams is vital to ensure the approach isn't disjointed, and to ensure that the best outcomes are achieved. This relationship will require information sharing across organisations which will require coordination in terms of information disclosure.

The regulation should;

- Encourage open disclosure, transparency and learning
- Should be proactive and two way
- There should be more focus on proactive education, regulator getting along with supplier in a collaborative manner
- Phase in over-time to allow establishment
- Ratchet up provisions when deliberative lack of action (warning systems)

Compliance teams should be established to administer a collaborative approach that supports entities to become compliant with provisions increasing over time.

It is important to recognise that the tone of the relationship will be set by the regulator not the WSEs. This is another argument for using the Commerce Commission if price/quality regulation is envisaged. We recognise the Commission has experience in managing these kinds of relationships, however are concerned that they do not have experience and understanding in three waters. A phasing in and collaborative approach will allow time for the WSEs and the regulator to gain the necessary knowledge and experience.

#### **Other comments:**

Agree to the following with all policy direction (well-beings), p. 49, Section 141, first bullet point which states; *"For these reasons, international experience and experience from other sectors in New Zealand suggests that high performing economic regulators: are independent and operate at arms-length from Government and regulated suppliers in achieving their statutory objectives."*

Having the economic and quality regulator as one entity does have some merit. This would allow the most for costs/quality trade-off with one regulator in relation to p. 50, Section 145, Taumata Arowai bullet point, as follows; *"In our view, the assessment criteria above suggest there are three potential options for the economic regulator:*

- *Taumata Arowai – Taumata Arowai is a new 'the new' (there is a typo in the discussion document here) drinking water regulator that will also have functions regulating the environmental impacts of wastewater and stormwater networks. The entity is currently in establishment phase and is expected to commence its regulatory functions in the second half of 2021 when the Water Services Bill becomes law. As a Crown Agent under the Crown Entities Act 2004, Taumata Arowai is required to give effect to Government policy."*

17

***Who do you think is the most suitable body to be the economic regulator for the three waters sector? Please provide reasons for your view.***

#### **Response:**

On balance, we consider the Commerce Commission to be the most appropriate economic regulator should price controls be a focus, if regulation was to only include information disclosure Taumata Arowai may be suitable to administer this. Nevertheless this is with significant reservation. If the Commerce Commission are responsible they must work closely with Taumata Arowai and Local Government to achieve trade-offs. In the future, a Water Commissioner could be established to achieve these objectives. As articulated elsewhere in this submission we consider that neither the Department of Internal Affairs, nor the Commerce Commission have a good understanding or handle on three water services, particularly in the challenging areas associated with Stormwater. However given the Commerce Commission's expertise in price, quality and scrutinising capital investment programmes of monopoly utility companies, we believe the Commission could acquire the necessary water expertise over time. The Commerce Commission has by definition a very narrow focus and mandate that would not necessarily fit well with three waters services and we expect there would need to be some allowance for transition from the current model to the new regime.

It will be important that the economic regulator treats all WSE consistently to ensure a dependable relationship and associated processes are established with Taumata Arowai as well as upholding Te Mana o te Wai. A consistent approach will also ease comparison across the WSE allowing differences to be reconciled.

**18 What are your views on whether the costs of implementing an economic regulation regime for the three waters sector should be funded via levies on regulated suppliers?**

**Response:**

Yes, we agree that these costs should be funded via levies on regulated suppliers, acknowledging that this is ultimately paid for by the communities served by the suppliers. This should be very transparent and available for public scrutiny with an expectation that the bill received by members of the community will include a breakdown and shows this costs and charge.

**19 Do you think that the levy regime should:**

**A) Require the regulator to consult on and collect levy funding within the total amount determined by the Minister? OR**

**B) Require the Ministry to consult on the levy (on behalf of the Minister) and collect levy funding within the total amount determined by the Minister?**

**Response:**

We do note once again that Councils as the asset owners and community representatives, have not been considered in this assessment. We also consider that Ministry involvement would politicise the process of setting levies which could have adverse effects on the process.

**20 Are there any other levy design features that should be considered?**

**Response:**

There should be consideration to whether cross subsidies between entities, in relation to levies, could be used to achieve best national outcomes (e.g. support tourism, national health and economic benefit, national resilience).

**Other comments:**

p. 60, Section 166 states; *"As with the economic regulation regime, a clear legislative statement of the objectives of a consumer protection regime can help to guide the interpretation and implementation of that legislation. The paramount objective of the consumer protection regime will be improving service quality to reflect the demands of water consumers, including through:*

- *enhancing the quality of water services over time (focussing on aspects of quality not regulated by public health, environmental or economic regulators)*
- *providing consumers with a strong voice in how water services are delivered*
- *providing consumers with effective redress where the quality of service does not meet appropriate standards*
- *providing consumers with transparency regarding water charges."*

We agree but if Councils had more direct control this would help. Again there should be reference to and consideration of Communities, both present and future, rather than just consumers.

- 21
- A) ***What are your views on whether additional consumer protections are warranted for the three waters sector?***
- B) ***What are your views on whether the consumer protection regime should contain a bespoke purpose statement that reflects the key elements of the regime, rather than relying on the purpose statements in the Consumer Guarantees Act and Fair Trading Act? If so, do you agree with the proposed limbs of the purpose statement?***

**Response:**

A) We agree that additional consumer protections are warranted given the health implications relevant to the sector when delivering services to communities. We see real value in a mandatory consumer complaints resolution scheme. If nothing else it can be a useful safety valve on many individual customer issues.

B) Individuals and communities will need help and empowerment to deal with massive monopoly entities.

- 22
- What are your views on whether the consumer protection regulator should be able to issue minimum service level requirements via a mandated code that has been developed with significant input from consumers?***

**Response:**

Yes, we agree that the consumer protection regulator should be able to issue minimum service level requirements via a mandated code. We agree that it is critical that the local community has a voice in this process, as water quality needs to be driven by local considerations. Discussions about level of service should be had at a community level given that a higher level of service costs more (generally), but minimum standards may not lead to optimal outcomes.

Also, as noted throughout our submission, since consumers of water services can't switch suppliers and since the services they receive often can't be individualised, it makes sense to recognise the role of communities acting on behalf of their individual members.

**Other comments:**

In reference to p. 61, Section 168, bullet point 7, requirement should include engaging with Communities, not just consumers and also engaging with Councils. This is consistent with other feedback we've provided. This document lacks connectivity between Communities, the regulator and Councils.

p. 62, Section 171 states; *"Mandatory codes involve the regulator setting minimum service quality requirements that apply to some, or all, regulated water service providers. The main benefit is that the regulator is able to directly control the requisite quality service levels."*

- *However, mandatory codes can be costly to develop, monitor and enforce, and may also impose significant compliance burdens on industry. Some of these costs may be able to be mitigated by allowing or requiring the code to be periodically reviewed, so that it focusses on areas of service quality that have the biggest net impacts on consumer welfare."*

We consider that one size fits all mandatory codes could lead to sub-optimal outcomes. Careful consideration needs to be given to achieve the best overall community outcomes rather than being driven purely by mandatory compliance.

