

# Statement of Proposal: Proposed Water Supply Bylaw 2026



Prepared in accordance with sections 83, 86 and 155 of the Local Government Act 2002, as required by the Local Government (Water Services) Act 2025

MARCH 2026

# Statement of Proposal: Proposed Water Supply Bylaw 2026

## 1. Introduction

The Dunedin City Council (DCC) is proposing to make a new bylaw to regulate use of the DCC water supply network, under the new bylaw-making powers in the Local Government (Water Services) Act 2025. The proposed Bylaw would be called the **Water Supply Bylaw 2026**.

In this Statement of Proposal, the proposed Water Supply Bylaw 2026 is referred to as the proposed Bylaw.

This Statement of Proposal explains:

- The reasons for and purpose of the proposed Bylaw
- The key provisions of the proposed Bylaw
- The options considered by the Council and the determinations the Council has made under section 155 of the Local Government Act 2002 (LGA)
- How the community can provide feedback on the proposed Bylaw

This Statement of Proposal provides the community with the information necessary to understand the proposed Bylaw and to make an informed submission. This proposal is accompanied by a draft of the proposed Bylaw.

## 2. Background

The DCC supplies drinking water to properties across Dunedin within specified urban and rural water supply areas.

The DCC's activities as a drinking water supplier are directed by and regulated under national-level legislation and regulations, including the Water Services Act 2021, the Water Services (Drinking Water Standards for New Zealand) Regulations 2022, Drinking Water Quality Assurance Rules 2022 (revised 2024), and the Local Government (Water Services) Act 2025.

The DCC and other councils across New Zealand use bylaws to set local rules and requirements to assist with the regulation of the use of their water supply networks. This is to protect the networks themselves, to protect the health and safety of those who use these networks, and to support councils to take the necessary actions to fulfil their duties and obligations under national-level legislation and regulations.

Dunedin's existing local rules for regulating the use of the DCC water supply network have been in place for many years and need updating to:

- Align with the Local Government (Water Services) Act 2025 and the Water Services Act 2021 (and associated standards and compliance rules)
- Reflect current operational, safety and compliance requirements
- Improve clarity regarding water supply areas, layout and location of points of supply, metering, boundary backflow prevention requirements and compliance enforcement

Given the substantial changes and developments in national-level legislation and regulation relating to water supply management over the past 5 years, culminating in the recent enactment of the Local Government (Water Services) Act 2025, the DCC has determined that making a new bylaw under the Local Government (Water Services) Act 2025 is the most appropriate way to address these matters.

### 3. Purpose of the proposed Bylaw

The purpose of the proposed Bylaw is to provide for the management and use of the DCC water supply network in a manner that:

- Enables efficient and effective management of the water supply network, including connections to the water supply network, in a manner that supports the Council to maintain levels of service, and to service areas where growth is anticipated.
- Protects the Council’s water supply and water supply network and equipment from contamination and against damage, misuse or interference.
- Protects against water wastage to better conserve drinking water.

To do this, the proposed Bylaw:

- Establishes clear requirements for the responsible use of the water supply network, including requirements relating to connections to the water supply network, and defining the terms and conditions of supply.
- Sets enforceable obligations for customers relating to water use and boundary backflow prevention.

### 4. Summary of key provisions

The proposed Bylaw includes provisions that cover four main topics:

#### 4.1 Protection of the water supply network

The proposed Bylaw:

- Prohibits interference with DCC’s water supply network infrastructure
- Establishes rules to manage access to and the use of water supply catchments, in accordance with their classification as either Controlled, Restricted or Open catchments, and shows where these catchments are located
- Establishes rules for working near buried services that are part of the water supply network.

In relation to this topic, the key differences in approach from DCC’s Water Bylaw 2011 include:

Approach in proposed Bylaw	Explanation
Requirements relating to working around buried water supply network infrastructure will be clearer	Requirements relating to building and excavation over or near water services infrastructure are articulated in the Local Government (Water Services) Act 2025. Clauses in the proposed Bylaw have been aligned to these legislative

Approach in proposed Bylaw	Explanation
	requirements, including specific distance thresholds, notification requirements and liability for damage.
Use of fire hydrants will be limited to specified parties	Restrictions on accessing the water supply network via fire hydrants have been tightened in line with national-level regulations. Access to bulk quantities of water for parties not specified (e.g. water tanker operators) is now available via purpose-built DCC water tanker filling stations.

