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## Christchurch City Council submission on the *Local Government (Water Services) Bill*

### Introduction

1. Christchurch City Council (the Council) welcomes the opportunity to provide feedback on the *Local Government (Water Services) Bill* (the Bill). As a major territorial authority responsible for delivering essential water services to over 380,000 residents, we have a direct interest in ensuring the legislative framework supports effective, sustainable, and locally responsive water service delivery.
2. The Council acknowledges and broadly supports the Government's commitment to ensuring safe, sustainable, and financially viable water services across New Zealand through the Local Water Done Well reform programme. We recognise the importance of maintaining local ownership while introducing enhanced oversight, establishing clear economic regulation, and strengthening planning requirements.
3. However, we have identified several significant concerns with the Bill that require careful consideration to ensure its effective implementation and to avoid unintended consequences for councils, ratepayers, and local communities. This submission outlines these concerns and provides constructive recommendations to enhance the Bill's effectiveness while ensuring it remains workable for local authorities.
4. We encourage the Finance and Expenditure Select Committee to take into account the submission on this Bill completed by Taituarā, in particular their comments on the bylaw clauses in the Bill.

### Submission

#### **Inadequate Local Government Engagement in Policy Development**

5. The Council has significant concerns about the limited engagement with local government during the development of the Bill. As the entities responsible for implementing these reforms, councils possess crucial operational knowledge and experience that should inform legislative design.
6. The development process has not adequately considered the practical realities of water service delivery at the local level. Critical operational insights that could have improved the Bill's effectiveness have been overlooked due to insufficient consultation with local authorities during the design and drafting process.
7. The lack of meaningful engagement with local government has resulted in provisions that may prove impractical or unnecessarily complex to implement. Many of the Bill's requirements appear to have been developed without full consideration of existing council processes, systems, and resources.

This risks creating unintended consequences and implementation challenges that could have been avoided through proper consultation.

*Recommendations*

8. We recommend establishing a formal consultation framework that ensures local government expertise is properly incorporated into future local government reforms. This should include structured opportunities for councils to provide detailed operational input and mechanisms for addressing practical implementation concerns during policy and legislation development.

**Mana Whenua Engagement and Partnership**

9. The Council has significant concerns about the reduced role of mana whenua engagement in the Bill. Of particular concern is the diminished scope of the Māori Advisory Group and the limited recognition of broader iwi/hapū interests beyond Treaty settlements.
10. The reduction in Māori Advisory Group membership and influence, coupled with the removal of Te Mana o te Wai from the Water Services Authority objectives, represents a concerning step backward in meaningful partnership with mana whenua. In Christchurch, we have relationships with Ngā Papatipu Rūnanga and Te Rūnanga o Ngāi Tahu that inform our approach to water management. The current Bill risks undermining these local arrangements and reducing meaningful participation of mana whenua in water services delivery.
11. The lack of clear guidance on engaging with iwi/hapū, coupled with no specific requirements for mana whenua input into water services planning and strategies, creates significant implementation challenges at the local level.

*Recommendations*

12. To address these issues, we recommend discussing the Māori Advisory Group role and advisory functions with tangata whenua. We recommend the Bill establish clear protocols for local-level partnership while enabling flexible approaches that reflect existing relationships. Importantly, Te Mana o te Wai principles should be reinstated, and broader Treaty partnership obligations should be acknowledged within the legislation.

**Implementation and Resource Challenges**

13. The Bill introduces substantial new obligations without adequate consideration of implementation requirements or resourcing implications. This reflects a continuing pattern where significant reforms are introduced without proper assessment of councils' capacity to implement them effectively.
14. Local authorities are consistently expected to implement multiple significant reforms concurrently, often without additional resourcing or adequate implementation support. This creates substantial operational pressures and risks compromising the quality of implementation. The current reforms to water services, resource management, and local government structure exemplify this challenge.
15. The Bill, like many reform initiatives, provides limited guidance on implementation requirements and insufficient timeframes for transition. This approach fails to recognise the complexity of changing established systems and processes while maintaining essential services. Critical aspects requiring clarification include practical compliance frameworks, reporting requirements, and transition timeframes.