We question the need to start with mandatory codes? We agree that minimum service levels are likely to be desirable, especially in response to large monopolies. But they are likely to

take time to develop. We see merit in allowing the need for them and their optimum content evolve. The whole regulatory system does not need to be in place on Day 1.

Local mana whenua should be involved in setting minimum service level requirements that affect water quality.

WSE should work closely with communities to educate in terms of water demand management and efficiency, obligations under bylaws and to enhance water literacy in terms of level of service agreed to be delivered.

23

***What are your views on whether the consumer protection regulator should also be empowered to issue guidance alongside a code?***

**Response:**

Yes, they should. Guidance is good, but should be non-mandatory.

24

***What are your views on whether it is preferable to have provisions that regulate water service quality (not regulated by Taumata Arowhai) in a single piece of economic regulation and consumer protection legislation?***

**Response:**

Our preference would be for a single piece of regulation to cover economic and consumer protection, but this will need careful consideration. Further, it isn't clear why quality alone couldn't be regulated by Taumata Arowhai. It is only if we move to price controls that the Commerce Commission or a stand-alone water services regulator needs to determine quality levels, since they will be intrinsically related to the price limits (If prices were controlled but not quality then monopolies would be incentivised to allow quality to deteriorate. Likewise, if quality alone was the driver, this may become unaffordable for communities without the oversight of economic regulation).

**Other comments:**

p. 65, Section 182 states; *"Vulnerability generally refers to the likelihood of a negative outcome or experience of harm, which is a product of the circumstances of a consumer that result in them experiencing barriers to participating in essential services.<sup>56</sup> Vulnerability can be a transient, sporadic, or permanent state. Many water consumers experience vulnerability at some point in their lives, and there are many factors that can give rise to it:*

- *experiencing financial instability or low financial resilience (sudden, acute, or chronic) causing genuinely difficulty in paying their bills*
- *a risk of harm to health or wellbeing by reason of age, health, disability in the case of disconnection*
- *dependent on supply of a particular volume of water for critical medical treatment*
- *an inability to advocate for, or represent, their interests in interactions with water suppliers (including small businesses)*
- *difficulty in obtaining or assimilating information*
- *an inability to buy, choose, or access adequate water supply where this access to a reticulated network is not available."*

In relation to the last bullet point, we are unsure what this means. Current unserved properties should not have an expectation that they will be given services as this may not be efficient, affordable or practical.

**25** *What are your views on whether minimum service level requirements should be able to vary across different types of consumers?*

**Response:**

Yes, we consider that they should be able to vary, but again this should not be focused just on consumers, a community lens is required here and Councils should play an important role in this area.

**26** *What are your views on whether the regulatory regime should include a positive obligation to protect vulnerable consumers, and that minimum service level requirements are flexible enough to accommodate a wide range of approaches to protecting vulnerable consumers?*

**Response:**

We strongly agree, this should be made possible. Given the size and monopoly characteristics of the entities, this will be essential. This is particularly important as individuals and communities will no longer have the current benefits of democracy they currently have with Councils delivering these services on their behalf.

**27** *What are your views on how Treaty of Waitangi principles, as well as the rights and interests of iwi/Māori, should be factored into the design of a consumer protection regime for the three waters sector?*

**Response:**

We support this, but are unsure how it should work.

**28** *A) Do you consider that the consumer protection regime should apply to all water suppliers, water suppliers above a given number of customers, or just Water Services Entities? Could this question be left to the regulator?*  
*B) Do you support any other options to manage the regulatory impost on community and private schemes?*

**Response:**

A) & B) Initially this should just apply to the four Water Services Entities. However this should be reconsidered over time, so as to not develop the entire regulatory design from the beginning when there are so many unknowns.

**29** *Do you broadly agree that with the compliance and enforcement tools proposed? Are any additional tools required?*

**Response:**

We broadly agree. Initially this should proactively be based on educate, supporting and collaborating. This will require a good level of funding and resourcing provided. Over time it is expected that there would be a transition to using more of the reactive compliance tools provided the proactive initiatives are also continued.

There should be mandatory reporting to Councils to hold entities to account.

**Other comments:**

Should “*Economic Regulator*” read as ‘*Consumer Protection Regulator*’ within p. 73, Section 204 as follows; “*Pulling together the considerations in the previous two paragraphs, we suggest an appropriate assessment criteria for evaluating options for the **economic regulator** is:*” This appears to be a typo.

30

***Do you agree with our preliminary view that the Commerce Commission is the most suitable body to be the consumer protection regulator for the three waters sector?***

**Response:**

Yes, we agree but with some serious reservations, unless regulation was to commence with information disclosure alone (as previously discussed). There is an apparent benefit in being the same as the Economic Regulator. We do raise the following questions;

- What about ‘Community’?
- How can Councils be advocates for broader interests for Community?
- How can Councils have teeth in this system?
- If Councils are owners, how can they assert their rights as owners?
- Again, there is a narrow focus on consumer not Community.
- We are concerned that there is a lack of understanding of three waters.

**Other comments:**

p. 76, Section 208 states “Recognising these barriers, the Government has agreed that mechanisms to give consumers and communities a voice should be incorporated throughout the design of the Water Services Entities and the broader system to ensure that the system is responsive and accountable to consumers and communities.”

It is good to finally see reference to ‘communities’, this is lacking throughout the document.

p. 76, Section 209 outlines the three obligations of the Water Services Entities to allow for consumer and community voice, these include representation on the Governor’s Representative Group, establishment of a consumer forum and engagement, publishing and reporting requirements. There is no mention of engaging with Councils as advocates and representatives for our communities. This is concerning and needs consideration.

p. 77, Section 210, again this section needs to include reference to Councils and their communities.



**31 What are your views on whether the regulator should be required to incentivise high-quality consumer engagement?**

**Response:**

Yes, it should be an obligation to engage with Councils, again this should be with communities not just the consumer.

**32 What are your views on whether there is a need to create an expert advocacy body that can advocate technical issues on behalf of consumers?**

As per Question 33 response.

We consider that naturally Councils should take up this role given they already represent the affected community and have existing historic and institutional knowledge in this area. The new system should not be complex, especially initially.

**33 What are your views on whether the expert body should be established via an extension to the scope of the Consumer Advisory Council's jurisdiction?**

**Response 32 & 33:**

How can Councils play a role on behalf of Communities in this? Our view is that the need for an expert advocacy body who can advocate technical issues on behalf of consumers is not necessary, because Councils are already engaged with communities and in a position to perform this function.

