

(DIA, 2023a)

Frequently Asked Questions

On this page

[General Questions](#)[For Households](#)[For Rural Communities](#)[For the Workforce](#)

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General Questions

Why do we need water services reform?

All New Zealanders deserve to have safe, affordable and reliable drinking water, wastewater and stormwater. Changes are needed in the way New Zealand manages its water services in order to deliver this, especially given the challenges of ageing infrastructure, population growth, climate change, and natural disasters.

Estimates show between \$120 billion and \$185 billion of investment is required over the next 30 years.

Without change, the costs to households for improving water infrastructure will be unaffordable for most New Zealanders.

This is unaffordable for ratepayers unless we do things differently.

Under the water services reforms, the water services and the people who currently run them across 67 councils will be combined into 10 publicly owned, specialised water service entities.

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 borrow more money to fund the significant long-term investment required in water services infrastructure.

For consumers, this means improved affordability of water services compared with the increase in water charges likely under a continuation of the current water service delivery model, and improved quality of service.

Borrowing to fund this work is fairer for households and businesses as it spreads the costs over a much longer timeframe rather than requiring today's ratepayers to meet most of the costs in the form of higher rates.

What does it mean for me?

If your water services, like tap water, wastewater and stormwater drains are provided by your local council, these services will instead be provided by a Water Services Entity once they are established.

Instead of ratepayers paying for water services as part of their rates bill, in future they will pay one of the new entities for water services.

Water services will be more affordable than they would be under the current water service delivery model.

How will the Water Services Entities be better than the current system?

The entities will:

- Manage costs by borrowing more over longer periods of time, making upgrades more affordable for New Zealanders, rather than putting most of the costs of long-term infrastructure onto today's ratepayers.
- Enable more strategic long-term investment in water
- Create new career opportunities for people who work in our water industry.
- Put Te Mana o te Wai - the health and wellbeing of water - at the centre of what they do. This includes taking a wider catchment-based view of our water systems than is currently the case. While councils have many competing demands on council revenues from the rates they collect, the Water Services Entities will be exclusively focused on delivering healthy water systems, which are crucial for healthy communities.

What will it cost to fix our water infrastructure?

It's estimated that \$120-\$185 billion will need to be invested in our water systems over the next 30 years. This is based on what is required to catch-up on decades of under-investment and continue to upgrade water infrastructure to meet health and environmental standards.

Who will pay for the \$120-\$185 billion?

Households already pay for water services as part of their rates bill. In future, they will pay one of the new entities for water services.

Alongside this, the Water Service Entities will have the scale and financial separation from councils that will enable them to borrow to fund the significant investment required in water infrastructure. This can be paid back over a much longer timeframe rather than being paid for up-front by today's ratepayers. That makes it more affordable for everyone.

Will communities still own the water infrastructure?

Yes. The water services entities will be owned by local councils on behalf of their local communities.

Under the ten-entity model, every territorial authority owner - and therefore every community - will be represented on their respective entity's regional representative group.

Continued public ownership is a bottom line and the legislation includes extensive safeguards against privatisation.

What is Te Mana o te Wai and why is it a feature of the water services reform?

Te Mana o te Wai is a fundamental principle guiding water services reform for each WSE to make decisions on how best to deliver water services to all communities. Under the Water Services Entities Act 2022, WSEs are required to give effect to Te Mana o te Wai.

Te Mana o te Wai:

- Refers to the importance of water and recognises that protecting the health and wellbeing of freshwater protects the health and wellbeing of the wider environment
- Is a transformative mechanism focused on re-aligning the relationship between people and water in all its forms to ensure the well-being of our waters
- Is the responsibility of all New Zealanders to uphold and prioritise the health of our water. To do this, Te Mana o te Wai must be at the forefront of all decisions
- Will enable structural change that benefits not only our water and water services but also the health and well-being of all New Zealanders.

For Households

How will I pay for my water services?

Most New Zealand households currently pay for water services as part of their rates bill. In future, households will pay one of the new Water Services Entities for water services instead.

What is going to happen to my rates bill following reform?

In the future, households will pay one of the new Water Services Entities for water services instead of their council. Therefore, it's expected that rates bills will change to reflect the fact that councils are no longer providing these services.

How can I contact the Water Services Entity?

Once the entities are established, you will be able to contact your water services entity through customer service channels, like phone or email, as you do now with your local council.

Will I be charged for rainwater collection?

No, water collected for your own personal use is not affected by the reforms.

How will communities have input into the new entities?

There will be more opportunities for communities to have input into water services than is the case currently. This is because the requirements for community engagement and consultation for the new Water Services Entities go above and beyond the provisions in the Local Government Act.

For Rural Communities

Will I be charged for my rainwater collection?

No, water collected for your own personal use is not affected by the reforms.

I have private septic tanks. Will I be charged for their maintenance?

No, septic tanks are privately-owned and are not affected by the reforms.

What will happen to my local mixed-use water scheme which provides drinking water and water for farming?

Privately owned mixed-use water schemes will be unaffected by reform and will remain privately owned. Council owned mixed use water schemes will transfer over to the new water services entities but users will have opportunity to transfer ownership and operation of their scheme to the communities who use them. Read more about this: [Rural Communities](#)

For the Workforce

I work in water services now, what will happen to my job?

Council employees who primarily work in water services will be guaranteed a role with the new Water Services Entities on the same terms as their existing role. See [Te Rapunga](#) for more detailed information.

Will the reforms create more jobs?

Yes, our research shows that the reforms will create thousands of new jobs over the next 30 years, as well as new career pathways for people who work in water services. This is because the structural changes being made to water services management and service delivery will enable much more much-needed investment in water infrastructure, requiring more workers and more specialisation.

Contact us

If you have any queries, please email: waterservicesreform@dia.govt.nz

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