#### 4.2 Conditions of supply

The proposed Bylaw:

- Defines water supply areas and prohibits new supply connections outside defined water supply areas. The water supply area maps can be viewed online via the water services map on the DCC website.
- Establishes a three-step approval process for applications for new water supply connections, in accordance with the requirements of the Local Government (Water Services) Act 2025
- Defines the different types of water supply and the specific terms and conditions related to each type of supply (e.g. restricted flow supply and the three sub-categories of on-demand supply: ordinary supply, extraordinary supply and dedicated fire supply)
- Defines the boundaries of DCC's and customer responsibility, through clear articulation of point of supply locations and layouts for common development scenarios
- Provides for fees and charges for connections and other matters. The proposed Bylaw would not make any changes to the DCC's current water services charging approach, including the approach to rating 'connected' and 'serviceable' properties set out in the 9 Year Plan 2025-34.
- Includes provisions relating to continuity of supply (including demand management measures and emergency restrictions)
- Establishes requirements relating to customer boundary backflow prevention
- Includes provisions relating to water metering.

In relation to this topic, the key differences in approach from the Water Bylaw 2011 include:

Approach in proposed Bylaw	Explanation
New connections to the DCC water supply network outside of mapped water supply areas will not be allowed	This proposal is consistent with provisions in the Water Bylaw 2011. However, in 2011 the Council's Infrastructure Services Committee approved an 'Out of Zone Water Connection Procedure' to enable case-by-case consideration of applications for new water supply connections outside of the defined water supply areas. In recent years, the Council has not approved any applications for 'out of zone' water supply connections. This is because approval of the applications received by DCC would have been inconsistent with the 3 Waters Strategy, the District Plan and the Future Development Strategy. The Council considers it is not

Approach in proposed Bylaw	Explanation
	<p>appropriate to enable case-by-case consideration of applications for new 'out of zone' water supply connections through the proposed Bylaw.</p> <p>The proposed Bylaw retains the ability for the Council to formalise pre-existing 'out of zone' connections to the water supply network, subject to conditions, as they are discovered.</p>
<p>There will be a three-step application and approval process for applications for new water supply connections</p>	<p>The addition of the three-step process is a new requirement under the Local Government (Water Services) Act 2025. The three steps are:</p> <ul style="list-style-type: none"> <li>• Step 1: Concept plan</li> <li>• Step 2: Engineering plan</li> <li>• Step 3: Final approval and sign off</li> </ul> <p>If not advised earlier, following approval under step 1 the Council will inform the applicant of the type of supply, the size of connection, any particular conditions applicable, and the general terms and conditions under which water will be supplied.</p> <p>Physical works to install the new supply connection will occur following the approval given at step 2.</p> <p>The purpose of the three-step process is to ensure that applications for new connections to the water supply network include appropriate consideration by the applicant and the Council of the capacity of the network to provide the proposed supply, and that the supply connection can be provided in a way that does not adversely affect the safety and integrity of the network.</p>
<p>It will be easier to determine whether an on-demand supply should be classified as 'ordinary supply' or 'extraordinary supply'</p>	<p>Changes to definitions are proposed to make the sorts of properties and water uses that are intended to be classified as 'ordinary supply' and 'extraordinary supply' clearer.</p> <p>In particular, a definition of 'extraordinary use' has been added to clearly illustrate the types of water uses that are likely to result in higher consumption than is assumed for 'ordinary supply' and that should therefore be supplied via an 'extraordinary supply'. This includes water use at larger properties situated on the rural-urban fringe and often known colloquially as 'lifestyle blocks', where space and character often enable water uses that are not typical in urban residential areas.</p>

Approach in proposed Bylaw	Explanation
	'Extraordinary supply', as in the Water Bylaw 2011, is a metered supply.
Point of supply layout and location specifications will be aligned to current development scenarios common in Dunedin	New clauses and illustrations have been developed to provide clear direction on point of supply layout and location for common development scenarios in Dunedin, including multiple ownership developments (such as unit titles) and developments where individual lots are accessed by a private right of way.
Boundary backflow prevention requirements will be clearer and reflect current national-level regulatory requirements	<p>Backflow is the unintentional reverse flow of water from a customer's private plumbing system into the public water supply network. Backflow can introduce contaminants into the public water supply and is a risk to drinking water safety and public health. As in the Water Bylaw 2011, the proposed Bylaw requires the customer to take action to prevent backflow on the customer side of the point of supply. New clauses have been included to align with current national-level requirements on the DCC to prevent backflow and to enable the DCC to take action to comply with these requirements. These include the requirement for all boundary backflow prevention devices to be tested annually, for the DCC to actively survey its water supply network for high and medium backflow risks, and for the DCC to ensure appropriate boundary backflow prevention devices are installed when supply connections with inadequate boundary backflow prevention measures are identified.</p> <p>The DCC is also developing a Boundary Backflow Prevention Policy. The proposed Policy will not be part of the proposed Bylaw but will sit alongside the proposed Bylaw. The policy will provide clarity and direction on boundary backflow prevention, including how the DCC will determine 'appropriate' boundary backflow prevention devices according to property type and water use. The proposed Policy is being prepared with reference to industry best practice guidance, as set out in Water New Zealand's Boundary Backflow Code of Practice for Drinking Water Suppliers.</p>