**Other comments:**

p. 79, Section 216 states; *"At present, most water consumers in New Zealand have limited recourse to dispute resolution with water providers. This is because a majority of water consumers receive their three waters services on a statutory basis from local authorities, rather than on a contractual basis. While consumers have some ability to raise service provision concerns with democratically elected councillors, and also with the Ombudsman who is able to deal with complaints about Local government agencies, both these options have a limited time/resource to deal with consumer complaints about the delivery water services."*

We consider this ability for community members and communities to hold Councils to account will be lost in the new entities. We also think the reference to 'some' ability to raise service provisions significantly understates that current situation. Councils are well connected and responsive to their communities.

p. 79, Section 217 states; *"The Water Services Bill creates a backstop consumer complaints framework designed to ensure that consumer concerns about drinking water are properly investigated by suppliers. Drinking water suppliers are obligated to establish and maintain a consumer complaints process, and report annually to Taumata Arowai on that process."*

Agree, this is necessary.



34 ***What are your views on whether there is a need for a dedicated three waters consumer disputes resolution scheme?***

**Response:**

Yes, we support this, it will be essential. It needs to be focused on being accessible to all community members and communities.

35 ***What are your views on whether these kinds of disputes should be subject to a dispute resolution schemes? Are there any other kinds of issues that a consumer dispute resolution provider should be able to adjudicate on?***

**Response:**

We agree the kinds of disputes listed in point 228 should be included. We do however note that this is very narrow and should be expanded on significantly to cover the types of issues that arise with all three water services. These would include levels of service such as resolution of drainage and flooding of issues; though there is no need to limit the scope of disputes. The legislation/regulation should also define the scope of the consumer dispute resolution provider by reference to the parties rather than to the dispute subject matter.

36 ***What are your views on whether a mandatory statutory consumer disputes resolution scheme should be established for the water sector?***

**Response:**

We consider that a mandatory statutory consumer disputes resolution scheme should be established, all WSE should be subject to this and consumers should have free access to raise disputes. The service could be paid for by the entities in addition to having an in-house disputes/customer complaints team. We do note that ultimately the costs will be borne by the community. Any issues unable to be resolved by the entities could be referred within mandated timeframes/deadlines to avoid on-going disputes. We also consider that Councils should have the ability to have an influence on outcomes and in representing communities or individual community members in this process.

37 ***Do you consider that a new mandatory statutory consumer disputes resolution scheme should be achieved via a new scheme or expanding the jurisdiction of an existing scheme or schemes?***

**Response:**

We consider that Councils should have an active role in this as both the asset owners and community representatives.

This needs a formal assessment of options and assessment of the capability of existing services. It does not appear from reading this discussion paper that there is enough information to reach a conclusion on this. We do acknowledge that a single point of contact is useful here. In other words, adding to the jurisdiction of existing DRSs would allow this new service to piggyback on their existing recognition. Existing DRSs also have considerable expertise and experience in resolving consumer disputes. There may be value in taking advantage of that as the system gets established.

**38** *Do you consider that the consumer disputes resolution schemes should apply to all water suppliers, water suppliers with 500 or more customers, or just Water Services Entities?*

**Response:**

Initially we can see the benefits for the large entities only. Smaller schemes should have less need as they have a clearer line of sight and connection with the scheme they are served by. This could be reviewed in the future.

This should cover all three waters services, not just water suppliers.

**39** *Do you think the consumer dispute resolution scheme should incentivise water suppliers to resolve complaints directly with consumers?*

**Response:**

We consider this to be appropriate.

This should cover all three waters services, not just water suppliers.

**40** *Do you consider that there should be special considerations for traditionally under-served or vulnerable communities? If so, how do you think these should be given effect?*

**Response:**

We support special considerations for vulnerable communities. Advocates should be available at the cost of the entity. The service should be run in a way that does not need experts representing the applicant. Councils could be involved in this and should have some authority in the process.

**41** *What are your views on whether the costs of implementing a consumer protection regime for the three waters sector should be funded via levies on regulated suppliers?*

**Response:**

Yes, should be transparent (for example, shown on three waters bill).

**42** *Do you think that the levy regime should:*

**A) Require the regulator to consult on and collect levy funding within the total amount determined by the Minister? OR**

**B) Require the Ministry to consult on the levy (on behalf of the Minister) and collect levy funding within the total amount determined by the Minister?**

**Response:**

As previously discussed Ministers shouldn't be involved in such matters, this is a role of the regulator.

43

**Are there any other levy design features that should be considered?****Response:**

Councils should have a say in how the levy regime is established and operated. Given we consider Councils should be involved in this process, we also consider that the funding of Council activities in this service should be provided to Councils.

**Other comments:**

p. 89, Section 253 includes Table 11. We have added the highlighted bullet points.

AGENCIES WITH POLICY OR STEWARDSHIP RESPONSIBILITIES	AGENCIES WITH REGULATORY RESPONSIBILITIES	ENTITIES WITH IMPLEMENTATION OR SERVICE DELIVERY RESPONSIBILITIES
<ul style="list-style-type: none"> <li>Ministry of Health (public health regulation)</li> <li>Ministry for the Environment (environmental regulation)</li> <li>Ministry of Business, Innovation and Employment (economic and consumer protection regulation)</li> <li>Department of Internal Affairs (lead agency for Water Services Bill and Water Services Entities Bill)</li> <li><b>Councils – Owner/Council representation</b></li> </ul>	<ul style="list-style-type: none"> <li>Taumata Arowai</li> <li>Regional councils</li> <li>Economic regulator</li> <li>Consumer protection regulator</li> <li>Consumer dispute resolution schemes</li> <li><b>City &amp; District Council</b> <ul style="list-style-type: none"> <li><b>Building Act</b></li> <li><b>RMA, LGA</b></li> <li><b>Drainage Act</b></li> <li><b>District Plan</b></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>National Transition Unit</li> <li>Four Water Services Entities</li> <li>Community/private schemes</li> <li>Self-suppliers</li> <li><b>City &amp; District Council</b> <ul style="list-style-type: none"> <li><b>Rural drainage</b></li> <li><b>Roading</b></li> <li><b>Growth &amp; development planning</b></li> </ul> </li> <li><b>Regional Council</b> <ul style="list-style-type: none"> <li><b>Flood protection</b></li> <li><b>Fresh water outcomes</b></li> </ul> </li> </ul>

What about Councils as;

- Owners of the assets
- Community representatives
- Significant drivers and governors of communities
- Partners in servicing communities
- Important to have integrated functions, services and growth

p. 90, Section 256 states; *“Coordination across drinking water, environmental, economic, and consumer protection regulation will be essential for the delivery of high quality outcomes. For example, both Taumata Arowai, the economic regulator, and the consumer protection regulator will have responsibility for different aspects of the quality of water services received by consumers.”*

There should be reference to Councils three waters, integrated with services the Council provides including;

- Rural drainage
- Rooding

- Growth & development
- Coordination of all of the above

44

***Do you consider that regulatory charters and a council of water regulators arrangements will provide effective system governance? Are there other initiatives or arrangements that you consider are required?***

**Response:**

No. We consider that communities will not be best served by the proposed model. The system proposed will go some way to addressing the concerns of Councils but our key concern is that the entire reform has been mandated by Government despite the sector and communities not agreeing with it. The Council should be involved in terms of coordination on key strategic directions, access to services, growth, etc.

