

If calling ask for Nigel Bickle

File Ref: ADM-01-6-7-21-381

30 September 2021

Threewaters@dia.govt.nz

Feedback@lgnz.govt.nz

Dear Minister,

Three Waters Reform Process

On 30 July 2021, Local Government New Zealand, Taituarā and Te Tari Taiwhenua Internal Affairs invited councils across New Zealand to provide feedback to the Government on the potential impacts of the proposed Three Waters Reforms by 1 October 2021.

Over the last eight weeks Hastings District Council (HDC or Council) has considered in detail the package of Three Waters (3W) Reforms proposed by the Government following the decision made by Cabinet in July 2021. This consideration has taken place in the context of HDC's strategic research and consideration of 3W Reforms over the last three to four years. Council understands that no formal decision is being sought at this point in time on whether or not Council formally supports Government's reform proposal.

1 Hastings District Council Position

Council agrees that the status quo for supply of 3W services is not a viable service model for our community. There is a compelling case for change to ensure ongoing safe, efficient and affordable 3W service delivery.

Council is committed to working consultatively, transparently and in good faith with Government, the Collective of Hawke's Bay Territorial Local Authorities (HBTLA's), Iwi and our community to transition to a future 3W Service Delivery Model that best meets the needs of our community for current and future generations.

Premised on the extensive research and analysis completed over the last two years for the Hawke's Bay 3W Services Review (co-funded by HBTLA's and Government), our Council's preference is a Hawke's Bay 3W Service Delivery and Asset Owning Entity. Council's view is that a Hawke's Bay Entity will deliver around 65-75% of the scale and efficiency benefits claimed for Entity C in the Government's reform proposal while producing an outcome that is superior for the region in terms of community voice and accountability, Iwi co-governance and management, and responsiveness to growth pressures and community need.

2 Hastings District Council Context

3W services rank among the highest strategic priorities for Hastings District Council. The Havelock North water crisis, caused by the drawing of contaminated groundwater into the Havelock North Water Supply in 2016, brought death, major illness and hardship to the District, and led to a Government

Inquiry and the 3W Reform process. It made clear to our community that water is a taonga, the lifeblood of our people and our whenua. This experience, together with local and national expectations relating to freshwater management, stormwater and wastewater, has led to a significant increase in focus, capability, expertise and investment on the part of Council. Our community has been on this journey with Council, has fully supported Council investment, and is highly engaged in the future of 3W Reform.

The Council is well placed to consider the issues emergent in the 3W Reforms and has allocated significant resource and expertise in doing so.

Hastings District Council adopted a Drinking Water Strategy in 2018 with the primary objective being the provision of safe drinking water. The Council is proud that five years on from the Havelock North event, Council is in the final delivery stages of an \$80m infrastructure investment programme to supply safe drinking water to Hastings communities. Council officers and consultants have steadfastly themed learnings from the Havelock North event into the design and delivery of this programme, and ongoing operational delivery processes.

In terms of the scale of its 3W operations, HDC provides 3W Services to our three urban areas (Hastings City, Flaxmere and Havelock North) and varying service levels to more than 30 smaller communities.

Provision of quality 3W services continues to be a HDC strategic priority in the recently adopted HDC 2021-2031 Long Term Plan (LTP) with:

- \$100m capital funds, budgeted for clean and healthy wastewater;
- \$51m capital funds, budgeted for clean and efficient stormwater disposal; and
- \$92m currently being invested to ensure ongoing safe provision of drinking water.

The replacement value of the HDC 3W network assets is currently estimated at \$1.1b with a current depreciated value circa \$620m. Council has \$121m in debt to finance its 3W Network. LTP forecasts project the annual household inflation adjusted costs for 3W services to increase from \$840 (2021) to \$1,530 (2031).

2.1 Hawke's Bay 3W Services Review

The councils of the Hawke's Bay region have been united in recognising the need for improvement in the 3W sector. At both governance and management levels, the councils have worked for two years and committed significant resource to exploring options to ensure the challenges in the 3W sector can be met in the most efficient and cost-effective manner possible. The councils are committed through the review process to make sure their communities have safe drinking water, that environmental and health standards are met, and that Iwi are fully involved in decision-making on 3W. Iwi have been a fundamental part of the review from the outset. The proposed model has been co-designed with Iwi, and the review is premised on Iwi co-governance and management in the structures and models that emerge from any reform initiatives. It is important this foundation is maintained in future reform work.

