

28 February 2023

Review into the Future for Local Government  
Department of Internal Affairs  
Wellington  
Via portal: [futureforlg@dia.govt.nz](mailto:futureforlg@dia.govt.nz)

Tēnā koutou katoa

## **Review into the Future for Local Government He mata whāriki, he matawhānui**

Water New Zealand (Water NZ) welcomes the opportunity to provide comment on the Review into the Future for Local Government He mata whāriki, he matawhānui: Draft report.

Water NZ is a national not-for-profit organisation which promotes the sustainable management and development of New Zealand's three waters (drinking water, wastewater and stormwater). Water NZ is the country's largest water industry body, providing leadership and support in the water sector through advocacy, collaboration and professional development. Its ~3,000 members are drawn from all areas of the water management industry including regional councils and territorial authorities, consultants, suppliers, government agencies, academia and scientists.

Given our members' interests, our submission provides comments on water and drainage service provision and related areas.

Water NZ notes that many of our members will be making their own submissions on issues specific to their areas of concern and interest, particularly those from local authorities.

### **Introduction**

The Panel deserves credit for compiling a broad and complex range of issues, the messages heard through research and engagement and options for sector renewal and change into a report that represents a significant line in the sand.

We agree councils must take a more holistic, tikanga-based approach that considers intergenerational outcomes when solving complex problems to enable thriving communities across Aotearoa.

Water New Zealand supports the report's statement and believes 'there is great potential for central and local government to work more closely together to create a more joined-up public sector.'

We support the five key shifts that need to be made to the way that local governance operates;

- 1 Strengthened local democracy
- 2 Authentic relationship with hapū/iwi and Māori
- 3 Stronger focus on wellbeing
- 4 Genuine partnership between local and central government
- 5 More equitable funding

## **The Three Waters reforms**

The report acknowledges the Three Waters Reforms and the creation of the new Water Services Entities who will need to address the significant infrastructure challenges facing the sector. The developing legislative and regulatory framework will provide the requirements and incentives to invest wisely, upgrade critical water infrastructure, leverage the sectors strengths, and deal with the critical issues of our time (climate change, growth, capability) with strong collaborative partnerships.

Looking ahead, it is critical that collaborative and supportive relationships between local authorities and the water service providers (and mana whenua) are developed.

## **Te Mana o Te Wai, sense of place and wellbeing**

Water NZ agrees local infrastructure – be those pipes, parks, or buildings – are foundational to sense of place and belonging. Communities are linked and interconnected via three infrastructure waters: drinking water, wastewater and stormwater. Water has an innate relationship with Papatūānuku, we each have interpersonal connections with te taiao and te wai and obligations as tāngata (people) to freshwater management.

The draft report's recognition of including the principles of Te Mana o te Wai in decision-making, and the opportunities for mana whenua is congratulated.

As part of the crucial role in local wellbeing and placemaking, councils will be enabling Te Mana o Te Wai in a wider sense through smart land use planning and avoiding development in hazard prone areas, water sensitive design in public spaces, and being cognisant of future urban developments on water supply and demand in light of climate change.

There are multiple benefits of 'putting Papatūānuku at the heart of everything councils do' and enabling Te Mana o Te Wai.

## **Encourage to co-investment in resilience**

The multiple references to the necessity of central and local government co-investment are acknowledged. We support your recommendations that central government needs to start paying rates and other charges on its property, such as infrastructure contribution charges, as well as creating a significant intergenerational climate change fund.

Floods are New Zealand's most frequent and most significant natural hazard, and cost the country around \$160 million per year. Flood protection schemes underpin the integrity of public and private assets, provide resilience and security to communities and their investments, and are recognised as nationally important infrastructure. Considering the climate change risks, the cost of upgrading and maintaining flood protection schemes to meet future 'tolerable levels of risk', including the protection of Crown-owned assets, is beyond the reasonable capacity of ratepayers to meet on their own.

February's catastrophic floods in the Hawkes Bay sadly illustrate the Insurance Council of New Zealand's urgent message: New Zealander's lives and livelihoods are in very real danger from increasingly severe and frequent flood risks arising from climate change.

Te Uru Kahika (the Regional and Unitary Councils of Aotearoa New Zealand) have repeatedly highlighted the urgent need for investment in flood protection schemes. They have requested co-investment in those schemes by central government of approximately \$150 million per annum to protect communities and investments in hazard prone areas. Without Government co-investment in flood protection schemes, the risk of communities facing flooding will be exacerbated, and insurers will likely increase the premiums they charge for protecting private property in flood prone areas. In some instances, we anticipate insurers may even withdraw coverage.

We ask the Panel's final reports gives much weight to Government co-investment in resilience approaches. Such an approach reduces risks to communities to a more tolerable level, while being considerably more prudent, and less costly than managing the risks through reactionary post-event measures.

### **Restrict further development in areas of high risk**

The 2023 stormwater flooding events have illustrated the scale of the challenge across the country in adapting to cope with increasing severe rainfall events. These urban stormwater flooding events have also demonstrated the case for better coordination of land use planning and stormwater systems nationwide.

In many places, existing planning rules aimed at avoiding building on flood plains, avoiding overland flow paths impediments, requiring future-proofed stormwater management or including water-sensitive design are extremely weak or frequently overruled.

We need nationally consistent direction on making clear decisions on managing the trade-offs between different and competing outcomes. Such as, restricting further development in areas of high or increasing risk (e.g. flood plains) versus enabling housing supply.

Ahead of the enactment of the Spatial Planning Act and pre-empting the Climate Adaptation Act, we request the Panel support smart, resilient growth and restricting further development in areas of high or increasing risk in the short term.

### **A need for national oversight of compliance, monitoring and enforcement**

Water NZ considers that compliance, monitoring and enforcement under the RMA is piecemeal and largely ineffective. One only has to look at the decline in freshwater quality over the last 30 years to see that something has gone very awry.

Water NZ considers that there should be national oversight of compliance, monitoring and enforcement across all the matters covered in the RMA. This includes policy, plans, consents, and strong regulatory tools of enforcement to ensure that poor performance is addressed.

From October 2023, Taumata Arowai, the water regulator, are responsible for monitoring and reporting on the environmental performance of wastewater and stormwater services.

Regional councils will remain responsible for regulation, compliance and enforcement of freshwater, wastewater, and stormwater quality. With Taumata Arowai having oversight and reporting responsibilities for these the environmental performance of drinking water, wastewater and stormwater.

Taumata Arowai can set wastewater measures, which outline the information required from wastewater network operators to understand their environmental performance. This information will be summarised and published in the annual Network Environmental Performance Report.

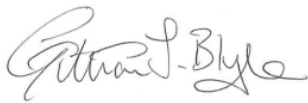
We request that in their final report the Panel include considerations and recommendations to drive improved performance of resource consent compliance, monitoring or enforcement, including provisions that are not inconsistent with the Taumata Arowai wastewater standards and targets, and any future stormwater standards and targets developed.

## **Conclusion**

Water NZ encourages the Panel to be bold and brave in reimagining the system for Aotearoa, today and for future generations. We thank the panel for the opportunity to provide comments on the consultation document.

If you have any queries in relation to this submission please contact [Nicci.Wood@waternz.org.nz](mailto:Nicci.Wood@waternz.org.nz)

Ngā mihi nui

A handwritten signature in black ink, appearing to read "Gillian Blythe". The signature is written in a cursive, flowing style.

Gillian Blythe

Chief Executive