

Local Government (Water Services) (Repeals and Amendments) Bill

(Divided from the Local Government (Water Services) Bill)
Government Bill

As reported from the committee of the whole House

This Bill was formerly part of the Local Government (Water Services) Bill as reported from the Finance and Expenditure Committee. The committee of the whole House has further amended the Bill and divided it into the following Bills:

- Local Government (Water Services) Bill comprising clauses 1 and 2, Parts 1 to 4 and 6, and Schedules 1 to 4
- this Bill comprising Part 5 and Schedules 5 to 12.

**Local Government (Water Services) (Repeals and
Amendments) Bill**

Key to symbols used in reprinted bill

As reported from the committee of the whole House

text inserted

~~text deleted~~

Hon Simon Watts

Local Government (Water Services) (Repeals and Amendments) Bill

Government Bill

Contents

		Page
1	Title	13
2	Commencement	13
.		
Part 1		
Amendments to civil defence legislation		
<i>Civil Defence Emergency Management Act 2002</i>		
215	Principal Act	14
216	Section 115A amended (Permanent legislative authority for payment of certain expenses)	14
<i>National Civil Defence Emergency Management Plan Order 2015</i>		
217	Principal order	14
218	Schedule amended	14
	159A Definition of water organisation	14
Part 2		
Amendments to Commerce Act 1986		
219	Principal Act	15
219A	Section 2 amended (Interpretation)	15
220	Section 52B amended (Outline of Part)	15
221	Section 52C amended (Interpretation)	15
222	Section 52F amended (Effect of goods or services being subject to regulation)	16
223	Section 52P amended (Determinations by Commission under this section)	16

**Local Government (Water Services) (Repeals and
Amendments) Bill**

224	Section 53ZG amended (Power to exempt disclosure of commercially sensitive information)	16
225	New subpart 12 of Part 4 inserted	16
<i>Subpart 12—Water services</i>		
57	Overview of subpart	17
57AA	Interpretation for this subpart	17
57AB	Order in Council declaring water services	18
<i>Water services regulated under this Part</i>		
57A	Water services declared to be regulated	19
57B	Water supply and wastewater services	19
57C	Stormwater services	20
57D	Watercare Services Limited, and any subsidiary of Watercare Services Limited, subject to price-quality regulation	20
<i>Commission may recommend further regulation or deregulation</i>		
57E	Commission may recommend further regulation or deregulation	20
57F	Process for Commission’s recommendation	21
57G	Inquiry not required	22
<i>Order in Council</i>		
57H	Minister’s consideration	22
57I	Minister’s decision and recommendation	22
57J	Order in Council imposing regulation	23
57K	Commission not required to consult on non-material amendment	23
<i>Determinations</i>		
57L	Commission determination about how regulation applies	23
57M	Section 52P determinations apply to each type of regulation imposed	24
57N	Section 52P determinations without input methodologies	24
57O	Additional matters relating to section 52P determinations	24
<i>Other functions of Commission in relation to water services</i>		
57P	Water efficiency	25
57Q	Commission must take into account duties owed by suppliers of water services	25

**Local Government (Water Services) (Repeals and
Amendments) Bill**

57R	Commission’s functions do not extend to regulating safety of drinking water	25
	<i>Additional matters</i>	
57S	Commission may grant exemption to local authority	25
57T	Additional matters relating to regulation of water services	26
226	New Part 4A inserted	26
	Part 4A	
	Consumer protection in relation to water services	
	Subpart 1—Overview, purpose, interpretation, and application of this Part	
57TA	Overview of this Part	26
57U	Purpose of this Part	26
57V	Interpretation of this Part	27
57W	Application of this Part	27
	Subpart 2—Information disclosure requirements relating to protecting consumers of water services	
57X	Information disclosure requirements relating to consumer protection	27
	Subpart 3—Other measures relating to protecting consumers of water services	
	<i>Regulations</i>	
57Y	Regulations relating to protecting consumers of water services	28
	<i>Service quality codes</i>	
57Z	Purpose of service quality code	29
57ZA	Commission may issue guidelines to industry about service quality codes	30
57ZB	Commission review of industry service quality codes	30
57ZC	Commission may make Commission service quality code	30
57ZD	Contents of Commission’s service quality code	31
57ZE	Suppliers must comply with Commission service quality code	31
57ZF	Process for making or amending Commission service quality code	31
	<i>Compliance</i>	
57ZG	Commission must monitor compliance	32
57ZI	When court may make pecuniary penalty order	33
57ZJ	Maximum amount of pecuniary penalty	33

