



Water Services Entities Bill – overview

The Government has introduced the Water Services Entities Bill to implement its decisions to establish four public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand from July 2024.

This reform is intended to ensure all New Zealanders have safe, clean and affordable water services.

The Water Services Entities Bill is the first in a suite of legislation to enact the three waters reforms. It sets out the **ownership, governance, accountability arrangements** relating to these entities and includes essential provisions for ongoing public ownership and engagement, and **safeguards against future privatisation**.

The Bill also **sets out the geographical boundaries of the service delivery area for each of the four entities** and **provides for transitional arrangements** to enable the transition and establishment activities needed to ensure these four new entities are in place to deliver services from 1 July 2024.

By providing for the establishment of four water services delivery entities, this Bill paves the way for improved, effective and efficient management of three waters services and infrastructure. The arrangements within this Bill is the first step to ensuring all New Zealanders will have access to safe, reliable and affordable three waters services that meet our environmental and cultural expectations.

The Water Services Entities Bill

In addition to design features that have been informed by engagement with the local government sector and Māori/iwi over the last four years, the Bill incorporates the recommendations made by the [Working Group on Representation, Governance and Accountability](#).

The Water Services Entities Bill:

- provides the legislative basis to establish the four new publicly-owned water services entities, and sets out the ownership, governance, and accountability arrangements relating to these entities, as well as and setting out the framework for community and consumer engagement. Find out more: [Governance, accountability and consumer engagement factsheet](#)
- includes essential provisions for ongoing public ownership of the new entities, including safeguards against future privatisation, Find out more: [Public ownership and protections against privatisation](#)
- provides for transitional arrangements relating to the establishment and governance of the new entities, including strategic direction, planning and reporting, employment, and the oversight powers of the Department of Internal Affairs during the establishment period. Find out more: [Transitional arrangements factsheet](#)

Further legislation to be introduced in the second half of 2022 to transfer assets and liabilities **from local authorities** to water services entities, and establish the powers and functions for the entities in relation to managing the provision of water services. This further legislation will integrate the entities into other regulatory systems, such as the resource management and economic regulatory regimes.

Objectives of water services entities

The Bill sets out the objectives and functions of the water services entities and establishes the boundaries of the four entities. Under this legislation the entities will:

- a) deliver water services and infrastructure in an efficient and financially sustainable manner;
- b) protect and promote public health and the environment;
- c) support and enable housing and urban development;
- d) operate in accordance with best commercial and business practices;
- e) act in the best interests of present and future consumers and communities; and
- f) deliver water services in a sustainable and resilient manner that seeks to mitigate the effects of climate change and natural hazards

In delivering these services, the entities will have operating principles which include:

- a) developing and sharing capability and technical expertise throughout the water services sector;
- b) being innovative in the design and delivery of water services and water services infrastructure;
- c) being open and transparent in the calculation and setting of prices and levels of service delivery to communities and consumers;
- d) partnering and engaging early and meaningfully with Māori/iwi, including to inform how to give effect to Te Mana o te Wai and Treaty settlement obligations;
- e) partnering and engaging early and meaningfully with councils and their communities; and
- f) co-operating with, and supporting, other water services entities, infrastructure providers, local authorities, and the transport sector.

Timing

The Government anticipates the Bill will receive its first reading and be referred to select committee in June, with a call for public submissions following shortly afterward.

The select committee is then expected to report the Bill back to the House in the latter half of 2022, with the intention of completing the remaining legislative stages shortly after.

This timing is necessary to ensure the establishment of, and transition to, the new entities is complete by 1 July 2024, in line with local government planning cycles.

Public submissions

The progression of this legislation will include a full select committee process.

Members of the public, Māori/iwi, industry and local government are encouraged to read the Bill and have their say when the select committee calls for submissions.

For more information on the submissions process please visit the Parliament website: [How to make a submission - New Zealand Parliament \(www.parliament.nz\)](https://www.parliament.nz)

Further information

For further information about the Three Waters Reform Programme, visit [dia.govt.nz – Three Waters Reform Programme](https://dia.govt.nz).