45

***Do you consider it is useful and appropriate for the Government to be able to transmit its policies to the economic and consumer protection regulator(s) for them to have regard to?***

**Response:**

No. The government role is to get its requirements into legislation or regulation. It shouldn't add a further instrument in the form of a GPS. The particular disadvantage of a GPS is that it is inherently political. It directly involves the government in the regulatory process. That brings the possibility of further cost and delay if not litigation.

46

***What are your views on whether the economic and consumer protection regulator should be able to share information with other regulatory agencies? Are there any restrictions that should apply to the type of information that could be shared, or the agencies that information could be shared with?***

**Response:**

Agree with serious reservations. Individual privacy should always be a significant consideration. It should be proactive and be cohesive and consider trade-offs, giving consideration to each other's functions. However the protection of individuals and communities rights should be well considered. There should be controls and safeguards to achieve this.

## Other comments

p.13, Section 13 states; *"Consumers should be paramount"*.

Which consumer is this referring to; the individual today of Community in the future? We think there is a need for the discussion document to consider this and give a clear explanation of who the consumer is. Our view is that the term consumer is very narrow and does not reflect the communities serviced by three waters which cover the individual today right though to future generations and the whole community.

p. 18, Section 31 states; *"Compliance costs incurred by regulated suppliers are more difficult to quantify as they tend to spread across suppliers' cost bases as a general cost of delivering services to consumers. As such, it is likely that they are met by some combination of the supplier's shareholders and consumers. The fact that consumers end up bearing a significant*

*portion of the costs of any economic regulation regime means that care is required to ensure that any economic regulation regime is designed in a way that provides net benefits to consumers."*

Compliance costs need to be a significant consideration. We consider that the economic regulator should be proactive in understanding the extent of costs and the trade offs that will be required in achieving desired outcomes, prioritising and the costs involved. Council should be a central part of this assessment and trade off as they are asset owners and democratically elected representatives of their communities.

p. 18, Section 32 states; *"While the New Zealand three waters sector has strong natural monopoly characteristics, it has not been subject to economic regulation to date. This is likely because attempting to regulate a three waters sector involving 67 councils would be more likely to delivery net costs rather than net benefits to consumers, and society more generally."*

Despite no economic regulator, Councils have been close to and held to account by ratepayers through direct engagement, access to Elected Members and Special Consultative Procedure requirements under the Local Government Act 2002. Councils are every concerned that large monopoly entities that they have no control over will not always act in the best interests of our community. We therefore strongly support economic and consumer protection regulation, with a staged introduction preferably.

p. 19, Sections 33 & 34. We do not agree that this is an accurate reflection.

In relation to Section 33 we would like to ask, where has this been the case? Funding for Three Waters is ring fenced by Councils. The new Water Services Entities are going to be burdened by Debt from non-Three Waters expenditure proposed by the Government (Reform funding for Councils including "no worse off" and "better off" components) from day one.

p. 19, Section 35 states; *"While the scale of the four Water Services Entities should significantly increase their likelihood of delivering these objectives, there is a flip-side risk that the entities become less responsive to consumer and community needs as a result of their increased scale and expanding range of stakeholders. The Government is alert to this risk and has proposed a range of governance and consumer voice protections to mitigate the risk. However, economic regulation provides a strong and complementary regulatory backstop."*

We do not believe that the scale of the Water Services Entities would increase the likelihood of delivering objectives, however we do strongly agree with the flip-side risk mentioned in section 35, where entities becomes less responsive.

p. 19, Section 36. We agree with the conclusion made here, particularly if water services taken from the Councils by the Government are moved into large entities.

## Conclusion

10. Thank you once again for the opportunity to make a submission on the discussion document.
11. Our secretariat is available to provide any further information or answer any questions the Ministry may have about our submission. Contact details are: Maree McNeilly, Canterbury Mayoral Forum Secretariat, [secretariat@canterburymayors.org.nz](mailto:secretariat@canterburymayors.org.nz), 027 381 8924.

Ngā mihi

Sam Broughton  
Mayor, Selwyn District Council  
Chair, Canterbury Mayoral Forum

# Canterbury Policy Forum

**Date:** 10 December 2021

**Presented by:** Secretariat

## **Review of regional forums and working groups**

### **Purpose**

1. The purpose of this paper is to update members on the implementation of changes made as a result of the regional forums and working groups review undertaken this time last year and seek further feedback on any additional changes members consider may be required to ensure the structure works efficiently and effectively.

### **Recommendations**

**That the Canterbury Policy Forum:**

1. **receive the update on next steps for the regional forums and working group review**
2. **provide feedback to the secretariat on any further changes to the structure and/or operation of regional forums or working groups to maximise their effectiveness.**

### **Background**

2. In 2020 the secretariat was asked by the Chief Executives Forum to review the various forums and working groups (groups) that sit under the Canterbury Mayoral Forum (excluding the Chief Executives Forum).
3. The purpose of the review was to initially identify the groups, their purpose, roles and responsibilities, membership, and secondly to explore ways of improving the efficacy of the groups with a view to ensuring that time in meetings is used well and that the groups deliver what is intended as outlined in their terms of reference.
4. In January 2021, the Chief Executives Forum asked the secretariat to monitor progress with the outcomes of the review and report back in 12 months on any further changes that may be needed.

### **Review findings and recommendations for change**

5. Key findings of the review were that:
  - survey respondents felt that the forums and groups are valuable for sharing information, networking and reducing repetition of effort, and that they helped them

with their job and provided good opportunities for collaboration. However, there were mixed views on whether some groups have the right level of representation, produce tangible outcomes, and are prioritised for attending by attendees

- some individuals raised resourcing the groups as an issue (funding for projects, or funding for project managers within the group), and others raised the need for more structured work programmes and forward planning.
6. The broad themes arising from the survey about improving groups' effectiveness were:
- meeting arrangements: dates/times for meetings, availability of videoconference as opposed to in person for meetings
  - membership and participation: the membership of the groups, and commitment by those members to engage
  - purpose/terms of reference: updates or review required on purpose, work programme and/or the direction of the group(s)
  - structure: whether some groups could be subsumed into, or amalgamated with, others
  - resources: increase resource levels for some groups
  - culture: a change in the way some groups interact internally, collaborate, or work together.
7. Chief executives agreed the following actions as a result of the review:
- retain the Policy, Corporate and Operations Forums, ensuring:
    - appropriate representation at Forum meetings
    - sub-groups report to the appropriate forum
  - update terms of reference for the Policy, Corporate and Operations Forum to reflect changes proposed
  - update terms of reference for all working groups based on a new template and that terms of reference for all working groups to be agreed at first Policy, Corporate, or Operations Forum meetings in 2021
  - where there is Ngāi Tahu representation on a working group, check with the chairs of the Papatipu Rūnanga that this is the appropriate representation
  - align work programmes with the *Mayoral Forum's Plan for Canterbury*, along with business-as-usual tasks not explicitly referenced.
8. There were two structural changes agreed to – moving the Health and Safety Advisors Group from reporting to the Operations Forum to the Corporate Forum and removing the Natural Hazards Working Group (a subgroup of the Natural Hazards Risk Reduction Group) from reporting to the Operations Forum.



