

Frequently asked questions

What happens next?

Date	Milestone
Late October	Representation and accountability working group established
Early December	Water Services Entities Bill introduced to Parliament
Mid-December	First reading of the Bill and referral to Select Committee: call for submissions
Early 2022	Public consultation on Water Services Entities Bill through Select Committee process; National Transition Unit engagement with local authorities begins
June 2022	Report back of Water Services Entities Bill
July 2022	\$500 million in 'better-off' funding available for councils
July 2024	Four new entities take responsibility for delivering water services; Up to \$2 billion additional funding available for councils

Why will these new water providers be better than the current system?

These new water providers will have the significant advantages of:

- superior long-term financing arrangements through balance-sheet separation from debt-constrained councils;
- spreading costs across larger areas over time;
- operational efficiencies;
- the ability to plan, fund and deliver more resilient and reliable water infrastructure across regions and communities;
- developing and maintaining workforce capability and capacity through more sustainable career pathways in the water industry into the future.

What will be the costs to households / ratepayers?

With reform, costs are projected to range between \$800 and \$1640, saving households thousands of dollars a year. This represents a much lower average cost per household. The savings for each household in individual councils can be found in Appendix A.

Is the government taking assets off of communities?

The Government is not confiscating, buying or selling assets. Councils will continue to collectively own the water services entities providing services for their district, on behalf of their communities.

Communities will retain an influence on three waters assets and services through their council and through other consumer and community interest forums.

The reforms are about shifting the day-to-day operation and management of the water services from councils to dedicated water entities, which will mean a better, safer, more cost-effective way of ensuring that our communities have good-quality water services for generations to come.

How can communities be sure these assets will not be privatised?

Continued public ownership of these water services is a bottom line for the Government. The safeguards against future privatisation the government is writing into legislation go above and beyond the current safeguards (or lack of).

These safeguards ensure communities will be the ultimate guardians of public ownership with any future proposal for privatisation requiring 75 per cent of votes in favour in a public referendum.

Additionally, any surpluses would have to be reinvested in water services to address significant infrastructure deficits, making the entities an unattractive proposition for investors. The involvement of iwi/Māori, with councils, in the strategic oversight and direction of the entities will enhance these protections.

The new water authorities will exist to ensure safe, affordable, resilient and environmentally responsible supplies of water services for their communities rather than to turn a profit.

What will it mean for council water workers?

Council employees that primarily work on water services will be guaranteed a role with the new water service entities that retain key features of their current role, salary, location, leave and hours/days of work.

When will public consultation on the reforms occur?

Public consultation on these reforms will occur at a national rather than local level.

There will be several opportunities for public consultation over the coming years including public submissions via the select committee process, and public participation with the Working Group.

Once set up the water entities will have to directly consult with their customers, businesses, and residents on their strategic direction, investment priorities, their prices and charges to a level that will likely exceed the current requirements on local government.

What alternative reform options has the Government considered?

The Government has been investigating a range of options for four years using the best of international and local expertise – and has robustly tested the options with oversight and guidance of the joint Central/Local Government steering committee.

This includes assessing options such as central government funding to the status quo, sector-led shared service delivery and regional models, introducing a national centralised fund similar to the NZTA-type model, and regulatory reform alone. The Water Industry Commission for Scotland also assessed 30 different aggregation scenarios ranging from two to 16 entities. Other alternatives considered were unsustainable and unaffordable for large parts the country.

What has changed as a result of council feedback?

The feedback from councils through the 8-week engagement period helped identify areas for refinement of the new entities – such as in the area of representation and accountability.

The Government continues to work in good faith with local government to refine the outstanding details of the reforms design and will establish three technical reference groups, similar to the Stormwater Technical Working Group, that will include, iwi, industry and local government experts. These groups will help refine the reform proposals with regard to oversight and accountability; rural supplies; and the resource management interface.

This further work will be conducted within the government's reform bottom lines of good governance, partnership with mana whenua, public ownership and operational and financial autonomy.