**Local Government (Water Services) (Repeals and
Amendments) Bill**

57ZK	Court may make compensatory orders for contravention of Commission service quality code	33
57ZL	Court may grant injunctions for contravention of Commission service quality code	34
57ZM	Order requiring regulations to be complied with	34
57ZN	Offence relating to Commission service quality codes	34
	<i>Additional remedies in relation to failure to comply with Commission service quality code</i>	
57ZO	Overview of sections 57ZP to 57ZR	34
57ZP	Order to disclose information	35
57ZQ	General order for failure to comply with Commission service quality code	35
57ZR	Other order for failure to comply with Commission service quality code	36
57ZS	Appeals and remedies Remedies	36
57ZT	Application of Part 6 undertakings and injunction provisions	36
	<i>Other provisions</i>	
57ZU	Commission must take into account duties owed by suppliers of water services	36
57ZV	Commission's functions do not extend to regulating safety of drinking water	37
57ZW	Levies	37
226A	Section 75 amended (Jurisdiction of High Court)	37
226B	Section 76 amended (Jurisdiction of District Court)	37
227	Section 87 amended (Pecuniary penalty for contravening price- quality requirements)	37
228	Section 87A amended (Compensation for contravention of price- quality requirement)	38
229	Section 87B amended (Offence relating to price-quality regulation)	38
230	Section 87C amended (Injunction and other orders relating to price-quality regulation)	38
231	Section 91 amended (Appeals in relation to determinations by Commission)	39
232	Section 103 amended (Offences)	39
233	Schedule 1AA amended	39
234	New Schedule 7 inserted	39
Part 2A		
Amendments to Goods and Services Tax Act 1985		
234A	Principal Act	39
234B	Meaning of taxable period	39
234C	Section 2 amended (Interpretation)	40

**Local Government (Water Services) (Repeals and
Amendments) Bill**

234D	Section 5 amended (Meaning of term supply)	40
234E	Section 6 amended (Meaning of term taxable activity)	40
234F	Section 9 amended (Time of supply)	40
234G	Section 11B amended (Zero-rating of some supplies by territorial authorities, some supplies involving contributions to local authorities)	41

Part 3

Amendments to Income Tax Act 2007

235	Principal Act	41
235A	Meaning of income year	41
235B	Section CW 39 amended (Local authorities)	41
236	New section CW 55BC inserted (Water organisations)	41
	CW 55BC Water organisations	41
237	Section YA 1 amended (Definitions)	42

Part 4

Amendments to Local Government Act 2002

238	Principal Act	43
239	Section 6 amended (Meaning of council-controlled organisation and council organisation)	43
239A	Section 106 amended (Policy on development contributions or financial contributions)	44

Ministerial powers in relation to water service providers

240	Section 253 amended (Outline of Part)	44
241	Section 254 amended (How this Part works)	44
242	Section 255 replaced (Application of this Part)	44
	255 Application of this Part	44
243	Section 256 amended (Interpretation)	45
244	New subpart 1A of Part 10 inserted	47

Subpart 1A—Additional ministerial powers of
assistance and intervention: water services

*Minister may appoint Crown facilitator—water
services*

258MA	Minister may appoint Crown facilitator—water services	47
-------	---	----

258MB	How Crown facilitator—water services is appointed	49
-------	---	----

*Minister may appoint Crown commissioners—water
services*

258MC	Minister may appoint Crown commissioners—water services	50
-------	---	----