#### **4.3 Breaches and infringement offences**

The proposed Bylaw:

- Defines breaches of the Bylaw
- Specifies the offences that will be infringement offences, as provided for under the Local Government (Water Services) Act 2025
- Prescribes the forms and information required for infringement and reminder notices and the infringement fees (fines) of:

- **\$1000 for individuals**
- **\$3000 for body corporates**
- Provides for the Council to restrict supply as an enforcement measure consistent with the Local Government (Water Services) Act 2025 and Water Services Act 2021

In relation to this topic, the key differences in approach from the Water Bylaw 2011 include:

Approach in proposed Bylaw	Explanation
The DCC will be able to use infringement offences as a tool to enforce compliance with the requirements of the Bylaw	<p>The Local Government (Water Services) Act 2025 enables a water services bylaw to include infringement offences, which are enforced by a council compliance officer issuing an infringement notice.</p> <p>The proposed Bylaw would set infringement fees (fines) at the maximum amounts allowable by the Local Government (Water Services) Act 2025, being:</p> <ul style="list-style-type: none"> <li>● \$1000 for individuals</li> <li>● \$3000 for body corporates</li> </ul> <p>The offences that are punishable as infringement offences are set out in the Local Government (Water Services) Act 2025 and have been reflected in the proposed Bylaw for clarity.</p>

#### **4.4 Bylaw administration**

Key elements include:

- Provisions relating to review of decisions made under the proposed Bylaw
- Provisions relating to fees and charges and payments.

In relation to this topic, the key difference in approach from the Water Bylaw 2011 is that the provisions in the proposed Bylaw are more concise and are aligned to current legislation.

### **5. Options considered and determinations under section 155 of the LGA**

The DCC water supply network serves over 45,000 properties, and comprises around 210 km<sup>2</sup> of catchment area, 21 consented water abstraction points, 9 water supply dams, 62 treated water reservoirs, over 1700km of pipeline, 21 pumping stations and 6 water treatment plants. It is important that the Council manages use of the DCC water supply network to protect public health and safety and to manage the network efficiently to maintain levels of service.

Section 258 of the Local Government (Water Services) Act 2025 specifically provides that a territorial authority may make a bylaw for the purposes of managing aspects of water services provision. When the Local Government (Water Services) Act 2025 was enacted, the equivalent provisions providing for such bylaws to be made under the Local Government Act 2002 were repealed.

It follows that DCC's proposal is to make a new Water Supply Bylaw 2026 under section 258 of the Local Government (Water Services) Act 2025 to regulate use of the DCC water supply network.

Before making this proposal, the DCC considered two options:

- Option 1: make a bylaw to regulate use of the DCC water supply network
- Option 2: do not make a bylaw to regulate use of the DCC water supply network

The DCC has used a bylaw to manage aspects of the water supply network for over 40 years. This has been an important tool to enable the DCC to manage risks to public health and to network performance, from the source to the customer's point of supply. Other territorial authorities in New Zealand also use bylaws to manage use of their individual water supply networks. Under the present law, a bylaw is the most feasible way to achieve efficient management of the use of the water supply network.

Without a bylaw, the DCC would have limited tools available to regulate the use of the water supply network, and would essentially be left with the Water Services Act 2021 and the Local Government (Water Services) Act 2025 to achieve any meaningful regulation of its network. These pieces of legislation do not contain the detailed administrative powers that a bylaw can provide, for example powers to enforce specific catchment controls, point of supply layout and location requirements and customer responsibilities for boundary backflow prevention. The absence of these detailed administrative powers could impact on public health and safety and/or the performance of the water supply network, as well as the DCC's ability to fulfil its duties and obligations as a water supplier under national-level legislation and regulations.

As a result, the DCC has selected option 1 and ruled out option 2.

In order to make a bylaw, the DCC must make the following determinations under section 155 of the LGA:

- That a bylaw is the most appropriate way to address the issue
- That the proposed bylaw is the most appropriate form of bylaw
- That the proposed bylaw is consistent with the New Zealand Bill of Rights Act 1990.

The Council has made these determinations by resolution at its meeting on 24 February 2026. Explanations for each determination are provided below.

### **5.1 *Is a bylaw the most appropriate way to address the issue?***

Yes.

Most activities related to water supply and the water supply network are sufficiently managed using non-regulatory methods, such as education campaigns, to support good water management.

However, there are some instances, particularly in relation to the importance of:

- protecting water supply network infrastructure from misuse and/or damage
- managing water demand
- protecting the safety of drinking water

where it is necessary for the DCC to have the ability to set rules and legally enforce compliance.

