

# Hon Simon Watts

Minister of Climate Change  
Minister for Energy  
Minister of Local Government  
Minister of Revenue



COR1686

Alan Pollard  
Chief Executive, Civil Contractors New Zealand  
[alan@civilcontractors.co.nz](mailto:alan@civilcontractors.co.nz)

Dear Alan

I write in response to your letter of 11 June 2025, following our meeting on 12 May 2025. I appreciate the time you and your members have taken to compile valuable insights into the current landscape of local government infrastructure delivery and procurement, as well as the current practical challenges facing the civil construction sector. I share your view that improved communication, transparency, and accountability from regional and territorial authorities (councils) are critical to strengthening the delivery of infrastructure across the country.

I acknowledge the concerns raised around the lack of consistency in procurement practices, and the uncertainty in the project pipeline within the council sector. These challenges have a direct impact on the ability of civil contractors to plan, invest, and retain skilled workers, all of which are vital for delivering the infrastructure our communities rely on, and growing the local and regional economies.

As Minister for Local Government, my portfolio includes four key programmes, Local Government System Improvements, Local Water Done Well, City and Regional Deals, and Infrastructure Funding Settings. Each of these is focused on lifting performance, refocusing priorities, and enabling better delivery of core services and infrastructure, all of which depend heavily on the capability and capacity of the civil construction industry.

The Government's message to councils has been clear, go line-by-line and ask whether spending is delivering real benefits for communities, and focus on fixing the fundamentals including core infrastructure.

The Local Government (System Improvements) Bill, which I intend to introduce in mid-2025, will drive changes to increase transparency and performance across the sector. This will include clearer expectations for council delivery, financial reporting, and community outcomes, along with regulatory relief to streamline core functions.

Under Local Water Done Well, councils will continue to have responsibility for their water infrastructure, either in-house or through council-controlled water organisations. Councils will need to ensure ratepayers are paying the right price for water, to enable appropriate levels of investment in water infrastructure over time. To support this, every council must submit a water services delivery plan (plan) to the Secretary for Local Government by 3 September 2025, outlining how councils will deliver their water services sustainably. These plans will include a ten-year pipeline of major projects and will be made available on council websites.

These plans are a critical opportunity for your members to gain better visibility over the long-term infrastructure pipeline for water. I encourage you to engage directly with councils once the plans are published and to continue advocating for clear, consistent market engagement.

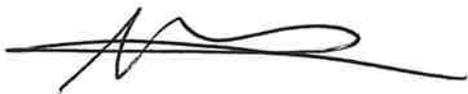
As you know, water infrastructure will be subject to economic regulation by the Commerce Commission and water quality regulation by the Water Services Authority - Taumata Arowai. This oversight will help ensure councils invest appropriately, and that service providers are accountable for delivering the levels of service their communities, and contractors, depend on.

I recently wrote to councils outlining my expectations for assessing financial sustainability and using available tools to support long-term investment and encouraged councils to work with and support their neighbouring councils, especially smaller and rural councils. As you'll be aware, having a pipeline of future work across a region provides greater investment certainty, and the potential to build a strong workforce, including contracting work to your members. In my letter I noted the importance of councils maintaining their business-as usual water services maintenance and ongoing activity. This is essential to avoid service decline and maintain market confidence.

The Government is committed to reducing consenting delays and supporting infrastructure delivery through the Fast-track Approvals Act 2024 and the wider Resource Management Act 1991 (RMA) reforms, led by Hon Chris Bishop. These reforms aim to give greater certainty to developers and contractors and to reduce the administrative burden that too often holds up essential work. The proposed changes to the RMA will also streamline consenting processes and enable faster delivery of infrastructure projects. I understand the Ministry for the Environment is currently undertaking public consultation on the RMA reforms. I encourage you to make a submission.

I value the role Civil Contractors New Zealand plays in ensuring the country has the workforce and capability needed to build and maintain critical infrastructure. I am committed to addressing these issues and strengthen the partnership between local government and the civil construction sector.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Simon Watts', written over a horizontal line.

Hon Simon Watts  
**Minister of Local Government**