258MD	How Crown commissioners—water services are appointed	52
-------	--	----

**Local Government (Water Services) (Repeals and
Amendments) Bill**

<i>Obligation to consult</i>			
	258ME	Minister must consult	53
245		Subpart 2 heading in Part 10 amended	53
246		Section 258N amended (Minister may consult any person)	53
247		Section 258O amended (Minister must publish list in <i>Gazette</i>)	53
248		Section 258P amended (Minister must have regard to published list)	53
249		Section 258Q amended (Notice to local authority of proposed appointment of Ministerial body)	54
250		Section 258S amended (Notification of appointment of Ministerial body)	54
251		Section 258W amended (Recovery of expenses from local authority)	54
252		Section 258ZA replaced (Decisions and directions of Crown Manager or Commission remain in force until local authority decides otherwise)	55
	258ZA	Decisions and directions remain in force	55
253		New section 258ZB and cross-heading inserted	55
<i>Information required for purpose of advising Minister</i>			
	258ZB	Secretary may require water services information	55
254		Schedule 1AA amended	56
254A		Schedule 13 amended	56
	3	Calculations when water organisation being established	56

**Part 5
Amendments to Local Government (Water Services
Preliminary Arrangements) Act 2024**

255		Principal Act	56
256		Section 89 amended (Crown monitor's and Secretary's expenses recoverable from Watercare)	56
257		Schedule 1 amended	57

**Part 6
Amendments to Receiverships Act 1993**

258		Principal Act	57
259		Cross-heading above section 40A replaced	57
260		Section 40AAA replaced (Meaning of Watercare)	57
	40AAA	Meaning of water organisation and Watercare	57
261		Section 40A amended (Instrument may provide for appointment of receiver)	57
262		Section 40B amended (Power of court to appoint receiver)	57
263		Section 40C amended (Powers and duties of receivers)	58
264		Section 40D amended (Constraints on receiver)	58

**Local Government (Water Services) (Repeals and
Amendments) Bill**

265	Section 40E amended (Protection for receiver)	59
Part 7		
Amendments to Resource Management Act 1991		
266	Principal Act	59
267	Section 2 amended (Interpretation)	59
267A	Section 9 amended (Restrictions on use of land)	59
267B	Section 12 amended (Restrictions on use of coastal marine area)	60
267C	Section 13 amended (Restriction on certain uses of beds of lakes and rivers)	60
267D	Section 14 amended (Restrictions relating to water)	60
267E	Section 15 amended (Discharges of contaminants into environment)	60
268	New section 44B and cross-heading inserted	61
<i>Designations</i>		
44B	Relationship between environmental performance standards, <u>infrastructure design solutions</u> , and designations	61
269	New sections 58JA to 58JC and cross-headings inserted	62
<i>Wastewater and stormwater environmental performance standards</i>		
58JA	Relationship between wastewater and stormwater environmental performance standards and other instruments	62
<u>58JAA</u>	<u>Plan may permit effects that wastewater or stormwater environmental performance standard does not deal with</u>	<u>63</u>
<i>Infrastructure design solutions</i>		
58JB	Relationship between infrastructure design solutions and other instruments	64
<u>58JBA</u>	<u>Plan may permit effects that infrastructure design solution does not deal with</u>	<u>65</u>
58JC	References to infrastructure design solutions	65
270	Section 87A amended (Classes of activities)	65
271	Section 95A amended (Public notification of consent applications)	65
272	Section 95B amended (Limited notification of consent applications)	66
273	Section 104 amended (Consideration of applications)	66
273A	Section 104A amended (Determination of applications for controlled activities)	67
273B	Section 104C amended (Determination of applications for restricted discretionary activities)	68

