

## Hon Simeon Brown

MP for Pakuranga

Minister for Energy  
Minister of Local Government  
Minister of Transport

Minister for Auckland  
Deputy Leader of the House



**3 September 2024**

Dear Chair / Lead,

### **Local Government (Water Services Preliminary Arrangements) Act**

Yesterday, the Local Government (Water Services Preliminary Arrangements) Act (the Act) passed into law.

This is a significant milestone in the implementation of Local Water Done Well. It provides the framework and preliminary arrangements for councils to lead the way in making changes to the delivery of water services for their communities.

The Act includes several key changes to the water services system which will be of interest, on which I have set out key details below.

#### **Water Services Delivery Plans to be developed by councils**

The Act requires councils to develop Water Services Delivery Plans (Plans) over the next 12 months (by 3 September 2025). The Plans are a way for councils to reflect on their current approach to water services delivery and whether it will be 'fit for purpose' into the future, to ensure water services are financially sustainable and meet quality standards.

The Plans will require councils to provide information on their water services, how much they need to invest, and how they plan to finance and deliver it through their preferred water service delivery model.

The Act requires councils to consult on the anticipated or proposed service delivery model in a Plan, using the alternative streamlined provisions in the Act which enable councils to consult on their preferred model only compared to the status quo.

#### ***Iwi/Māori involvement in local government decision-making***

Regardless of the future water service delivery arrangements councils choose to use, existing responsibilities, commitments and obligations between iwi/Māori and councils under the Local Government Act (which requires councils to facilitate Māori participation in decision making) and under Treaty settlement legislation will continue to apply.

#### **Streamlined consultation and decision-making processes for establishing water council-controlled organisations**

The Act also includes provisions that enable a streamlined consultation and decision-making process for the establishment of water services council-controlled organisations (CCOs) and other local government arrangements, while continuing to provide the opportunity for community input. This will make it easier for councils that want to move quickly to shift the delivery of water services into new models to do so, setting the foundations for more financially sustainable water services.

## **Changes to applying the Te Mana o te Wai hierarchy of obligations to wastewater standards**

Further to my previous correspondence regarding the introduction of this legislation to Parliament, Part 5 of the Act makes interim amendments to Water Services Act which means the Te Mana o te Wai hierarchy of obligations in the National Policy Statement for Freshwater Management (NPS-FM) will not apply when the Water Services Authority – Taumata Arowai (the Authority) sets wastewater standards.

This change is intended as an interim measure while the Government works to replace the NPS-FM to rebalance Te Mana o te Wai, to better reflect the interests of all water users.

Wastewater standards that give effect to the hierarchy of obligations have the potential to carry additional cost implications for some councils, at a time when many councils are struggling to meet the costs of future investment in water infrastructure.

While it is an interim measure, this will provide greater certainty for those involved in infrastructure development, helping to reduce costs of future investment in water infrastructure.

### **Further information and next steps**

The majority of provisions in the Local Government (Water Services Preliminary Arrangements) Act will come into force on 3 September 2024. This is the second stage in the implementation of Local Water Done Well.

I announced policy decisions for the third Local Water Done Well Bill last month. This included new models for water organisations, confirming financing arrangements that support financial sustainability, and setting out a new regulatory regime.

Further information about these changes can be found on the Department of Internal Affairs' website, at [www.dia.govt.nz/Water-Services-Policy-Future-Delivery-System](http://www.dia.govt.nz/Water-Services-Policy-Future-Delivery-System).

These changes will be included in a Local Government Water Services Bill, which is expected to be introduced in December 2024 and enacted in mid-2025. There will be an opportunity to provide feedback on the proposed changes at select committee.

I understand officials are starting to engage with iwi and Post-Settlement Governance Entities to provide further information about these proposals and to discuss the potential impacts of Local Water Done Well on Māori interests.

If you have any questions in the meantime, I encourage you to get in touch with Keith Ikin, Executive Director Iwi Māori, by emailing [waterservices@dia.govt.nz](mailto:waterservices@dia.govt.nz).

Yours sincerely,



Hon Simeon Brown

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