*Recommendations*

16. For reforms of this magnitude to succeed, central government must develop a more considered approach to implementation that:

- Recognises councils' operational constraints and existing commitments
  - Provides adequate time for careful transition planning
  - Includes sufficient resourcing for implementation
  - Offers practical guidance and support materials
  - Acknowledges the cumulative impact of multiple reforms
17. Without addressing these fundamental implementation challenges, the Bill risks joining a long list of well-intentioned reforms that have struggled to achieve their objectives due to implementation difficulties at the local level.

### **Ministerial Intervention Powers**

18. The Council has significant concerns regarding the scope and criteria for Ministerial intervention powers established under Part 10 of the Bill. The current provisions create uncertainty around governance arrangements and raise questions about local democratic accountability.
19. The definition and threshold for what constitutes a "problem" requiring Ministerial intervention lacks precision and clear metrics. This ambiguity creates potential for inconsistent application and could lead to unnecessary intervention in local government operations. Of particular concern is the absence of clear guidance on how issues should be evaluated before intervention occurs.
20. The powers granted to Crown facilitators and commissioners could significantly override local democratic decision-making without sufficient safeguards or accountability measures. The relationship between existing council governance structures and appointed Crown officials requires clarification to ensure effective operation during any intervention period.

### *Recommendation*

21. We recommend strengthening the legislative safeguards by establishing specific, measurable criteria that must be met before intervention can occur. This should include requiring independent assessment of alleged problems and mandatory consultation with affected councils. The Bill should also establish clear accountability mechanisms through regular public reporting requirements for Crown appointees and specific performance metrics for measuring intervention effectiveness.
22. Critically, the Bill must establish a clear exit framework that defines specific conditions for returning control to councils, including maximum timeframes for interventions and structured transition plans for returning services to local control.

### **WSSCO Board Composition and Local Representation**

23. The Council has significant concerns regarding Section 40 of the Bill, which prohibits elected members and council staff from serving as directors on water organisation boards. While we understand the intent to ensure independent governance, this blanket prohibition fails to recognise the valuable insights and community connection that appropriately qualified elected members or council staff could bring to these roles.
24. The exclusion of all elected members and council staff, regardless of their qualifications or expertise, removes an important connection between water service providers and their communities. This approach risks creating governance structures that are disconnected from local needs and priorities.

25. The prohibition is particularly concerning given that water services remain fundamentally local in nature, requiring deep understanding of community preferences, local infrastructure challenges, and regional development priorities. Local elected members and council staff often possess unique insights into these matters that would be valuable at the board level.
26. The current approach also appears to contradict the Bill's broader objectives of maintaining local influence over water services. While we support strong governance frameworks and recognise the importance of director competency, we believe a more nuanced approach to board composition would better serve the interests of our communities.

#### *Recommendation*

27. We suggest the Bill be amended to allow appropriately qualified elected members or council staff to serve as directors, subject to robust appointment processes and clear conflict of interest provisions. This would enable water organisations to benefit from local knowledge while maintaining appropriate governance standards.

#### **Crown Exemption from Development Contributions**

28. The Council strongly opposes the Crown exemption from development contributions under Section 109 of the Bill. This exemption creates significant equity issues and has substantial financial implications for our local communities.
29. The exemption effectively shifts infrastructure costs unfairly to ratepayers and other developers, creating funding gaps for essential water infrastructure and undermining the 'user pays' principle. For Christchurch specifically, this presents significant challenges in coordinating infrastructure development with Crown projects and raises serious concerns about our ability to ensure adequate infrastructure capacity for Crown developments.
30. The inconsistent treatment between Crown and private developers not only creates an unfair burden on local communities but also risks distorting the development market. This approach contradicts the core principles of development contributions and threatens the financial sustainability of infrastructure provision.

#### *Recommendations*

31. We strongly recommend removing Section 109 of the Bill to ensure consistent treatment across all development activities. If the exemption must be retained, we urge the implementation of mitigation measures including:
  - Establishing a Crown infrastructure contribution framework
  - Creating a compensation mechanism for affected councils
  - Requiring Crown-council infrastructure agreements
  - Providing alternative funding mechanisms for Crown-related infrastructure

#### **Legal and Operational Framework**

32. The Council has identified several significant issues with the legal definitions, operational requirements, and regulatory framework established by the Bill. These issues require careful consideration and amendment to ensure effective implementation.
33. Of particular concern are the inconsistencies between this Bill and existing legislation, including the Local Government Act and Resource Management Act. These inconsistencies create uncertainty about compliance

requirements and risk creating operational inefficiencies. The presence of multiple regulators with overlapping responsibilities creates additional complexity, particularly regarding the delineation between Commerce Commission and Taumata Arowai roles.

