



# Cabinet

## Minute of Decision

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### Government Response to the Havelock North Drinking Water Inquiry

**Portfolios**                      **Health / Local Government**

On 9 April 2018, following reference from the Cabinet Economic Development Committee (DEV), Cabinet:

#### Background

1        **noted** that on 18 December 2017, Cabinet:

- 1.1        noted that the Government Inquiry into Havelock North Drinking Water (the Inquiry) reported its Stage Two findings on 6 December 2017, and that the report made wide ranging recommendations to improve drinking water standards and infrastructure;
- 1.2        agreed to a two-phase approach to respond to the Inquiry's recommendations;
- 1.3        noted that the Ministers of Health and Local Government will report back with an update on progress towards preparing the government response to the Inquiry;

[CAB-17-MIN-0563]

2        **noted** that the Minister of Health and the Minister of Local Government support the Inquiry's findings, and have directed officials to consider how to best implement those findings;

#### A new regulatory regime and drinking-water regulator

3        **invited** the Minister of Health and the Minister of Local Government to report back to DEV in August 2018 on:

- 3.1        options for a new regulatory regime for drinking water (including potential function, forms, and costs of a drinking-water regulator);
- 3.2        advice on the broader regulatory options in the three waters area;
- 3.3        advice on the transition and implementation plans for the workforce to support a drinking water regulator;

4        **noted** that subject to Cabinet decisions on the regulatory structure, the Minister of Health and the Minister of Local Government propose to introduce a bill to establish the new regulatory regime for drinking water in 2019;

**Amending Part 2A of the Health Act 1956**

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6 **agreed** to the following amendments to the drinking water provisions of the Health Act 1956:

6.1 remove specified periods for consultation and notice of changes to the Drinking Water Standards for New Zealand;

6.2 clarify that water safety plans must include implementation timetables;

6.3 streamline processes for the appointment of Drinking Water Assessors and use of accredited laboratories;

6.4 other minor and technical amendments, as described in Appendix Three to the paper under CAB-18-SUB-0147;

7 **authorised** the Minister of Health to approve any further, minor amendments relating to the Health Act's drinking water provisions that may arise, for example during the drafting of the Bill;

8 **noted** that the amendments referred to in paragraph 6 above include urgent changes recommended by the Inquiry and some minor and technical amendments proposed by the Ministry of Health to improve the efficiency and effectiveness of the drinking water provisions of the Health Act;

9 **invited** the Minister of Health to issue drafting instructions to the Parliamentary Counsel Office to give effect to paragraph 6 above;

**Further advice**

10 **invited** the Minister of Finance, the Minister of Health and the Minister of Local Government to report back to DEV in August 2018, with further advice on:

10.1 the proposal that, unless network suppliers can demonstrate the safety of water in their reticulation systems, the mandatory residual treatment of drinking water (such as chlorination) will be required;

10.2 the proposal that New Zealand will move to a regime where full compliance with Drinking Water Standards for New Zealand, by networked drinking water suppliers, is mandatory;

11 **agreed** that the reports referred to in paragraph 10 above include advice on:

11.1 costs and benefits;

11.2 funding sources;

11.3 regulatory impacts for mandatory residual treatment;

11.4 appropriate exemptions to mandatory residual treatment;

11.5 how exceptions are determined;

11.6 how these proposals are to be legally implemented;

- 12 **noted** that the drinking water regulatory regime referred to in paragraph 10.1 above should also enable the use of existing and new technologies and systems that can be used to demonstrate the safety of drinking water in the reticulation system;
- 13 **noted** that these proposals will:
- 13.1 involve significant reform of the legislative structure underpinning drinking water, compliance, and enforcement practices;
- 13.2 be closely associated with the establishment of an independent regulator, and consideration of the Inquiry's recommendations about aggregation of suppliers;
- 14 **agreed** that officials engage with suppliers, Māori (encompassing different water access scenarios across the Māori population), and other key stakeholders to discuss, among other things, how to fund the infrastructure upgrades that will be required, along with the time to transition to the new regime;
- 15 **noted** that the outcome of this engagement will inform policy options that will be included in the August 2018 report referred to in paragraph 10 above;

### **Building capacity and capability of Drinking Water Assessors**

- 16 **noted** that the Ministry of Health has:
- 16.1 developed a Memorandum of Understanding with International Accreditation New Zealand (IANZ) so that laboratory issues can be dealt with more quickly;
- 16.2 commissioned the Institute of Environmental Science and Research (ESR) to establish a drinking water laboratory network;
- 17 **noted** that, subject to a Budget 2018 bid, actions are being led by the Ministry of Health to improve the capacity and capability of Drinking Water Assessors in a way that paves the way for the proposed new drinking water regulator, while minimising the impact on other public health functions performed by Public Health Units;

### **A drinking water advisory committee has been established**

- 18 **noted** that a drinking water advisory committee of technical experts has been convened to provide advice to the Ministry of Health on updates to the Drinking Water Standards;
- 19 **noted** that advice from the drinking water advisory committee relating to the following matters will be reflected in the August 2018 report referred to in paragraph 10 above:
- 19.1 whether secure bore water status as a legal exemption from mandatory disinfection is appropriate;
- 19.2 options to strengthen multi-barrier protections for drinking-water;
- 19.3 whether a comprehensive review of the New Zealand Standard 4411:2001 Environmental Standard for Drilling of Soil and Rock (NZS 4411) is needed;

### **Aggregation of dedicated suppliers**

- 20 **noted** that a companion paper *Review of Three Waters Infrastructure: Key Findings and Next Steps*, under CAB-18-SUB-0145, proposes that the Inquiry's recommendations for the aggregation of suppliers will be considered as part of the Three Waters Review work;

- 21 **noted** that the Minister of Local Government will report back to Cabinet in October 2018 with options for policy decisions, and that the principle of public ownership will underpin the options and recommendations that are developed;

### **Accelerate and expand the review of the National Environmental Standard for Sources of Human Drinking-Water**

- 22 **noted** that:

22.1 the Ministry for the Environment has accelerated and expanded the review of the National Environmental Standard for Sources of Human Drinking-Water (NES Review);

22.2 this work includes considering the adequacy of the existing regulatory regime and land-use controls in protecting sources of human drinking-water;

### **Publicity**

- 23 **agreed** to the release of the table in Appendix One to the paper under CAB-18-SUB-0147 as the government's response to the Inquiry report, **subject to** any amendments to reflect the above decisions;
- 24 **noted** that at the time this information is released, the Minister of Health and the Minister of Local Government will make announcements of Cabinet's decisions relating to the paper under CAB-18-DEV-0147.

Michael Webster  
Secretary of the Cabinet

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#### **Hard-copy distribution:**

Prime Minister  
Deputy Prime Minister  
Minister of Health  
Minister of Local Government