

## Hon Simeon Brown

MP for Pakuranga

Minister for Energy  
Minister of Local Government  
Minister of Transport

Minister for Auckland  
Deputy Leader of the House



Dear Mayor / Chair

### **Local Government (Water Services) Bill introduced to Parliament**

This week I introduced to Parliament the Coalition Government's third Local Water Done Well Bill.

When enacted, the Local Government (Water Services) Bill will be the central piece of legislation for New Zealand's water services system.

The Bill reflects key policy decisions shared with you in August this year, which give local government the tools required to address New Zealand's water services challenges.

It builds on the foundations already in place through the Local Government (Water Services Preliminary Arrangements) Act 2024, including the development of Water Services Delivery Plans (Plans) by councils.

### **About the Bill**

The Bill is necessarily comprehensive. It sets out key details relating to the water services delivery system, the economic regulation and consumer protection regime for water services, and changes to the water quality regulatory framework.

The Bill gives effect to the policy decisions announced in August. While there are no changes to the information that has already been shared with you on these, the Bill sets out detailed information about the new water services delivery system that will be important for informing your consideration of future water services delivery arrangements.

This includes information about:

- Tax implications for water organisations
- Wastewater and stormwater standards
- Technical details about the implementation of the National Engineering Design Standards
- Bespoke requirements for the consumer trust model of water services delivery
- Arrangements for transferring responsibilities to water organisations
- The objectives, financial principles and other responsibilities that apply to water service providers (councils and water organisations)
- Contractual arrangements for water services delivery
- The new planning and reporting framework for water services.

### **Information and guidance available**

I encourage you to visit the Department of Internal Affairs' website for further detailed information about key aspects of the Bill.

The Department has updated the Local Water Done Well factsheets that were shared in August and developed new factsheets, based on the provisions of the Bill as introduced and including further information.

This information is available at: [www.dia.govt.nz/Water-Services-Policy-Future-Delivery-System](http://www.dia.govt.nz/Water-Services-Policy-Future-Delivery-System).

Alongside the material that has been released to support the introduction of the Bill, the Department has developed additional guidance to help inform your consideration of future water services delivery arrangements as part of the development of your Plans. This information is also available on the Department's website.

### **Transforming water services infrastructure and delivery**

The introduction of this Bill represents a significant milestone for Local Water Done Well, and for the delivery of local solutions for improved, financially sustainable and high-quality water services.

With the framework and settings now in place, it is now up to you to consider the best solution for your communities.

The Government's expectation is that councils will work together to establish joint water organisations for water services delivery, recognising the cost and operational efficiencies that come with greater size and scale.

A joint water organisation will enable councils to pool resources, improve access to financing via Local Government Funding Agency (LGFA), and reduce costs for ratepayers. It won't mean harmonisation of pricing and other key financial metrics from day one – that process can and should reflect the realities of each region.

While some councils may wish to continue with in-house delivery of water services, it's important to emphasise that the new framework and requirements under Local Water Done Well – such as ringfencing, planning and accountability, and economic regulation – means business as usual is not an option.

Under Local Water Done Well, water service providers will have to operate more like independent utility businesses, much like telecommunications or electricity utilities. They will be structured and operated differently, and they will be directly accountable to customers, regulators and shareholders (where relevant).

### **Progress on Water Services Delivery Plans**

Finally, I want to acknowledge the progress councils are making with the development of your Water Services Delivery Plans – the centrepiece of financially sustainable and locally-delivered water services.

Plans provide a clear pathway for councils to assess their current water services arrangements and chart a course for improvement, using the tools and framework the Government has made available.

While you have until 3 September 2025 to develop your Plans, it's important to emphasise that this is just the start of a locally – or regionally – driven transformation. Laying the groundwork now is critical to shaping high-quality, cost-effective water services in future.

Crown Facilitators continue to be an option to support councils in navigating the complexities of preparing these Plans, and I really encourage you to take up that option if you are experiencing challenges.

Crown Facilitators can provide tailored guidance, facilitate collaboration among councils, or assist with joint planning efforts. These facilitators are not there to impose decisions but to help councils develop robust, achievable plans that meet their unique needs.

### **Next steps**

Once the Bill has had its first reading it will be referred to a select committee, where you will be able to make a submission.

I encourage you to have your say to ensure the legislation provides an enduring framework for the delivery of financially sustainable water services to your communities.

Acknowledging that the submission period falls over the Christmas break, I will be writing to the select committee to request that submissions by councils be received until the end of February, to give councils time to meet in the New Year and consider their submission.

More detail on the timing of the select committee process can be found on the Parliament website at [www.parliament.nz](http://www.parliament.nz), following first reading.

Thank you for your continued engagement and support.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Simeon Brown', written in a cursive style.

Hon Simeon Brown

**Minister of Local Government**