The review is based on an agreed set of principles and values, which have provided the decision framework for Council to develop its policy and practical preferences.

<h2>Principles</h2>	<p>To Provide 3W Services</p> <ul style="list-style-type: none"> • In a way that is affordable and effective • That are safe, reliable and resilient • That enable a meaningful role for Māori • That support our urban and rural communities • That build enduring capability and capacity
<h2>Values</h2>	<p>3W Services that Value</p> <ul style="list-style-type: none"> • Te Ao Māori • Water as a precious resource • Whakapapa genealogical links • Te mauri o te wai – life force of water • Holistic approach to water • Enabling of Te Tiriti o Waitangi • Mana motuhake - identity and self determination

The review will be completed as a priority to fully inform Councils’ decision making regarding 3 Waters Reforms.

Conclusion from the Hawke’s Bay Review:

“A change in the service delivery model to an asset owning CCO is anticipated as being able to provide improved asset management, improved management of risk and be better placed to meet any increased compliance requirements than the councils individually can. It is expected to have sufficient scale to create strategic capacity across the region and support the areas where that is currently lacking.

It provides an opportunity for a uniquely Hawke’s Bay co-governance approach with Māori that delivers on the expectations expressed by the Māori committees during this review. The cultural case describes their views on how Māori can contribute in a meaningful way to this process in partnership with the councils. This recommendation holds if, through the government reform programme, a regional water entity evolves that is similar (shared ownership, asset owning, co-governance) but is created under new legislation.

A dedicated regional water CCO that has no other competing priorities is expected to support and prioritise investment decisions across the region leading to better environmental and community outcomes regionally than the councils individually can.”

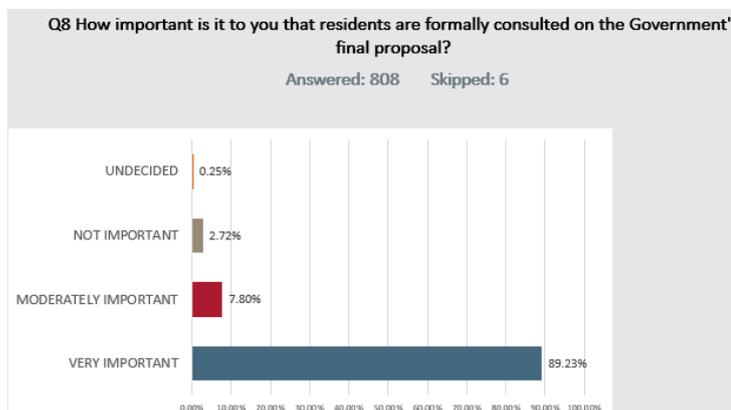
The HBTLA’s have a strong and shared commitment to local democracy, effective local influence over 3W investment and service delivery, and a meaningful co-governance and management role for iwi. On this basis, the councils have a strong preference for further exploration of the Hawke’s Bay CCO model.

2.2 Hastings District Council Community Engagement

The principles guiding consultation processes set out in the Local Government Act 2002 are designed to ensure individuals and their communities have information about decisions, the opportunity to engage with their councils and make their views known.

Section 76AA of the Act, obligates Council to seek an understanding of community preferences regarding decisions about Council strategic assets. Accordingly, HDC has completed an engagement process to gain an understanding of community preferences and the community’s current understanding of 3W issues and reform options. At the time of writing, the following themes had emerged from community feedback with over 800 survey responses to date.

- Community must be fully consulted with - Almost 90% of respondents noted that it was ‘Very Important’ for Government’s final proposal to be fully consulted on with the community.



- They want and need more information - When asked what aspects of the proposal the community wished to have more information from Government on, the top responses were Costs to Individual Rate Payers, Governance Arrangements and How Local Voices Would Be Effectively Heard.

- The top ranked priorities the community valued were Affordability, Security and Safety of Supply, Local Service Delivery, and Local Ownership. This feedback highlights the need for Government to clearly communicate how its proposals address these priorities.

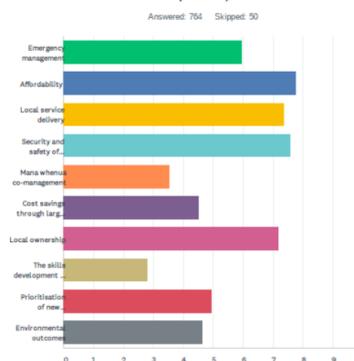


What came through as most important

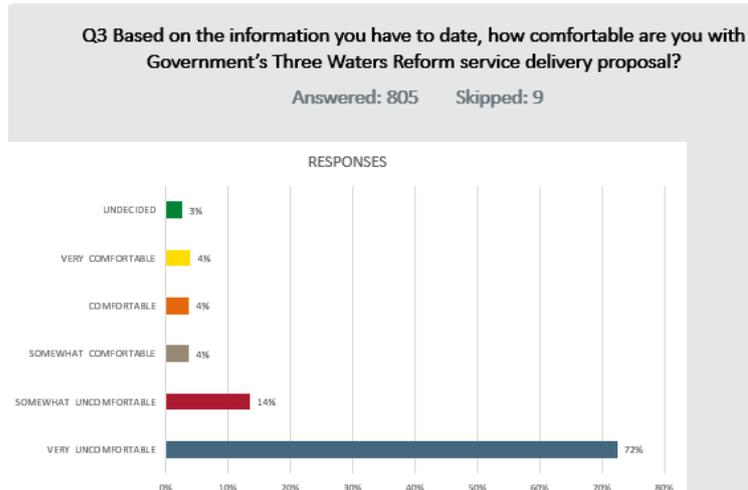
Top 4 items from community (> 50% Rank items in top 1-3)

- Affordability 61%
- Local Service delivery 59%
- Local Ownership 55%
- Security and safety of supply 53%

Q7 Please rank the following three waters management issues in importance to you (with 1 being the most important and 10 the least important).



- The current feedback reflects a high level of discomfort from the community in regards to the Government’s proposal, with 72% of respondents noting that they were ‘Very Uncomfortable’.



3 Hastings District Council Initial Feedback on Proposed 3W Reforms

Council has concerns about the robustness of the Water Industry Commission for Scotland (WICS) modelling for Hastings. Based on our own analysis of costs and our own detailed asset management information, we believe the WICS information significantly overstates the level of investment required in 3W services to the extent we do not have confidence in the data for Hastings. Council also has concerns that the proposed management system is overly complex and confusing and risks non delivery of forecast benefits to any party.

The Council acknowledges that there are significant economic and efficiency benefits to be gained from some aggregation of 3W entities. These include benefits of scale, quality and effectiveness from sharing expertise and systems across fewer entities, rather than trying (and failing) to replicate effective systems and scarce expertise across every local authority in the country. However, we strongly believe that community responsiveness and service effectiveness would be better served by a Hawke’s Bay regional approach. The Council view is that the Hawke’s Bay regional model should be the preferred option.

3.1 Hastings District Council’s High-Level Concerns about the 3W Reform Process.

To date the Government has only presented its preferred options for ownership and governance of the new Water Service Entities (WSE). While the Government has undertaken some detailed analysis of other options, Council considers these alternatives should be made easily available for consideration by the community as part of any consultation/engagement process.

There is a culture of ‘haste’ around decisions for 3W Reforms. An allowance of eight weeks for Council to provide feedback to Government on 3W Reform is not considered by Council to be long enough for meaningful analysis or community engagement. The Council is strongly of the view that significant community engagement must be provided for, prior to any substantive decision-making on the Reforms.

This apparent culture of ‘haste’ gives cause for concern about what weight the Government will actually place on understanding and examining legitimate concerns and questions being tabled by Council and the community. It also raises questions as to whether there is a preparedness on the part of Government to meaningfully contemplate changes to its proposed structures and ownership/operational models.

3.2 Hastings District Council Detailed Feedback on 3W Reform

Council detailed feedback on 3W Reform is provided under 11 Theme areas. This feedback is set out in the table at the end of this letter.

4. Concluding Remarks

The Council agrees with the Government over the need for reform of the 3W sector. The Council supported the introduction of Taumata Arowai as a fit-for-purpose water regulator, and supports the introduction of new standards to ensure safe drinking water. It agrees with the need for New Zealand to improve its performance in regards to freshwater management, and to reflect this in the standards that apply to wastewater and stormwater. Council agrees with the need to find a delivery model that supports achievement of these higher standards that are affordable for New Zealand households and businesses.

We do, however, have significant concerns with respect to the 3W service delivery model being proposed by the Government. We believe costs in the WICS model are overstated for the Hastings District. This skews the comparative costs across the options. In addition, we believe the proposed scale and the ownership, governance and management arrangements will not be sufficiently responsive to local voice, local need and local growth pressures. We also believe the scale and number of Iwi involved in Water Entity C will water down the opportunity for co-governance and management with our Iwi.

We also have concerns over the reform process, particularly in relation to the opportunity for our communities to have a meaningful say in decision-making. 3W assets have been built and paid for by successive generations of our communities over many decades. They have been built to enable communities to provide for themselves the services they need. Those communities have a strong sense of ownership over those assets. They deserve and expect to have a say in what happens to those assets, and how those essential services are provided. The reform process to date has not provided that opportunity, and it is not clear whether there will be an opportunity in the future.

The Council has shown real leadership in 3W. Since the Havelock North water crisis, Council has invested \$80 Million in revolutionising drinking water provision in Hastings in the context of newly apparent environmental risks and a significantly changed operating environment. And it has worked with Government to support the need for reform of the 3W sector. This leadership has been mirrored in the Hawke's Bay Region, that has come together to produce a credible Hawke's Bay 3W proposal. That strong leadership was recognised by Government through the leadership dividend awarded last year. Both the Council and the region are committed to finding a solution that delivers local and national scale benefits.

We are not advocating for the status quo. Like the Government, we believe reform of the 3W delivery model is necessary. However, we strongly believe a regional water entity model will provide most of the efficiency and quality benefits of increased scale with Iwi co-governance and management, and responsiveness to community needs and growth pressures. The Hawke's Bay councils have produced a credible Hawke's Bay model. Both the Council and the region are committed to finding a solution that delivers local and national scale benefits.

In short, we are expecting to be able to keep working with the government on the 3W Reform process to respond to community concerns and aspirations, and to put in place a delivery system that works for both communities and at the national level. For Hastings and Hawke's Bay, further consideration of the Hawke's Bay 3W Entity Model and extensive community consultation is central to that work.

Yours sincerely

A handwritten signature in blue ink that reads "Sandra Hazlehurst". The signature is written in a cursive style with a large initial 'S'.

Sandra Hazlehurst
Mayor

A handwritten signature in blue ink that reads "Nigel Bickle". The signature is written in a cursive style with a large initial 'N'.

Nigel Bickle
Chief Executive

Theme	Discussion	Questions
<p>1. Community Involvement in Decision Making re 3W Reform</p>	<p>Local Government Act Principles</p> <ul style="list-style-type: none"> • Councils must provide anyone who will or may be affected by the decision, or anyone who has an interest in the decision, with reasonable access to relevant information. • These people should also be encouraged to express their views to Council. • People who are invited to present their views to Council should be given clear information about the purpose of the consultation and the scope of the decisions being made. • People who wish to present their views must be given reasonable opportunity to present them. • Councils should receive these views with an open mind and give them due consideration when making a decision. • The Council should provide people presenting their views with information relevant to decisions and the reasons for them. 	<p>How will Iwi and Mana Whenua views be included in central government decision making?</p> <p>What role will Council have in Central Government decision making affecting our assets?</p> <p>How will community views be included in Central Government decision making?</p> <p>How is it proposed that Council meets our existing statutory obligations re: Significance and Engagement and Special Consultative procedures before making any decisions affecting our significant asset holdings?</p>
<p>2. Governance / Ownership</p>	<p>It is currently proposed that HDC will be represented in WSE 'C' with 21 other Councils. The promulgated Governance Structure is complex and based on information provided, it is possible that some of the 22 Councils may not have representation at the governance table.</p> <p>The promulgated management structure is also complex and confusing and risks non-delivery of forecasted benefits.</p>	<p>How can Hastings residential and commercial water consumers be assured their interests (including bespoke Hastings issues and opportunities) will be well represented and fairly considered at the governance table?</p> <p>What is the future effective level of control and influence that Council will exert over quality assurance of maintenance, renewal and required capital investment into its 3W resources when WSE 'C' is responsible for 22 3W networks?</p>
<p>3. LTP & Key Strategy Delivery and Response</p>	<p>The purpose of the LTP is for Council to:</p> <ul style="list-style-type: none"> • describe the activities of Council; 	<p>How will WSE 'C' interact with stakeholders and meet statutory requirements in regards to:</p> <ul style="list-style-type: none"> • Council resource consenting;