**Local Government (Water Services) (Repeals and
Amendments) Bill**

273C	New section 104DA inserted (Circumstances in which consent authority may grant resource consent contrary to standards and solutions)	68
	104DA Circumstances in which consent authority may grant resource consent contrary to standards and solutions	68
274	Section 105 amended (Matters relevant to certain applications)	68
275	Section 107 amended (Restriction on grant of certain discharge permits)	69
275A	Section 108 amended (Conditions of resource consents)	69
276	Section 108AA amended (Requirements for conditions of resource consents)	69
<u>276A</u>	<u>New section 122A inserted (Resource consent prevails over specified instruments)</u>	<u>69</u>
	<u>122A Resource consent prevails over specified instruments</u>	<u>69</u>
277	Section 123 amended (Duration of consent)	70
278	Section 124 amended (Exercise of resource consent while applying for new consent)	70
279	Section 128 amended (Circumstances when consent conditions can be reviewed)	70
280	New sections 139B to 139D and cross-heading inserted	70
	<i>Extant wastewater consents</i>	
	139B Definitions for purposes of extant wastewater consents	70
	139C Extension of extant wastewater consents	71
	139CA Minister may extend extant wastewater consent in exceptional circumstances	71
	139CB Application to extend extant wastewater consent	71
	139D Consent authority must update extant wastewater consent	72
281	Section 168A amended (Notice of requirement by territorial authority)	72
282	Section 169 amended (Further information, notification, submissions, and hearing for notice of requirement to territorial authority)	72
283	Section 171 amended (Recommendation by territorial authority)	72
284	Section 174 amended (Appeals)	73
285	Section 176A amended (Outline plan)	73
285A	Section 198E amended (Environment Court decides)	73
285B	Section 198K amended (Environment Court decides)	73
286	Schedule 12 amended	73

Part 8

**Amendments to Act previously called Taumata Arowai—the
Water Services Regulator Act 2020**

287	Principal Act	74
-----	---------------	----

**Local Government (Water Services) (Repeals and
Amendments) Bill**

288	Title of principal Act changed	74
289	Section 4 amended (Interpretation)	74
290	Section 5 amended (Māori interests)	74
291	Section 10 amended (Objectives of Taumata Arowai)	75
292	Section 11 amended (Functions of Taumata Arowai)	75
293	Section 12 amended (Board)	75
294	Section 14 amended (Māori Advisory Group established)	75
295	Section 17 amended (Role of Māori Advisory Group)	75
296	Section 18 replaced (Operating principles)	76
	18 Operating principles	76
297	Consequential amendments to principal Act and other enactments	77
Part 8A		
Amendment to Tax Administration Act 1994		
297A	Principal Act	77
297B	Section 32E amended (Applications for RWT-exempt status)	77
Part 8B		
Amendments to Waikato River legislation		
<i>Amendments to Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010</i>		
297C	Principal Act	77
297D	Section 12 amended (Effect of vision and strategy on Resource Management Act 1991 planning documents)	78
297E	Section 17 amended (Duty to have particular regard to vision and strategy)	78
<i>Amendments to Ngati Tuwharetoa, Raukawa, and Te Arawa River Iwi Waikato River Act 2010</i>		
297F	Principal Act	78
297G	Section 13 amended (Effect of vision and strategy on Resource Management Act 1991 planning documents)	79
297H	Section 18 amended (Duty to have particular regard to vision and strategy)	79
Part 9		
Amendments to Water Services Act 2021		
298	Principal Act	79
299	Section 5 amended (Interpretation)	80
300	Section 8 amended (Meaning of drinking water supplier)	80
301	Section 9 amended (Meaning of drinking water supply)	80
302	Section 10 replaced (Meaning of domestic self-supply and domestic dwelling)	81
	10 Meaning of domestic self-supply and shared domestic supplier	81