A bylaw is the most appropriate way to manage the DCC water supply network because it enables the Council to:

- Establish rules and requirements related to the provision of water supply services, including to protect the network against damage, misuse, interference, or contamination that can pose a risk to public health and safety and/or levels of service;
- Define who is entitled to use the network, establish the process to approve connections to the water supply network, provide the mechanisms for charging for different uses of the network, and set out the roles and responsibilities of both customers and the Council in relation to use of the network; and
- identify offences and to take enforcement action if offences are committed.

Section 4 of this Statement of Proposal includes an analysis of the proposed Bylaw that highlights aspects of the proposed Bylaw that are substantively different from the Water Bylaw 2011. The reasons for taking these new approaches generally respond to one or both of:

- Changes in national-level legislation and regulations
- Internal and external feedback on the application of the Water Bylaw 2011 gathered during its lifetime.

## ***5.2 Is the proposed Bylaw the most appropriate form?***

Yes.

The proposed Bylaw is one that is:

- Up-to-date and fit-for-purpose
- Aligned with all relevant legislative and regulatory requirements
- Not inconsistent with any other Council bylaw
- Provides a clear, logical structure covering:
  - Protection of the water supply network
  - Conditions of supply
  - Breaches and infringement offences
  - Administrative matters
- Includes explanatory notes to assist with the interpretation and application of the bylaw by its users.

The proposed Bylaw would replace the DCC Water Bylaw 2011. Much of the substance of the Water Bylaw 2011 would be retained in the proposed Bylaw, but some new requirements would be introduced to reflect current legislation and regulations and current operating conditions, including Dunedin's growth and development.

The proposed Bylaw's form is consistent with nationwide best practice for bylaws relating to water services infrastructure and services.

### **5.3 Is the proposed Bylaw consistent with the New Zealand Bill of Rights Act 1990?**

Yes.

Under section 155(3) of the LGA a bylaw must not be inconsistent with the New Zealand Bill of Rights Act 1990 (NZBORA). The Council must consider whether the proposed Bylaw gives rise to any implications under the NZBORA.

Subject to section 4 of the NZBORA, the rights and freedoms contained in the Bill of Rights may be subject only to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society.

The NZBORA specifically identifies four types of civil and political rights, these are:

- life and security of the person
- democratic and civil rights (which includes freedom of expression and freedom of movement)
- non-discrimination and minority rights
- search, arrest and detention.

The Council considers there are no rights or freedoms under the NZBORA that could be affected by the proposed Bylaw.

Even if there were any relevant rights, the controls in the proposed Bylaw are considered reasonable limits as allowed for in section 5 of the NZBORA. The proposed Bylaw does not go beyond what is required to achieve the objectives discussed in this proposal and meets the requirements for making a bylaw.

The Council considers that the proposed Bylaw is not inconsistent with NZBORA and does not give rise to any implications under the NZBORA.

## **6. Consultation Process**

The Council is using the **special consultative procedure**. This means the public has the opportunity to provide written feedback on the proposed Bylaw via a submission. The consultation period is open for a period of 1 month, starting 2 March 2026. Submissions close 2 April 2026.

The Council will also convene a panel of Councillors to consider submissions, including by holding hearings if requested by submitters. The Council will consider the panel's recommendations before deciding whether or not to make the Bylaw.

You can view the proposed Bylaw:

- **Online** at [www.dunedin.govt.nz/consultation](http://www.dunedin.govt.nz/consultation)
- **In person** at DCC service centres and libraries

You can make a written submission on the proposed Bylaw by:

- Completing the online submission form available from [www.dunedin.govt.nz/consultation](http://www.dunedin.govt.nz/consultation)

- By emailing [water.quality@dcc.govt.nz](mailto:water.quality@dcc.govt.nz)
- Dropping your submission in person at a DCC service centre or library
- Mailing your submission to:

*Proposed Water Supply Bylaw 2026  
DCC Customer Services Centre  
Civic Centre  
50 The Octagon  
Dunedin*

A template submission form is attached to this Statement of Proposal as Attachment 2.

**The deadline for submissions is:** 5pm, Thursday 2 April 2026.

If you wish to speak at a hearing, please indicate this on your submission.

## **7. What Happens Next?**

- **March/April 2026:** Council receives and analyses submissions.
- **April 2026:** Hearings are held (if requested).
- **April/May 2026:** Council considers any amendments to the proposed Bylaw recommended by the Hearings Panel, after any recommendations have been addressed, makes the Water Supply Bylaw 2026.
- **June 2026:** The Water Supply Bylaw 2026 comes into effect.

Implementation of the Bylaw will follow the date of effect.

## **8. Attachments**

- **Attachment 1:** Proposed Water Supply Bylaw 2026 (full text)
- **Attachment 2:** Submission form