

FACTSHEET

Reforming our water services



Water services – what are we talking about?

The pipes, facilities services and processes used to treat, transport, and discharge:

1. **Drinking water** – water that flows from our taps, from water sources and council supply networks.
2. **Wastewater** – water that has been used for cooking, bathing, washing or flushing our toilets.
3. **Stormwater** – rainwater that is collected in pipes, drains, green infrastructure or overland flow paths to manage flooding and pollution of streams, rivers and coastal waters.

Responsibility for these water services currently sits with 67 different councils across the country. Households currently pay for water services through their council rates.

Why water services reform is needed:

All New Zealanders need safe, reliable, and affordable water services.

Current problems include leaking water pipes across our cities and towns, drinking water shortages and restrictions, and raw sewage spills in our streets, rivers and beaches.

Recent extreme weather events and the growing impacts of climate change have highlighted the importance of effective water services and infrastructure. Without change, the costs to households for improving water infrastructure will be unaffordable for most New Zealanders.

There are major challenges for water service delivery across the country.

Changes are needed to the delivery of water services to meet the challenges ahead, including aging infrastructure, population growth, climate change, and natural disasters.

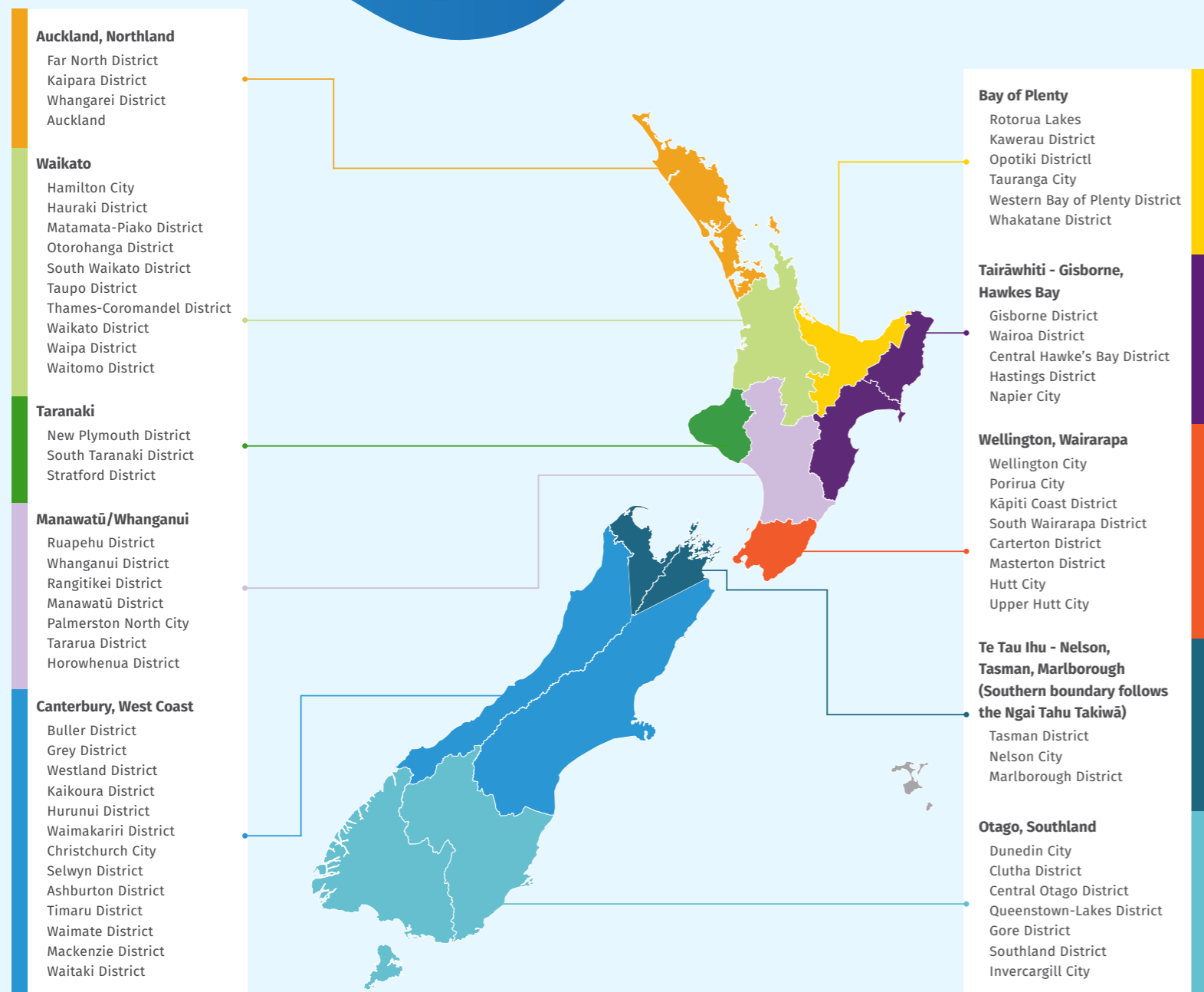
The cost of meeting these challenges is estimated at between \$120 billion and \$185 billion over the next 30 years.

This is out of reach of councils to address on their own. The only effective way to address this is to have balance sheet separation between water services entities and local government, to allow them to achieve higher levels of leverage than local authorities can obtain.

Water services reform and what's changing:

Changes have been made to water services reforms, to strengthen the connection between local communities and their water services provider while continuing to ensure improved affordability of services for households.

The water services and the people who currently run them across 67 councils will be operated by 10 publicly owned, specialised water service entities. This will enable the entities to be better connected to the communities they serve.



Note: The Chatham Islands is unique in that it depends significantly on central government for infrastructure funding, and its residents face substantially higher utility and other household costs than other New Zealanders. Advice is being sought on how best to reflect the unique circumstances of the Chatham Islands as part of the new model.

Moving to 10 entities

All councils will be included. See the map on the left for more details.

Ownership

The entities will be owned by local councils on behalf of the public, but will be operationally and financially independent from them.

This enables the entities to fund the significant long-term investment required. They will be of sufficient size – both in terms of assets and customers – to enable them to be financially sustainable and operate efficiently.

For consumers, this means improved affordability of water services over and above the current water service delivery model and quality levels of service.

Stormwater continues to be included in the reforms

Recent extreme weather events have further highlighted the importance – and fragility – of our water infrastructure.

Governance

Each water service entity will be governed by a professional board. Members will be appointed for their competencies and experience. These will be merit-based appointments on a defined and diverse skill set. There is no requirement for co-governance at the board level.

Strengthening local voice and influence through regional partnership

Local voice and representation has been strengthened through regional representative groups, which provide regional and local level direction and oversight. They set the strategic and performance expectations, appoint the board, approve the strategic direction, and monitor the performance of the Water Services Entities in their area. Local voice has been strengthened. Under the 10-entity model, every territorial authority owner – and therefore every community – will be represented on the entity's regional representative group. Under te Tiriti o Waitangi/the Treaty of Waitangi, mana whenua have the right to participate in decisions that relate to water services. Iwi/Māori also have responsibilities as kaitiaki to protect Te Mana o te Wai, the health and mauri of our water.

Mana whenua will have equal representation on the regional representative groups alongside councils in each entity area. Communities will continue to have influence over the water services entities through regional representative groups.

Listening and being accountable to their community

Water Services Entities will be required to consult with their customers, businesses, and residents on their strategic direction, investment priorities, their prices and charges and work closely with local authorities to ensure water infrastructure provides for growth and development in spatial plans. Each entity will be required to engage with communities in a meaningful and effective manner on all key accountability documents like Asset Management Plans and Funding and Pricing Plans. The entities will have to report on how consumer and community feedback was incorporated into their decision-making. This responsiveness and accountability to communities exceed the current requirements in the Local Government Act.

What will the water services reforms mean for me?

- Water services are expected to be more affordable than they would be under the current water service delivery model. (Households already pay for water services through their council rates, however, in the future will pay their water services entity for these services.)
- Water services will be improved throughout the country – large cities, regional towns, and rural areas.
- New Zealanders can have confidence the water services entities will listen and respond to their needs, as they will be closely connected with the communities they serve.
- Water services entities will remain in public ownership. Their responsiveness and accountability to their communities is expected to exceed the current requirements in the Local Government Act.
- New Zealanders can have confidence that their water services are in safe hands, with each water service entity governed by a competency and skill-based board.
- Regional representative groups made up of council representatives and iwi/Māori will provide strategic oversight and direction to the water services entities on behalf of their communities.
- Iwi/Māori rights and interests are protected under the Treaty of Waitangi, recognising the importance of water as a taonga that is critical for the health and wellbeing of all New Zealanders.
- A world-class water system that enables New Zealanders to enjoy safe, reliable and affordable water services for years to come.


Next steps and timeline

These are once in a generation reforms, and it's important that we get it right, working with councils and others to ensure a smooth transition.

The water services entities will start delivering water services from early 2025 – 1 July 2026 at the latest.

Find out more

For further information and updates on progress, visit waterservicesreform.govt.nz



**New Zealanders
need safe, reliable,
and affordable
water services**