**Local Government (Water Services) (Repeals and
Amendments) Bill**

303	New section 13A inserted (Meaning of mixed-use rural water scheme)	82
	13A Meaning of mixed-use rural water scheme	82
304	Section 14 repealed (Te Mana o te Wai: meaning, application, effect)	83
305	New section 19A inserted (Application to New Zealand Defence Force)	83
	19A Application to New Zealand Defence Force	83
306	Section 29 amended (Duty of officers, employees, and agents to exercise due diligence)	83
307	Section 30 amended (Owner must have drinking water safety plan)	83
307A	Section 32 amended (Taumata Arowai to review drinking water safety plans and monitor compliance)	84
307B	Section 35 amended (Duty to notify Taumata Arowai of notifiable risk or hazard)	84
308	Section 35A amended (Notice to warn users of domestic self-supply about contamination)	85
308A	Section 39 repealed (Review by Taumata Arowai)	85
308B	Section 40 amended (Taumata Arowai to monitor compliance with complaints process)	85
308C	New section 43A inserted (Source water risk management plans: additional provisions for water service providers)	85
	43A Source water risk management plans: additional provisions for water service providers	85
309	Section 50 amended (Acceptable solutions or verification methods for drinking water)	86
311	Section 55 amended (Register of drinking water supplies)	86
312	Section 56 amended (Duty to renew annual registration and notify changes)	86
313	Section 57 amended (General exemptions)	86
314	New section 57A inserted (Purpose of general exemptions)	87
	57A Purpose of exemptions	87
314A	Section 58 amended (Exemption: residual disinfection)	87
314B	New section 58A inserted (Purpose of exemptions)	88
	58A Purpose of exemptions	88
315	Section 59 amended (Taumata Arowai may declare drinking water emergency)	88
316	Section 69 amended (Requirement for prescribed skills, qualifications, or experience in respect of drinking water supply or wastewater network)	88
317	Section 97 amended (Effect of appeal against compliance order)	88
318	Part 3 heading amended	89
319	New subpart 1AA of Part 3 inserted	89

**Local Government (Water Services) (Repeals and
Amendments) Bill**

Subpart 1AA—National Engineering Design Standards (NEDS) for water services networks		
<i>Preliminary</i>		
97A	Outline of this subpart	89
97B	Purpose of NEDS	89
97C	Interpretation	90
<i>Development and making of NEDS</i>		
97D	Water Services Authority to develop NEDS	90
97F	Draft NEDS: consultation	91
97G	Water Services Authority recommends NEDS to Minister	92
97H	Ongoing review of NEDS	92
<i>National codes of practice</i>		
97HA	Effect of national codes of practice	92
97HB	National codes of practice	92
97HC	Preparation of national codes of practice	93
<i>Water service providers ensure compliance with NEDS</i>		
97I	Vesting in water service providers	94
97J	Connecting infrastructure to network	94
97K	Construction of infrastructure	94
97L	Repair, replacement, maintenance, decommissioning, etc, of infrastructure	94
<u>97LA</u>	<u>Information requirements</u>	<u>95</u>
<i>Alternative solutions</i>		
97M	Water service provider may approve alternative solution	95
<i>Warnings</i>		
<u>97N</u>	<u>Chief executive may issue warnings</u>	<u>95</u>
<u>97O</u>	<u>Process for proposed warning</u>	<u>96</u>
<u>97P</u>	<u>How warning is issued</u>	<u>97</u>
<u>97Q</u>	<u>Effect of warning</u>	<u>97</u>
320	Cross-heading above section 107 amended	97
321	Section 107 amended (Power to take and test samples)	97
322	Section 108 amended (Power to obtain information)	97
323	Section 111 amended (Powers of entry and inspection)	97
324	Section 120 amended (Power to issue compliance order)	98
324A	New subpart 4A of Part 3 inserted	98
Subpart 4A—Chief executive statements		
129A	Chief executive statement relating to drinking water supply	98

