

17 February 2020

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Committee Secretariat
Health Committee
Parliament Buildings
Wellington

Dear Sir or Madam,

HORIZONS REGIONAL COUNCIL SUBMISSION – TAUMATA AROWAI – THE WATER SERVICES REGULATOR BILL

Thank you for the opportunity to submit on Taumata Arowai – the Water Services Regulator Bill (the Bill). Horizons Regional Council (Horizons) is the regional authority for the Manawatū-Whanganui Region.

Horizons believes that our region is a great place to live, work and play. Our responsibilities include managing the region's natural resources, flood control, monitoring air and water quality, pest control, facilitating economic growth, leading regional land transport planning, and coordinating our region's response to natural disasters.

Overall, Horizons welcomes the intent of the Bill and understands the issues it seeks to address. We agree that the establishment of a new water services regulatory body (Taumata Arowai) would be beneficial to water quality management of drinking-water, stormwater, and wastewater.

Regional councils have responsibilities for water quality in the Resource Management Act (RMA) and regulations for drinking-water set out in the National Environmental Standard for Sources of Human Drinking Water (NES). Horizons welcome the introduction of the Bill and the establishment of Taumata Arowai. We believe it would guarantee local authorities nationally are making progress towards meeting their responsibilities under the RMA and NES.

Horizons supports the Bill in its objective to bring uniformity and leadership through Taumata Arowai encouraging collaboration among agencies involved with the management and monitoring of drinking-water, wastewater, and stormwater. Horizons have been collaborating with the territorial authorities in our region and the region's Health board to improve drinking water management. Irrespective of central government intent, Horizons has implemented a structured working arrangement between councils in our region.

Horizons are supportive of Taumata Arowai in its objective to protect and promote drinking-water safety and public health outcomes. We implemented our water quality research program in 2018 to assess drinking-water supplies providing for the Manawatū-Whanganui region. Water supplies were ranked from high priority to low priority. Work undertaken on drinking-water supplies has led to a decrease in high priority supplies. Horizons have already

made significant progress in promoting drinking-water safety in our region. We support the Bill in its objective to achieve better water quality nationally.

Financial ambiguity

Taumata Arowai is just one component of the government's progress in improving freshwater quality in New Zealand. The recent suite of legislative proposals has the potential to impose a suite of costs to local authorities. The new potential cost for Taumata Arowai is likely to contribute to issues of affordability given the broad range of legislation currently being considered.

The Bill does not acknowledge the cost of establishing Taumata Arowai and its ongoing operations. Those in the regulated sector have no clear indication of the potential financial consequences and how this might fall. While the cost of setting up Taumata Arowai will be covered by the government, there will be new costs imposed on local government – particularly on smaller councils. These costs are likely to include the cost of improving and maintaining water supplies. The effects of these new costs (aside from the issue of likely rate increases) could be the choices that may need to be made that would affect progress towards environmental outcomes. For example, given that the legislation imposes enforcement action for drinking-water; drinking-water supplies may be prioritised over stormwater or wastewater treatment upgrades.

The Bill does not sufficiently address the impact on small communities, particularly in rural areas, who face challenges of unaffordability due to the increasing standards of water supply. Small drinking water suppliers, like those that serve Marae and Papakāinga, may face financial implications due to the challenge of improving and maintaining water supplies to standard. Small suppliers are unlikely to have the financial resources available to improve and maintain drinking-water supplies.

We propose the Select Committee clarify the potential financial implications that relate to the establishment and ongoing operations of Taumata Arowai. We propose that the Bill is amended to clarify Central Government's intent regarding the potential cost for the regulated sector.

The Bill does not include any provision that allows for sustainable funding of the Māori Advisory Group. The lack of a sufficiently robust funding mechanism allows for uncertainty regarding the future of the Māori Advisory Group and the group's ability to advise Taumata Arowai. We propose that the Bill provides for the inclusion of a robust funding mechanism for the Māori Advisory Group. The inclusion of a funding mechanism would ensure that the Māori Advisory Group is established and would continuously advise the board of Māori interests.

Inclusion of perspectives

The Bill does not make provisions for the inclusion of perspectives of the regulated community. The board is required to incorporate individuals with a variety of expertise including, governance, public health, and Tikanga Māori. The Bill establishes a Māori advisory group to advise Taumata Arowai on Māori interests and knowledge as they relate to the functions and objectives of Taumata Arowai. However, the Board does not appear to require a representative with knowledge or understanding of drinking-water supply, management of stormwater or wastewater networks.

We propose a provision is incorporated that requires the board to include, at minimum, one representative with expertise relating to water management, monitoring, or regulation. This would be beneficial as it would provide the board with stakeholder insight. The inclusion of a representative from the regulated community would provide insight and knowledge from the perspective of those within the regulated group. Another potential benefit of the inclusion of

a representative may be an increased level of confidence and trust from the regulated community towards the newly established Taumata Arowai.

Other matters

The Bill is unclear on the potential for overlaps of Taumata Arowai and other agencies – like the Environmental Protection Authority or the Ministry for the Environment. There are already a number of agencies with responsibilities relating to managing and monitoring water quality. The Bill is unclear on how these responsibilities may overlap and who may have the final say on water quality issues. We propose the Select Committee clarify the potential overlap of powers for Taumata Arowai and other agencies.

Once again, thank you for the opportunity to submit on Taumata Arowai – the Water Services Regulator Bill.

Yours sincerely,

Rachel Keedwell
CHAIR