

Memorandum of Understanding
between
Partner Councils
In relation to their 3 Waters Campaign

Dated November 2021

1. Introduction

The Government of New Zealand has announced that it will be introducing a Bill into Parliament before Christmas 2021 for passage into law in 2022. That Bill will compel territorial and unitary authorities (“councils”) in New Zealand to transfer their rights and interests in: drinking water assets; wastewater assets; and stormwater assets (together known as “3 Waters assets”), to four new entities who will henceforth own and operate those assets. This transfer is likely to occur without fair compensation being paid to councils for the compelled transfer of those assets.

The signatory councils (“Partner Councils”) to this Memorandum of Understanding (“MoU”) oppose the Government’s intention and have agreed to work cooperatively together to campaign to convince the Government to reconsider its position in favour of other options that better deliver a set of reform proposals that meet the needs of communities, councils and Government (“the Campaign”).

2. Purpose

The purpose of this MoU is to:

1. Set the objective of the Campaign;
2. Specify the governance arrangements in respect of the Campaign’s management and operation;
3. Specify the basis on which Partner Councils agree to participate, and continue to participate, in the Campaign;
4. Specify the cost-sharing arrangements; and
5. Set the process by which councils other than the initial Partner Councils may sign-up to join these arrangements.

3. Campaign Objective

The purpose of the Campaign is to convince the Government to alter its intention to proceed with legislation that will compel councils to transfer their 3 Waters assets into the ownership and/or operational control of another legal entity without the agreement of an affected council to that transfer. Campaign Partners will engage with their communities and the Government to reach an agreement on a reform package that can appropriately meet all parties objectives.

In pursuit of that objective, the Campaign will develop an overall strategy which will include actions to be undertaken both nationally and locally.

In developing and executing the Campaign strategy, Campaign Partners agree that:

1. Message and policy discipline is important and that any proposed departure by an individual Partner Council from agreed messaging and/or agreed policy positions, should be discussed first amongst Partner Councils;
2. Appropriate reform of the 3 Waters sector is required to meet health and environmental regulatory standards, and that there needs to be an ongoing obligation on 3 Waters asset owners to develop proposals in their respective areas that can credibly meet those standards over time;
3. They support the creation of Taumata Arowai to incentivise improved performance by 3 Waters asset owners;
4. Structural reform of 3 Waters assets should respect community property rights in those assets; and
5. They will not disparage or defame any natural person.

4. Governance Arrangements

All Partner Councils are members of the governing Plenary. Each Partner Council has one vote.

Day to day governance of the campaign will be overseen by an Oversight Group made up of up to seven representatives of Partner Councils. The Oversight Group shall regularly report to the Plenary to ensure all Partner Councils are fully informed about the status of the Campaign.

The Oversight Group may appoint a Small Group of Partner Council chief executives and consultants to assist it, and Partner Councils, in strategy development and tactical execution of the Campaign strategy.

5. Basis of Participation

Partner Councils agree to adhere to, and execute, the agreed Campaign strategy.

If a Partner Council chooses not to adhere to the Campaign strategy it will first advise the Plenary of its intentions before proceeding with any action that is at odds with the Campaign strategy. On such advice, the Plenary shall meet to discuss the matter and the Plenary shall use its best endeavours to resolve any dispute.

In the event the Plenary is unable to resolve the dispute, it may by majority vote suspend the Partner Council from further participation in the Campaign. Cost obligations for a suspended Partner Council will cease from the date of the suspension but previously incurred cost obligations must be met by the Partner Council.

Any Partner Council may, at any time, cease its participation in the Campaign with the provision of one week's notice in writing to the Plenary. Cost obligations for a retiring Partner Council will cease from the date that the one week's notice in writing takes effect but previously incurred cost obligations must be met by the Partner Council.

6. Cost-sharing Arrangements

Each initial Partner Council agrees to pay into the Campaign fund the following amount:

1. If it is a Metropolitan Sector council - \$20,000;
2. If it is a Provincial Sector council – \$15,000;
3. If it is a Rural Sector council – \$10,000.

The Campaign fund will be held in trust and administered by Timaru District Council under the oversight and direction of the Plenary.

7. Additional Partner Councils

Councils that wish to become a Partner Council after the date that this MoU has been agreed may do so by application in writing to the Plenary.

Applications must include:

1. Evidence of a clear mandate to become a Partner Council; and
2. An acknowledgment that the applying council agrees to abide by the objectives and principles of the Campaign, including the governance and cost-sharing arrangements;

If the Plenary approves an application, then the additional council must pay into the Campaign fund an amount relevant to its Sector status, as specified in Clause 6, in order to activate its Partner Council status.

8. MoU Not Legally Binding

Partner Councils agree that it is not the intention for any of the provisions of this MoU to be legally binding.

Signed by the following mandated representatives of each Partner Council:

Signature:

Signature

Position:

Position:

Council:

Council:

Date:

Date: