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Christchurch City Council Supplementary Submission on the Local Government (Water Services Preliminary Arrangements) Bill

1. Christchurch City Council (the Council) appreciates the extension granted by the Select Committee for submissions on the Local Government (Water Services Preliminary Arrangements) Bill (the Bill). This additional time has allowed us to seek feedback from our elected members and incorporate their insights into this supplementary submission.
2. The Council recognises the importance of the Bill in addressing water infrastructure challenges and ensuring the delivery of sustainable water services. However, we have identified several areas where the Bill could be improved to better align with the needs and capacities of local councils. Our feedback and recommendations are provided in the following section. In summary, it concentrates on:
 - i. **Consultation Timeframe:** Extend the consultation period for future Bills to allow for comprehensive engagement and thorough feedback from all stakeholders, ensuring informed and well-considered input (refer to paragraph 3).
 - ii. **Regulatory Impact Assessment:** Ensure the Regulatory Impact Assessment is publicly accessible to facilitate informed feedback and transparency in the legislative process (refer to paragraph 5).
 - iii. **Requirement for Water Delivery Entities to Improve Infrastructure:** Set clear performance targets and benchmarks for continuous improvement of water infrastructure, addressing long-term sustainability and resilience (refer to paragraph 7).
 - iv. **Taumata Arowai and Te Mana o te Wai:** Mandate that Taumata Arowai upholds the principles of Te Mana o te Wai in all regulatory activities, ensuring the protection and restoration of freshwater resources (refer to paragraph 9).
 - v. **Exemption from Cost-Effectiveness Review (Section 58):** Include mandatory cost-effectiveness review processes to ensure robust decision-making and financial accountability in water service management (refer to paragraph 11).
 - vi. **Reference to Mana Whenua:** Explicitly recognise and incorporate the role of mana whenua in the planning and delivery of water services, honouring Te Tiriti o Waitangi and ensuring active involvement in decision-making processes (refer to paragraph 13).
 - vii. **Limitation on Excessive Profits (Section 32):** Ensure water service entities operate on a not-for-profit basis, reinvesting any surplus funds into infrastructure improvements and service enhancements rather than distributing profits (refer to paragraph 15).

- viii. **Protections Against Privatisation:** Include explicit protections in the Bill to prevent the privatisation of water supply and wastewater networks, safeguarding public ownership and control of these essential services (refer to paragraph 17).

Key Areas of Concern and Recommendations

Consultation Timeframe

- 3. The initial consultation period was too short, limiting the ability of elected members and the public to engage effectively. Adequate consultation is essential for ensuring that all stakeholders, including local councils and the communities they serve, can thoroughly review the Bill's provisions and provide meaningful feedback. The compressed timeframe has restricted our capacity to engage in this critical process, potentially leading to oversight of important considerations and less informed decision-making.
- 4. **Recommendation:**
 - i. We recommend extending the consultation period for future related Bills to allow for comprehensive engagement and well-considered feedback. This will ensure that all stakeholders have adequate time to review and comment on the proposed legislation.

Regulatory Impact Assessment

- 5. The absence of a publicly accessible Regulatory Impact Assessment limits our ability to provide fully informed feedback. Without this assessment, it is challenging to understand the full implications of the Bill and its potential impacts on various stakeholders. Transparency in the legislative process is crucial for informed decision-making and public trust.
- 6. **Recommendation:**
 - i. The Council expresses concern about the absence of a publicly accessible Regulatory Impact Assessment for the Bill.
 - ii. We recommend that the Select Committee ensure that this assessment is made available to all stakeholders to inform comprehensive and transparent feedback processes in the future.

Requirement for Water Delivery Entities to Improve Infrastructure

- 7. The Bill does not require water delivery entities to improve the state of water infrastructure over time. Without such requirements, there is a risk of continued underinvestment and deterioration of critical water infrastructure.
- 8. **Recommendation:**
 - i. The Council recommends that the Bill include provisions requiring water delivery entities to improve the state of water infrastructure over time. This should include setting performance targets and benchmarks for continuous improvement to address the current backlog of infrastructure issues and ensure long-term sustainability.

Taumata Arowai and Te Mana o te Wai

- 9. Taumata Arowai should consider Te Mana o te Wai when setting wastewater performance standards. Without this consideration, there is a risk of inadequate environmental protections and further degradation of water quality.

10. Recommendation:

- i. The Council recommends that the Bill mandate Taumata Arowai to uphold the principles of Te Mana o te Wai in all its regulatory activities, including setting wastewater performance standards. This approach is essential to ensure the protection and restoration of our freshwater resources.

Exemption from Cost-Effectiveness Review (Section 58)

11. The Bill exempts certain entities from cost-effectiveness reviews. Robust cost-effectiveness reviews are essential for ensuring financial sustainability and public trust in water services management.

12. Recommendation:

- i. The Council recommends that the Bill include a mandatory cost-effectiveness review process to ensure robust decision-making and financial sustainability. This should align with the principles of Section 17A reviews under the Local Government Act, providing transparency and accountability in the management of water services.

Reference to Mana Whenua

13. The Bill does not adequately recognise the role of mana whenua in water services planning and delivery. The lack of explicit recognition and provisions for mana whenua could lead to insufficient consideration of their rights, values, and knowledge in water management.

14. Recommendation:

- i. The Council recommends that the Bill explicitly recognise and incorporate the role of mana whenua in the planning and delivery of water services. This should include provisions for partnership arrangements that honour Te Tiriti o Waitangi and ensure mana whenua are actively involved in decision-making processes.

Limitation on Excessive Profits (Section 32)

15. The reference to limiting the ability to extract excessive profits raises concerns about potential privatisation. There is a risk that water services entities could be structured in a way that prioritises profit over public service, leading to higher costs for consumers and reduced investment in infrastructure and service quality.

16. Recommendation:

- i. The Council seeks clarity on the intent behind Section 32, particularly regarding the limitations on extracting excessive profits.
- ii. We recommend that the Bill explicitly state that water services entities should operate on a not-for-profit basis, ensuring that any surplus funds are reinvested into infrastructure improvements and service enhancements rather than distributed as profits.

Protections Against Privatisation

17. The Bill lacks explicit protections against the privatisation of water supply and wastewater networks. Without clear legislative protections, there is a risk that water services could be privatised, leading to potential negative impacts on affordability, accessibility, and quality.

18. Recommendation:

- i. The Council recommends that the Bill include explicit protections against the privatisation of water supply and wastewater networks. The strategic importance of water for our community's well-being and economic stability, means it is crucial that legislative safeguards are established to prevent privatisation and ensure public ownership and control of water resources.

Matters Outside the Scope of this Bill

19. While acknowledging that the issue of chlorination is outside the scope of the proposed Local Government (Water Services Preliminary Arrangements) Bill, the Council wishes to note its concern regarding the difficulty in obtaining an exemption to the requirement to put chlorine in our water supply.

Conclusion

20. Christchurch City Council supports the overall intent of the Local Government (Water Services Preliminary Arrangements) Bill. However, we urge the government to consider our recommendations to ensure that the Bill is practical, equitable, and effective in achieving its objectives. We are committed to working collaboratively with the government to refine and implement this important legislation for the benefit of our community and the environment.
21. For any clarification on points within this submission, please contact David Griffiths, Head of Strategic Policy and Resilience (David.Griffiths@ccc.govt.nz).

Yours faithfully,



Mary Richardson
Interim Chief Executive