**Local Government (Water Services) (Repeals and
Amendments) Bill**

325	Section 130 amended (Chief executive may accept enforceable undertakings)	99
326	Section 136 amended (Drinking water compliance, monitoring, and enforcement strategy)	99
327	Section 137 amended (Taumata Arowai to publish annual drinking water regulation report)	99
328	Section 138 amended (Wastewater environmental performance standards)	99
329	Section 138A repealed (Repeal of provisions relating to National Policy Statement for Freshwater Management)	100
<u>329A</u>	<u>New section 138B inserted (Wastewater environmental performance standards: application to Resource Management Act 1991)</u>	<u>101</u>
	<u>138B</u> <u>Wastewater environmental performance standards: application of certain provisions of Resource Management Act 1991</u>	<u>101</u>
330	Section 139A amended (Stormwater environmental performance standards)	101
<u>330A</u>	<u>New section 139AB inserted (Stormwater environmental performance standards: application to Resource Management Act 1991)</u>	<u>102</u>
	<u>139AB</u> <u>Stormwater environmental performance standards: application of certain provisions of Resource Management Act 1991</u>	<u>102</u>
331	New subpart 7B of Part 3 inserted	102
	Subpart 7B—Infrastructure design solutions	
	139B Infrastructure design solutions	102
	<u>139C</u> <u>Infrastructure design solutions: application of certain provisions of Resource Management Act 1991</u>	<u>103</u>
332	Section 140 amended (Interpretation)	104
333	Section 142 amended (Collection of information for monitoring and reporting on environmental performance)	104
334	Section 144 amended (Network registers)	104
335	Section 146 amended (Record-keeping requirements for monitoring and reporting purposes)	104
336	Section 147 amended (Annual reporting on networks)	105
337	Section 149 amended (Interpretation)	106
338	Section 200 amended (Regulations)	106
339	Section 201 amended (Levy)	106
341	Section 204 amended (Information sharing with regulatory agencies)	107
343	Schedule 1 amended	107

Part 10		
Consequential amendments		
<u>343A</u>	<u>Consequential amendments</u>	<u>107</u>
	
	Schedule 5	108
	New Part 6 inserted into Schedule 1AA of Commerce Act 1986	
	Schedule 6	111
	New Schedule 7 inserted into Commerce Act 1986	
	Schedule 7	130
	New Part 10 inserted into Schedule 1AA of Local Government Act 2002	
	Schedule 8	132
	New Part 2 inserted into Schedule 1 of Local Government (Water Services Preliminary Arrangements) Act 2024	
	Schedule 9	133
	New Part 8 inserted into Schedule 12 of Resource Management Act 1991	
	Schedule 10	134
	Consequential amendments relating to Water Services Authority—Taumata Arowai	
	Schedule 11	147
	New Part 3 inserted into Schedule 1 of Water Services Act 2021	
	Schedule 12	148
	Consequential amendments	

The Parliament of New Zealand enacts as follows:

- 1 Title**
This Act is the Local Government (Water Services) (Repeals and Amendments) Act **2024**.
- 2 Commencement** 5
 - (1) This Act comes into force on the day after Royal assent.
 - (2) However, **section 343A**, to the extent that it repeals subpart 3 of Part 2 of the Local Government (Water Services Preliminary Arrangements) Act 2024, comes into force on **1 July 2026**.

. 10

Part 1 Amendments to civil defence legislation

Civil Defence Emergency Management Act 2002

215 Principal Act

Section 216 amends the Civil Defence Emergency Management Act 2002. 5

216 Section 115A amended (Permanent legislative authority for payment of certain expenses)

- (1) In section 115A, replace “Watercare Services Limited” with “a water organisation” in each place.
- (2) In section 115A, insert as subsection (2): 10
- (2) In this section, **water organisation** has the same meaning as in **section 4** of the Local Government (Water Services) Act **2024**.

National Civil Defence Emergency Management Plan Order 2015

217 Principal order

Section 218 amends the National Civil Defence Emergency Management Plan Order 2015. 15

218 Schedule amended

- (1) In the Schedule, Part 10 heading, replace “**Watercare Services Limited**” with “**water organisations**”.
- (2) In the Schedule, clause 159(1) and (4), replace “Watercare Services Limited” with “water organisations”. 20
- (3) In the Schedule, after clause 159, insert:

159A Definition of water organisation

In this Part, **water organisation** has the same meaning as in **section 4** of the Local Government (Water Services) Act **2024**. 25

- (4) In the Schedule, clause 160, replace “Watercare Services Limited” with “water organisations”.
- (5) In the Schedule, clause 161(8), replace “Watercare Services Limited” with “a water organisation”.
- (6) In the Schedule, heading to clause 162, replace “**Watercare Services Limited**” with “**water organisations**”. 30
- (7) In the Schedule, clause 162(b) and (c), replace “Watercare Services Limited” with “water organisations”.
- (8) In the Schedule, heading to clause 163, replace “**Watercare Services Limited**” with “**water organisations**”. 35

- (9) In the Schedule, clause 163(1), replace “Watercare Services Limited” with “water organisations”.