#### *Recommendations*

34. We recommend a comprehensive review of definitions across all relevant legislation to ensure consistency and clarity. Clear hierarchies of legislative requirements must be established, and practical operational guidelines developed to support implementation. The roles of different regulators should be clearly defined, with streamlined reporting requirements and a coordinated compliance framework.
35. Detailed technical feedback is provided in Attachment A. Concerns raised include (but are not limited to) several key operational issues that require specific attention:
  - The provisions for accessing land to conduct infrastructure work need refinement to enable efficient maintenance and inspection activities. The proposed framework creates unnecessary operational barriers for routine but essential work.
  - The change proposal and territorial authority decision-making provisions require clarification to ensure they don't inadvertently capture existing Water Services Delivery Model processes under the Preliminary Arrangements Act. This alignment is critical for operational continuity.
  - The Bill's approach to bylaws requires significant restructuring. Currently, bylaw provisions are fragmented across multiple sections, creating inconsistencies and implementation challenges. A unified, standardised approach would better serve operational needs and enhance clarity for all stakeholders.

#### **Post-Implementation Review Framework**

36. The Council has significant concerns about the post-implementation review provisions outlined in Subpart 4 of Part 6 of the Bill. While we support the principle of reviewing the effectiveness of these reforms, the current framework focuses primarily on high-level policy outcomes and fails to adequately address local service delivery impacts and community outcomes.
37. The review framework does not sufficiently consider the financial implications for councils and ratepayers, nor does it provide adequate mechanisms for assessing operational effectiveness at the local level. Without mandated local government input into the review design and execution, there is a risk that crucial operational learnings and implementation challenges will be overlooked.
38. We are particularly concerned about the absence of standardised frameworks for councils to report implementation challenges and the limited consideration of regional variations and specific local contexts. The lack of clear requirements for collecting community impact data makes it difficult to assess whether the reforms are achieving their intended outcomes at a local level.

#### *Recommendations*

39. To address these concerns, we recommend expanding the review scope to include detailed assessment of financial impacts on councils and ratepayers, evaluation of service delivery outcomes at the local level, and comprehensive analysis of implementation costs and resource requirements. The review process should be strengthened by establishing a formal role for local government in its design and requiring independent economic and operational analysis.

## Chlorination Requirements and Exemptions

40. The Council acknowledges the Bill's aim to make changes to the *Water Services Act 2021* to reduce the regulatory burden on drinking water suppliers and improve the proportionality of how regulatory powers are applied. However, we are concerned about the very significant costs associated with permanently chlorinating Christchurch's water supply, especially considering the government's encouragement for Councils to reduce rates.

### *Recommendations*

41. To address these concerns, we propose amendments to the Bill that would allow for a streamlined approach and reduce the requirements to obtain an exemption from water chlorination. We would also like to have a meeting with relevant Government Ministers to discuss the matter.
- The exemption criteria should be proportionate to the scale, complexity, and risk profile of each water supply, recognising the unique characteristics of different regions.
  - Furthermore, we recommend allowing Councils to suspend chlorination while their exemption applications are being considered and determined.

## Conclusion

42. Christchurch City Council recognises the significance of the *Local Government (Water Services) Bill* in reshaping how water services are delivered across New Zealand. Our submission reflects our experience as a major territorial authority responsible for delivering essential water services to over 380,000 residents.
43. While we support the Government's commitment to ensuring safe, sustainable, and financially viable water services through the Local Water Done Well reform programme, our submission has identified several areas requiring careful consideration. These concerns span governance arrangements, implementation frameworks, financial implications, mana whenua engagement, and operational practicalities.
44. The successful implementation of this significant reform requires careful balancing of national objectives with local delivery realities. Addressing the issues raised in this submission will strengthen the legislation and support better outcomes for our communities. The Council believes that getting these settings right is crucial for ensuring water services remain effective, sustainable, and locally responsive.
45. The Council welcomes the opportunity to provide further input into the development of the Local Water Done Well framework and remains committed to working constructively toward its intended outcomes.
46. For any clarification on points within this submission please contact Luke Adams, Principal Advisor Strategic Policy at [luke.adams@ccc.govt.nz](mailto:luke.adams@ccc.govt.nz)

Ngā mihi,



Phil Mauger  
**Mayor of Christchurch**