- describe the community outcomes of Hastings District;
- provide integrated decision-making and co-ordination of the resources of Council;
- provide a long-term focus for the decisions and activities of Council; and
- provide a basis for accountability of Council to our community.

In respect of Council decisions about the makeup of the LTP, under section 77 of the Local Government Act Council must:

- seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
- assess the options in terms of their advantages and disadvantages.

Council invests considerable resource to develop and maintain our LTP and associated strategies and policies to ensure we fulfil our obligation as local government to enable democratic local decision making and action, by and on behalf of our community to promote the social, economic, environmental and cultural wellbeing of our community in the present and for the future.

Council notes that HDC will continue to have primary accountability for urban and land use planning. WSE 'C' will be required to identify and make provision for infrastructure to support growth and development identified in Council plans.

- local developers;
- responding to growth pressures;
- Council future development strategies and spatial plans;
- Council compliance with National and Regional Policy Statements with regards to development; and
- pending changes to existing Resource Management Act legislation?

How will WSE 'C' resolve local service request and complaint matters?

How will WSE 'C' support and take direction from emergency management and civil defence responses that affect and/or utilise local 3W infrastructure?

4. Financials

Analysis commissioned from the Water Industry Commission for Scotland (WICS) estimates that between \$120 billion to \$185 billion of investment will be needed over the next 30 years to replace and refurbish existing infrastructure, upgrade 3W assets to meet drinking water and environmental standards, and provide for future population growth.

Analysis has been completed at a Council level and Council considers that the WICS analysis significantly overstates the cost of enhancements required in the Hastings District. This may mean that the case for Entity C for HDC over other options based on the grounds of efficiency and household cost may not be as strong as has been set out. From a local

Council requests the DIA complete a review and/or provide clarification as to the drivers of the enhancement funding forecast provided for HDC.

Council understands the modelling of the WSE delays the increase in capital spending, as different to the HDC (and other council) models.

- If the WSE C was in place, when is it forecasted that the community will see the additional investment and benefits from it?
- If the increased investment is delayed, will compliance be met in all areas?