## Progress with implementing recommendations

9. It was not proposed to amalgamate or reduce the number of groups. This is because the results of the survey showed that all the groups appear to provide value for attendees in terms of information-sharing, networking and opportunities for collaboration. Rather, the recommendations sought to tighten and clarify purpose statements, terms of reference, and work programmes so these better feed into, and provide greater value for, the Chief Executives and Mayoral Forums.
10. The updated terms of reference process ensures that all working groups have reviewed their purpose, membership, scope, meeting frequency and work programme. While most working groups have updated their ToRs during the year, a small minority are yet to. Once this process is complete, and groups have implemented them, the secretariat considers this will address many of the issues raised by members during the review.
11. At the request of the chief executives, the secretariat has been observing how the regional forums have been operating following the review. This has included tracking:
  - membership changes to forums and working groups following chief executive review
  - meeting attendances
  - effectiveness of in person compared with online meetings, and the frequency of meetings
  - quality and timeliness of papers
  - effectiveness of agendas.
12. To ensure all perspectives are covered, feedback is sought from members on the effectiveness of Policy Forum meetings this year, and any changes to content, structure or other matters that may require further review or change. As the secretariat is not involved with the working groups which report to the Policy Forum, members' feedback is sought on how the working groups that you may chair or be a part of are operating and whether additional changes are required to make them a more valuable use of time.

## Policy Forum highlights

13. To help members reflect and provide feedback, below are some statistics and highlights of the Forum's work this year. The statistics are current as at the September Forum meeting:
  - average attendance at Policy Forum meetings so far this year has been 80% of the membership
  - when unable to attend, members generally provided apologies in advance and often sent a delegate in their place

- of the 22 reports presented at Forum meetings in 2021, 20% were not provided to the secretariat on time. This includes one report that was intended to be written but ended up as verbal.

## Achievements and highlights

14. This calendar year, the Policy Forum has:

- reviewed and approved terms of reference for its working groups
- supported the preparation and delivery of submissions on:
  - the Water Services Bill
  - Climate Change Commissions draft advice package to government
  - the government's freedom camping discussion document
  - proposed National Direction for industrial greenhouse gases
  - Hīkina te Kohupara discussion document (transport emissions)
  - Infrastructure Commissions draft 30-year Infrastructure Strategy
  - draft Natural and Built Environments Bill exposure draft
  - Pae Ora (Healthy Futures) Bill
  - Emissions reduction plan discussion document
  - Ministry for Environment's discussion document on a new Waste Strategy  
*Taking responsibility for our waste*

and still to come before the end of the year:

- Ministry of Business, Innovation and Employment's discussion paper  
*Economic regulation and consumer protection for three waters services in New Zealand*
- Productivity Commissions – Immigration Settings

## Next steps

15. Policy Forum members are welcome to provide feedback at the meeting, or in writing afterward if preferred. Feedback needs to be received by Friday 14 January 2022.
16. A paper will be prepared for the 31 January 2022 Chief Executives Forum meeting reporting on progress over the past year and providing any feedback received from Corporate, Operations and Policy Forum members on any further changes or adjustments that may be required to ensure forums and working groups are working effectively as possible.

# Canterbury Policy Forum

**Date:** 10 December 2021

**Presented by:** Dr Tim Davie

## **Canterbury Climate Change Working Group Strategic Plan and Terms of Reference review**

### **Purpose**

1. To update the Canterbury Policy Forum on the review process of the Canterbury Climate Change Working Group's (CCWG) work programme (Strategic Plan) and Terms of Reference (ToR).

### **Recommendations**

**That the Canterbury Policy Forum:**

1. **endorse the Terms of Reference for the Climate Change Working Group**
2. **notes the update on the Canterbury Climate Change Working Group's Strategic Plan and suggested next steps for early 2022.**

### **Background**

2. The purpose of the CCWG is to develop a shared understanding of the likely implications of climate change for the region, and strategies to manage the associated threats and opportunities. The working group also supports the provision of consistent climate change related information and advice to the community.
3. The Canterbury Climate Change Working Group strategic plan was agreed on 22 May 2019. A review was requested by the CMF and is considered appropriate given two years have passed and shared climate change understanding and priority initiatives within the work programme have progressed.
4. The CCWG met on 23 November 2021 and reviewed the work programme as well as the ToR as outlined below.

## **Canterbury Climate Change Working Group Strategic Plan**

5. The current Canterbury Climate Change Working Group's strategic plan includes four key objectives and eight initiatives that sit underneath. Table 1 provides an overview and status update of the objectives.

**Table 1: CCWG Strategic Plan**

<b>What</b>	<b>By when</b>	<b>Measures of success</b>	<b>Status</b>
<b>Objective A: Capacity &amp; capability building</b> Priority Initiative A1: Continue to share information and expertise about climate change amongst partners and with our communities.	Ongoing	Common understanding achieved	Work in progress
<b>Objective B: Adaptation</b> Priority Initiative B1: Utilise Environment Canterbury's initial climate change risk/ impact scan (literature review) for Canterbury and iterate with CCWG. (FY18/19)  Initiative B2: Scope and deliver a first-pass climate change risk assessment (including capturing existing adaptation plans) for Canterbury. This will be consistent with the national climate change risk assessment framework. (FY19/20)  Initiative B3: Identify critical gaps in understanding of impact / risk or adaptation planning and develop a prioritised programme to address these. (FY20/21)	July 2020  Nov 2021  TBC	Screening reports released to public  Assessment deliverables completed	Complete  Complete  To be developed early 2022
<b>Objective C: Transition &amp; mitigation</b> Priority Initiative C1: Continue to support councils to understand their in-house carbon emissions footprint and strategies to reduce this.  Initiative C2: Identify key threats and opportunities associated with transition and opportunities for partners to support a just and equitable transition for Canterbury.	Dec 2020  Ongoing	Corporate Forum leading joint procurement. Number of councils with emissions reporting in place	Complete  To be developed early 2022
<b>Objective D: Advocacy &amp; engagement</b> Priority Initiative D1: Work with the Climate Change Steering Group to engage with Central Government on climate change matters, including through submissions and other relevant matters.	Ongoing	Submissions on key Government consultations	Work in progress

Initiative D2: Work with the Regional Climate Change Steering Group to strengthen our partnership with Ngāi Tahu and build relationships with key stakeholders (CDHB, SCDHB, insurance industry, agriculture industry) to better understand their position and the associated implications for Canterbury.	Ongoing		Work in progress
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6. **Objective A** includes the ongoing priority initiative A1 which aims to continually share information and expertise about climate change amongst partners and with our communities. This objective was considered up to date with no major change suggested. A minor change was made, ensuring a common climate change understanding is fostered within the group itself (see Appendix 1).
7. Particular attention was given to **objective B** (climate change adaptation focus), as the final technical report of the Canterbury climate change risk assessment has been received and therefore changed initiatives and measures. Priority initiatives B1 and B2 are considered complete and are therefore proposed to be excluded from the work programme (see Appendix 1). Initiative B3 aims to identify critical gaps in understanding of impact/risk or adaptation planning and develop a prioritised programme to address these. The CCWG suggests reworking this initiative in an early meeting next year to ensure adaptation planning is appropriately incorporated into the work programme.
8. **Objective C** focuses on transition & mitigation. Priority initiative C1 is considered complete. Increased regulations and legislation on emission reduction and transition to low emissions, particularly through the recently released National Emissions Reduction Plan discussion document and upcoming National Adaptation Plan, provided an opportunity to discuss and update objective C, particularly initiative C2 (see Appendix 1). The CCWG suggests reworking this initiative in an early meeting next year to reflect the increased focus on emissions reduction (mitigation).
9. **Objective D** aims at advocacy & engagement. The National Adaptation Plan (consultation planned for early 2022) will be a key upcoming opportunity to advocate and engage with central government to ensure Canterbury's position is understood. This will be considered through priority initiative D1, which is still considered timely (see Appendix 1). Initiative D2 aims to work with the Regional Climate Change Steering Group to strengthen our partnership with Ngāi Tahu and build relationships with key stakeholders to better understand their position and the associated implications for Canterbury. This initiative is also still considered timely. To also incorporate public engagement into objective D, the CCWG wishes to include a new initiative D3 which aims to engage with the public through the It's Time Canterbury campaign and others to support the provision of consistent information and advice to the community. This new initiative reflects the groups ToR (see ToR paragraph 2).
10. The suggested changes as outlined in paragraph 6 to 9 have been incorporated into an updated version of the CCWG's Strategic Plan included at attachment 1.

11. The CCWG's vision has been updated with a minor change. The wording 'direct impacts' of climate change was changed from the CCWG's vision to ensure Canterbury is resilient to all impacts of climate change.

## Canterbury Climate Change Working Group Terms of Reference

12. The Terms of Reference (ToR) were updated with minor changes, mainly to reflect changes made in the work programme (Attachment 2).
13. Paragraph 3 and the graphic in the ToR do not include the Climate Change Steering Group. Therefore this has been updated to portray the appropriate reporting structure.
14. It is recommended that the CPF re-affirm the individual membership of the CCWG that reads as follows:
 

<ul style="list-style-type: none"> <li>○ Amit Chauhan (Selwyn DC)</li> <li>○ Kevin McDonnell (Christchurch CC)</li> <li>○ Marion Schoenfeld (Christchurch CC)</li> <li>○ Tony Moore (Christchurch CC)</li> <li>○ Nicola Kirby (Hurunui DC)</li> <li>○ Paul Numan (Mackenzie DC)</li> <li>○ Richard Mabon (Ashburton DC)</li> <li>○ Simon Markham (Waimakariri DC)</li> <li>○ Stephen Doran (Timaru DC)</li> <li>○ Steve Clarke (Waitaki DC)</li> </ul>	<ul style="list-style-type: none"> <li>○ Stuart Duncan (Waimate DC)</li> <li>○ Rachel Robilliard (Taumutu)</li> <li>○ Tim Davie (Convenor – Environment Canterbury)</li> <li>○ Jesse Burgess (Environment Canterbury)</li> <li>○ Toshi Hodliffe (Environment Canterbury - secretariat)</li> <li>○ Alina Toppler (Environment Canterbury - secretariat)</li> </ul>
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## Next steps

15. Objective B (initiative B3) and objective C (initiative C2) will be reworked in more detail at a CCWG meeting early next year.
16. After this meeting, the final updated CCWG work programme will be provided to the CPF at their next meeting in early 2022.

## Attachments

- Attachment 1: Climate Change Working Group Strategic Plan
- Attachment 2: Climate Change Working Group Terms of Reference

## **Attachment 1: Canterbury Regional Climate Change Working Group (CCWG) Strategic Plan**

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**Vision:** Canterbury is resilient to the impacts of climate change and experiences a just and equitable transition to a low emission future.

**Purpose:** To develop a shared understanding of the implications of climate change for Canterbury, and strategies to manage the associated threats and opportunities

**Objective A: Capacity & capability building – Share information and leverage opportunities to build a common understanding of climate change amongst the group, partner staff and governance, and within our communities. Grow Canterbury’s collective capacity to manage climate change risks, impacts and opportunities.**

- Priority Initiative A1: Continue to share information and expertise about climate change (policies, research, methods and tools, events, etc) amongst partners, and with our communities.

**Objective B: Adaptation – Build, learn and maintain a shared understanding of the climate change impacts and risks to Canterbury. Lead the development and implementation of a prioritised, collaborative adaptation plan.**

- Initiative B1: Identify critical gaps in understanding of impact / risk or adaptation planning and develop a prioritised programme to address these. (FY20/21)

**Objective C: Transition & mitigation – Lead by example in emissions reduction. Build and maintain a shared understanding of the key threats and opportunities associated with transition to a low emission future for Canterbury. Collaborate with others to support a just and equitable transition.**

- Initiative C2: Identify key threats and opportunities associated with transition and opportunities for partners to support a just and equitable transition for Canterbury. (FY19/20 onwards)