	<p>decision-making perspective and from a community engagement and consultation perspective it will be imperative that there is improved confidence in the forecasts.</p> <p>The financials and forecasts are highlighting significant enhancement spend however there is limited information provided as to what additional value councils and communities could expect to receive as an outcome of the investment.</p>	<p>What is the effect on the forecasted household charge of WSE C paying funds to councils as part of the 'better off' funding package?</p> <p>Will government be providing further information in regards to what the additional enhancement (non-growth) investment would be spent on? If so, what improved outcomes should be achieved?</p>
<p>5. Commercial/Business Community Considerations</p>	<p>Council has a Strategic Priority in its LTP for Hastings to continue to develop as an Economic Powerhouse, with our community having access to meaningful work. We need a strong economy to help address social and community wellbeing issues.</p> <p>It is essential that clarity and certainty is provided to our business and rural economic communities in regards to 3W reforms, so they can make informed investment decisions for both their's and Hastings' economic future.</p> <p>Council notes that Cabinet papers state that equity is a key principle and that WSE entities will need different charging instruments to effectively and equitably charge customers across the network. (Further advice on this will not be available before 1 October 2021).</p>	<p>How will commercial, industrial, agricultural, horticultural and viticultural views be included in central government decision-making?</p> <p>Will existing commercial contracts for water supply be honoured?</p> <p>Will water and trade waste charges be consistent across WSE 'C' catchment or will commercial interests/businesses be able to negotiate for better local wellbeing outcomes such as key employer outcomes or higher/better productivity use of water resources?</p>
<p>6. Community Prioritisation and Council Integration</p>	<p>Associated with theme two of this table Governance and Ownership is the theme of Community Prioritisation.</p> <p>As a part of our ongoing engagement with our multitude of communities, which can be defined both geographically, and by commonality of interests, Council needs to demonstrate that 3W services will be carried out in a fair and transparent way across the WSE 'C' catchment.</p> <p>Council's LTP and Annual Plan processes are effectively a contract for service with our community where the Chief Executive agrees to deliver a suite of services, facilities and infrastructure for a given budget. Our service performance is reported on annually via an Annual Report.</p>	<p>How will equity across Hastings 5000 km2 district (which includes larger urban areas and small rural settlements) be ensured?</p> <p>How will equity across the 22 TLA catchments in WSE 'C' be ensured?</p> <p>How will the WSE C be required to work with councils to coordinate and integrate programmes of work and design solutions?</p> <p>How will Regional Councils and WSE's be required to work together to deliver improved community outcomes, particularly flood/drainage service outcomes?</p>

	Accordingly Council expects WSE 'C' to (at a minimum) deliver on existing plans and strategies to meet agreed levels of service for our community.	How will 'customer response performance' be managed and reported, and what are the implications on WSE C of 'poor' performance?
7. Client Pricing	<p>Council understands from the information provided by Government and modelled by WICS is that connected households in Hastings will pay \$1,290 per annum.</p> <p>The use of an economic regulator is signalled in the proposal as a key measure to drive efficiency gains and as a protection to consumers. The interaction of the various regulators, WSE C, and councils will be important.</p> <p>Council notes that WSE's will be responsible for determining price for clients. There is an expectation that WSE C will consult on pricing matters.</p> <p>Council also notes that it currently follows a price setting process that takes into account the different uses and demands they require from the services (HDC currently has separate Trade Waste charges that recognise the requirement of onsite treatment, and a lower requirement for council treatment).</p>	<p>Council requests that the government review the forecasted cost provided for HDC, in particular the non-growth enhancement forecast, to confirm its rationale and appropriateness. We suspect that land area is a strong influence in the WICS calculation. <i>(i.e. why would HDC be so much more than Napier City Council (0.7 vs 1.9b?), both have similar size cities/population and similar local characteristics although, HDC does have a few additional small communities)</i></p> <p>What will be the role and powers of the Economic regulator? Will they have the power to override agreements between Council and the WSE C in regards to local priorities</p> <p>Will there be a mechanism for councils to agree on local variations of services provided?</p> <p>What requirements will WSE C have on them to demonstrate they have meaningfully engaged with businesses and households?</p> <p>Will charges / pricing be set universally, or will it be a requirement to consider the different response needs for different use types?</p>
8. Transition to New Entities	<p>The merging of 22 3W networks into WSE 'C' represents a very substantial strategic undertaking with a number of factors to consider:</p> <ul style="list-style-type: none"> • human resource capacity and retention; • finance; • asset ownership and management; • procedural & technical; • Tiriti o Waitangi; • community trust and confidence; • stakeholder relationships; • delivery responsiveness to growth and community need; and 	<p>How will transition and retention of local knowledge, experience, and capability be ensured?</p> <p>How will connections to local service users and service efficiency be maintained?</p> <p>How will WSE 'C' adhere to Section 56 of The State Sector Act 1988 which relates to the 'Principles of Being a Good Employer'?</p>

	<ul style="list-style-type: none"> • strategic risk implications <p>Merging of the 3W networks will be one of the largest strategic institutional changes that Hastings has experienced since closures of Freezing Works in the 1980's and 90's had an intergenerational impact on community and economic wellbeing.</p> <p>The material published by Cabinet clarifies that detailed analysis work is required to clarify what responsibilities, powers, functions, and assets are to be transferred to and or held by the WSE's.</p> <p>Council's 3W resources are managed by very experienced and capable staff who also supervise contracted services with a high level of experience and capability. They are strongly connected to other Council service delivery and planning functions, to major commercial 3W service users, and to the growth of the community.</p>	<p>How will existing infrastructure strategies and commitments be adopted, honoured and completed?</p> <p>What considerations have been given to supporting legislation to enable</p> <ul style="list-style-type: none"> • an efficient transfer of assets? (Including aspects such as simplified subdivision consenting and Reserves Act processes).
<p>9. Engagement with Iwi and Hapū</p>	<p>Iwi and hapū entities including Post-Settlement Governance Entities (PSGEs) have participated in a number of discussions on 3W in the last two years including their own direct engagement with Government which continues today and remains important too given the existing and contextual relationships that Iwi / hapū across Hawke's Bay have with Government.</p> <p>There are a number of autonomous Iwi and hapū entities across Hawke's Bay including PSGEs with similar yet distinct propositions, circumstances and aspirations.</p> <p>Iwi, hapū and PSGEs have also attended Government-led forums and have been engaged with Councils through mechanisms such as Councils' respective Māori Standing Committees across Hawke's Bay.</p> <p>Partnership relationships between the government and its Te Tiriti o Waitangi partners are critical to any 3W model, and so this remains prominent across the whole 3W spectrum for Iwi, hapū, PSGEs and Councils.</p>	<p>Where and what is the role of iwi and hapū Māori?</p> <ul style="list-style-type: none"> • Partnership • Participation • Protection
<p>10. Growth Implications</p>	<p>The National Policy Statement on Urban Development Capacity 2020 requires Council to plan well for growth and ensure a well-functioning</p>	<p>How will WSE 'C' work effectively with Council to enable compliance with statutory requirements to plan for and service (infrastructure) growth demands?</p>

	<p>urban environment for our communities and future generations. This includes;</p> <ul style="list-style-type: none"> • Ensuring urban development occurs in a way that takes into account the principles of Te Tiriti o Waitangi. • Ensuring that our plans make room for growth both 'up' and 'out', and that our rules are not unnecessarily constraining growth. • Developing, monitoring and maintaining an evidence base about demand, supply and prices for housing and land to inform our planning decisions. • Aligning and coordinating planning across urban areas. <p>The Regional Policy Statement regards Servicing of Developments requires Council to ensure development is appropriately and efficiently serviced for the collection, treatment, disposal or re-use of sewage and stormwater, and the provision of potable water by:</p> <ul style="list-style-type: none"> • avoiding development which will not be serviced in a timely manner to avoid or mitigate adverse effects on the environment and human health; and • requiring these services to be designed, built, managed or upgraded to maximise their ongoing effectiveness. <p>Council is also the administering body for numerous other pieces of legislation. In simple terms we need to enable growth that constrains the urban footprint, enables efficient infrastructure servicing and utilisation of energy, complies with resource and building regulatory standards, and protects fertile soils and the environment.</p> <p>This is recognised in the Vision for our LTP, 'Fertile Land and Prosperous People'.</p>	<p>How will WSE 'C' work effectively, consistently and fairly with the 22 Councils in its catchment to plan for and service (infrastructure) growth demands?</p>
<p>11. Protections Against Privatisation</p>	<p>Continuing local public ownership of assets is a strong priority for the community. 3W assets have been funded and built up by local communities over generations in order to provide cost effective local services without profit motives influencing pricing. These communities are deeply concerned that any reform process does not lead to privatisation of these community assets.</p> <p>Previous government reform processes in other sectors have led to these high levels of concern. Successive reforms in electricity have seen</p>	<p>How will the Government provide for enduring protections against privatisation?</p>

full and partial privatisation in some elements of generation and local distribution. While a current government might put in place arrangements to guard against privatisation, future governments will usually have the ability to undo these protections. This leads to scepticism in relation to the creation of independent entities.