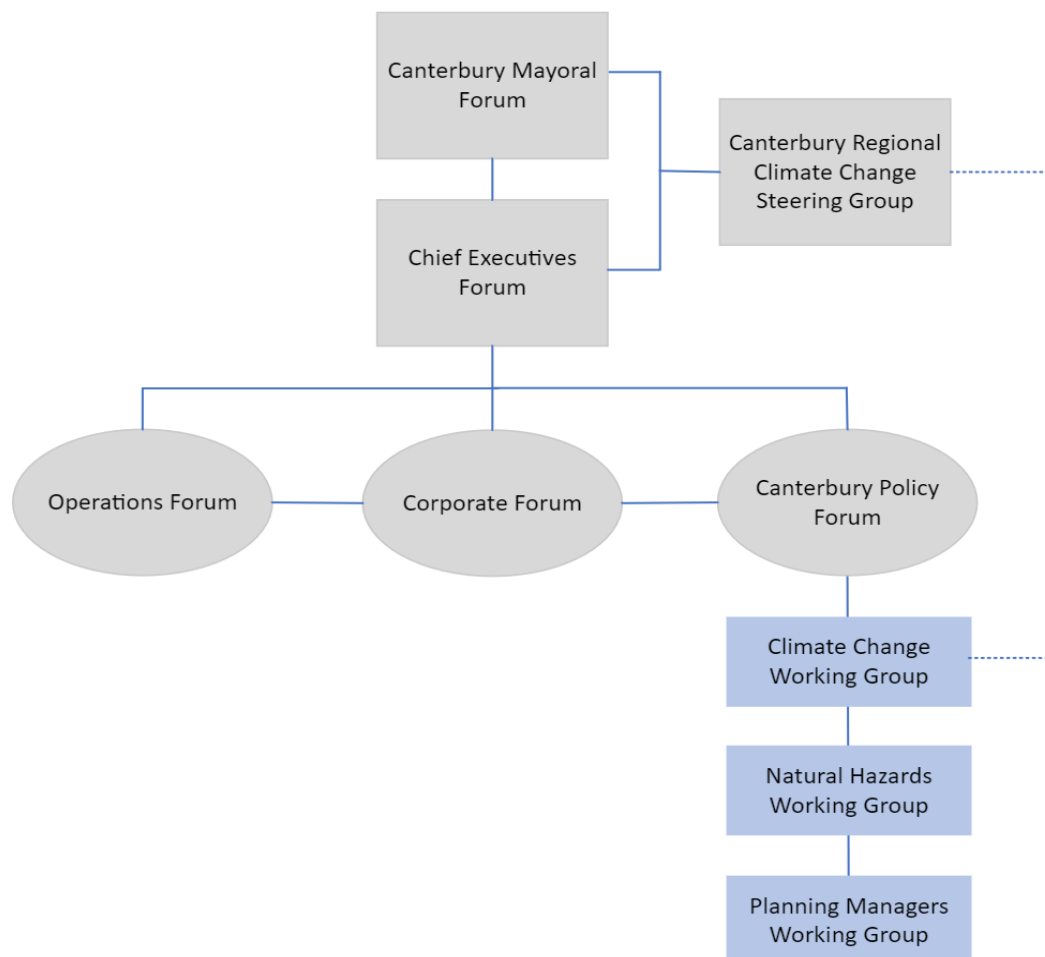
**Objective D: Advocacy & Engagement – Influence national policy and guidance on adaptation and transition matters to ensure that Canterbury’s position is understood.**

- Priority Initiative D1: Work with the Regional Climate Change Steering Group to engage with Central Government on climate change matters, including through submissions and other relevant climate change legislation.
- Initiative D2: Work with the Regional Climate Change Steering Group to strengthen our partnership with Ngāi Tahu and build relationships with key stakeholders (CDHB, SCDHB, insurance industry, agriculture industry) to better understand their position and the associated implications for Canterbury.
- Initiative D3: Engage with the public through the it’s time Canterbury campaign and others to support the provision of consistent information and advice to the community.

## Canterbury Climate Change Working Group Terms of Reference (December 2021)

### Background and purpose

1. The Chief Executives Forum agreed to the formation of the Canterbury Climate Change Working Group in May 2017 to progress thinking and planning across the region on adaptation to and mitigation of climate change.
2. The purpose of the Working Group is to develop a shared understanding of the likely implications of climate change for the region, and strategies to manage the associated threats and opportunities. The working group will also support the provision of consistent information and advice to the community.
3. The Working Group has a dual reporting line to the Canterbury Climate Change Steering Group and the Canterbury Policy Forum through the Climate Change Steering Group, the group will inform the Canterbury Mayoral Forum on the above work and associated key messages.



**Figure 1:** Canterbury Climate Change Working Group reporting line

### Scope

4. Matters subject to the Working Group's consideration include:



- sharing resources, learnings and information in the group
- reinforcing networks and connections in the Climate Change space, and incorporating and adding to existing local, regional, and national work on climate change
- reaching common ground and having a common understanding of climate change science
- establishing regional perspectives on the implications of climate change
- alignment in policy, approach and communications across the region
- collective advocacy to Central Government and others
- identifying and addressing emerging threats and opportunities.

## **Membership and operation of the Forum**

5. Membership will include one member from each Canterbury council and Te Rūnanga o Ngāi Tahu, with up to two members from larger councils (Environment Canterbury and Christchurch City Council). Representatives will be able to engage and influence across their organisation on this complex and significant issue. They will represent a cross-organisation view on climate change.
6. Membership should ensure that there is organisational representation from both territorial authorities and the regional council. It should include contributions from across disciplines including at least two members from Engineering/Operations, Science, Communications and Policy.
7. The group may allocate an issue(s) to a sub-group(s), which may include other staff, or another appropriate collaborative grouping, to consider and develop a response(s). Sub-group(s) will periodically update the Climate Change Working Group.
8. The Chair of the Working Group will be appointed by the Chair of the Canterbury Policy Forum.
9. The Chair is responsible for arranging secretariat support for the group, maintaining relationships and ensuring that the group is functioning under these Terms of Reference.
10. The Working Group will meet in person at least quarterly to:
  - refine the work programme to reflect feedback from the Climate Change Steering Group, Chief Executives and Mayoral Forum
  - report progress on Working Group work programme items, and review where necessary
  - allocate responsibility for items in the work programme
  - share knowledge and identify emerging opportunities and threats
  - determine any recommended changes in key messaging.
11. The Working Group will maintain regular electronic exchanges to consider issues and monitor progress and to exchange ideas.
12. The Working Group Chair will ensure that the group's work programme is aligned with the Natural Hazards Risk Management working group.

13. The Working Group Chair shall report quarterly to the Canterbury Policy Forum.

### **Decision Making and Representation**

14. The group has no decision-making ability. It will develop advice to be presented to the Canterbury Climate Change Steering Group and the Canterbury Policy Forum for agreement to go to Chief Executives and the Mayoral Forum.

### **Changes to the Terms of Reference**

15. The Working Group may recommend changes to the Terms of Reference to the Policy Forum.

16. The Policy Forum will review the Terms of Reference every three years for agreement by Chief Executives.

Approved by the Canterbury Policy Forum 10 December 2021.

# Canterbury Policy Forum

<b>Report from:</b>	David Falconer, Chair, Canterbury Planning Managers Group
<b>Date:</b>	30 November 2021
<b>Presented by:</b>	David Falconer

## Recommendations

That the Canterbury Policy Forum:

- 1 **Note** the progress achieved to date by the Canterbury Planning Managers Working Group on delivering its work programme for 2020/21
- 2 **Approve** the making of a joint regional submission on Ministry for Environment's "Our future resource management system" material for discussion.

Significant activities in this quarter	<p><b>Meeting 19 November 2021</b></p> <p><u>Update From Ministry for the Environment</u></p> <ol style="list-style-type: none"> <li>1. Mike Oates gave a presentation on the MfE Work Programme</li> <li>2. Mike mentioned that an initial discussion document on the RM reform (Our future resource management system) would be provided to Council's CE's and Mayors - informal feedback by 28 February 2022.</li> </ol> <p><u>Resource Consenting Capacity and Capability at Councils</u></p> <ol style="list-style-type: none"> <li>3. There was a discussion that the current RMA system is under a lot of stress and strain, and it's hard to resource this to meet timeframes. There is unprecedented demand on councils to process consents. This has resulted in some timeframes slipping.</li> </ol> <p><u>Development and Financial Contributions</u></p> <ol style="list-style-type: none"> <li>4. Discussion noted that there is a varied approach to Development and Financial Contributions between Councils in Canterbury, and there should be more collaboration and sharing of information on this.</li> </ol> <p><u>Update on Regional Planning from ECan</u></p>
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	<p>5. Andrew Parrish gave an update on the Plan Change 7 Decision</p> <p>6. Andrew also gave an update on the development of the Ki Uta I Tai Plan</p> <p><u>Greater Christchurch 2050 and Spatial Plan</u></p> <p>7. Anna Elphick gave an overview of the Greater Christchurch 2050 and Spatial Plan work</p> <p><u>Growth Planning (Regional) (Luke Carey, Ashlee Robinson, David Falconer)</u></p> <p>8. Each Council present then shared existing information on the planned growth for towns in their district over the next 10-30 years. There was a discussion about presenting this to the Regional Transport Committee to support the growth component of their work programme. Environment Canterbury Regional Transport Planning Staff attended to facilitate this.</p> <p><u>NZPI Conference: 2022, March 9 – 11, Te Pae, Christchurch</u></p> <p>9. Clare Piper gave an overview of the New Zealand Planning Institute conference to be held in Christchurch in March 2022.</p>
Contribution to Mayoral Forum three-year work programme	The actions identified above will generally advance the Mayoral Forum priorities concerning sustainable environmental management and planning.
Issues / risks / opportunities	<p>Resource management system review is considered a major opportunity to improve the resource management system, but also an issue in terms of the resources required to be involved/implement the reform. The current Resource Management System is under sufficient resourcing constraints, which is impacting the ability to achieve deadlines.</p> <p>The Request for Proposal for an Independent Contractor to assist the Canterbury Mayoral Forum with internal central government engagement through the Resource Management Reform closed on 29 November 2021. The evaluation panel is currently deciding on the preferred contractor.</p>

### Canterbury Planning Managers Working Group

<b>Purpose</b>	<ul style="list-style-type: none"> <li>• Provide support for a strong local government 'voice' on planning-related issues affecting Canterbury through the Canterbury Policy Forum</li> <li>• Reduce duplication of planning effort and, as a result, work more effectively and efficiently together</li> </ul>
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	<ul style="list-style-type: none"> <li>• Provide support to Canterbury Councils when assessing national and regional planning initiatives</li> <li>• Practice working together in ways that support innovation, collaboration and joint initiatives.</li> </ul>
<b>Chair / Members</b>	<ul style="list-style-type: none"> <li>• David Falconer, Christchurch City Council (Chair)</li> <li>• Kevin Tiffen, Waimate District Council</li> <li>• Aaron Hakkaart, McKenzie District Council</li> <li>• Ian Hyde, Ashburton District Council</li> <li>• Ben Rhodes, Selwyn District Council</li> <li>• Matt Bacon, Waimakariri District Council</li> <li>• John Higgins, Christchurch City Council</li> <li>• Mark Stevenson, Christchurch City Council</li> <li>• Andrew Parish, Environment Canterbury</li> <li>• Phil Burge, Environment Canterbury</li> <li>• Aurora Grant, Environment Canterbury</li> <li>• Judith Batchelor, Hurunui District Council</li> <li>• Matt Hoggard, Kaikoura District Council</li> <li>• Hamish Barrell, Timaru District Council</li> <li>• David Campbell, Waitaki District Council</li> </ul>

**Work programme 2020–21**

<b>What</b>	<b>Who</b>	<b>By when</b>	<b>Measures of success</b>	<b>Status</b>
Implementing the regional policy programme	All Canterbury Councils	Next three years	An agreed Canterbury wider position on the relevant planning document	On-going
Undertaking joint submissions and advocacy on the resource management system reform and any new national direction released.	All Canterbury Councils	Next two years	Canterbury makes a position influence on the RM reform	Pending release of draft legislation
The regional collaboration work programme	All Canterbury Councils	On-going	Knowledge is shared and there is improved operation efficiency/effectiveness.	On-going

# Canterbury Policy Forum

<b>Report from:</b>	Natural Hazards Risk Reduction working group
<b>Date:</b>	10 December 2021
<b>Presented by:</b>	James Thompson, Regional Civil Defence Group Controller

## Recommendations

That the Canterbury Policy Forum:

- 1 **agree** to assist the re-establishment Natural Hazards Risk Reduction (NHRR) Working Group
- 2 **agree** to the NHRR Working Group prioritising Initiatives 7 and 15 of the Regional Approach to Managing Natural Hazards in Quarters 3 and 4 of Financial Year 2021/22

Significant activities in this quarter	<ul style="list-style-type: none"> <li>• A Natural Hazards Risk Reduction Forum was held on 11 November.</li> <li>• The focus for this Forum was the updated Terms of Reference and the reestablishment of the Natural Hazards Risk Reduction (NHRR) Working Group.</li> <li>• Unfortunately, possibly due to being scheduled before Canterbury Anniversary Day, this forum wasn't as well attended as previous forums and not all councils were represented. This limited the ability to progress re-establishing the Working Group, including membership.</li> <li>• The Forum reviewed the milestones in "A Regional Approach to Managing Natural Hazard Risk" (Natural Hazards Approach), and workshopped where increased focus was required and pathways to implementation</li> <li>• Priorities for Q3&amp;4 FY 2021/22: <ul style="list-style-type: none"> <li>Initiative 7: Research the potential for a regional electronic portal for LIMS</li> <li>Initiative 15: Continue to develop an electronic portal for storing hazards information</li> </ul> </li> </ul> <p>(Initiative 15 will allow for completion of Initiative 10: Searchable living electronic index of all hazards research held by councils and Civil Defence including expert evidence and s42a reports)</p>
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Contribution to Mayoral Forum three-year work programme	NHRR work contributes to climate change mitigation and adaptation, and community resilience
Issues / risks / opportunities	<p>Implementation of the Natural Hazards Approach requires the NHRR Working Group to be regularly meeting and tasking work, and the support and prioritisation of all member Councils.</p> <p><b>Next steps:</b> Engagement with the Planning Managers Group and CDEM Emergency Managers Group regarding NHRR Working Group membership</p>