Part 2 Amendments to Commerce Act 1986

- 219 Principal Act** 5
This Part amends the Commerce Act 1986.
- 219A Section 2 amended (Interpretation)**
In section 2(1), definition of **local authority**, after “includes”, insert “(except for the purpose of **subpart 12 of Part 4 and Schedule 7**)”.
- 220 Section 52B amended (Outline of Part)** 10
- (1) In section 52B(1), delete “of 3”.
- (2) In section 52B(2), after “The different types of regulation under this Part”, insert “(except for water services)”.
- (3) After section 52B(2), insert:
- (2A) The different types of regulation under this Part for water services are as follows: 15
- (a) information disclosure regulation (as referred to in subsection (2)(a)):
 - (b) revenue threshold regulation, under which the Commission sets minimum or maximum revenue thresholds (or both) for 1 or more regulated suppliers (*see* **Part 3 of Schedule 7**): 20
 - (c) quality regulation, under which the Commission sets a quality path for 1 or more regulated suppliers (*see* **Part 4 of Schedule 7**):
 - (d) performance requirement regulation, under which the Commission sets performance requirements for 1 or more regulated suppliers (*see* **Part 5 of Schedule 7**): 25
 - (e) price-quality regulation, under which the Commission sets a price-quality path for 1 or more regulated suppliers (*see* **Part 6 of Schedule 7**).
- (4) In section 52B(3), replace “to 11” with “to **12**”.
- (5) After section 52B(3)(c), insert:
- (d) water services (**subpart 12 and Schedule 7**). 30
- 221 Section 52C amended (Interpretation)**
- (1) In section 52C, definition of **consumer**, after “55A”, insert “, **subpart 12, and Schedule 7**”.
- (2) In section 52C, definition of **input methodology**, after “section 52T”, insert “(or **clause 27 of Schedule 7**)”. 35

- (3) In section 52C, definition of **regulated goods or services**, paragraph (a), after “52N”, insert “or **57J**”.
- (4) In section 52C, definition of **regulated goods or services**, paragraph (b), replace “11” with “**12**”.
- (5) In section 52C, replace the definition of **regulated supplier** with: 5
regulated supplier—
 (a) means a person to whom a section 52P determination applies in relation to particular goods or services; or
 (b) in relation to water services, has the meaning set out in **clause 2(1) of Schedule 7** 10
- (6) In section 52C, insert in its appropriate alphabetical order:
water services means any of the following (as defined in **section 57AA(1)**):
 (a) water supply services:
 (b) wastewater services:
 (c) stormwater services 15
- 222 Section 52F amended (Effect of goods or services being subject to regulation)**
 After section 52F(1)(b), insert:
 (c) every input methodology relating to the supply of water services that is not specified in a section 52P determination (*see* **clause 26(1)(b) of Schedule 7**) and that applies to the regulated supplier. 20
- 223 Section 52P amended (Determinations by Commission under this section)**
 (1) After section 52P(2)(c), insert:
 (d) in the case of regulation being imposed on water services under **subpart 12**, in accordance with **section 57L**. 25
- (2) After section 52P(8), insert:
 (8A) *See* **sections 57L to 57O and Schedule 7**, which provide for additional matters relating to determinations under this section that specify how regulation applies to suppliers of water services.
- 224 Section 53ZG amended (Power to exempt disclosure of commercially sensitive information)** 30
 In section 53ZG(1), after “or customised price-quality regulation”, insert “, or revenue threshold regulation, quality regulation, performance requirement regulation, or price-quality regulation under **subpart 12**”.
- 225 New subpart 12 of Part 4 inserted** 35
 After section 56N, insert:

Subpart 12—Water services

57 Overview of subpart

- (1) This subpart provides that—
- (a) the following types of regulation apply to certain local government suppliers of water supply services and wastewater services: 5
 - (i) information disclosure regulation:
 - (ii) revenue threshold regulation:
 - (b) those types of regulation may also be imposed on the following in accordance with the process set out in **subsection (2)**: 10
 - (i) 1 or more other suppliers of water supply services or wastewater services: 10
 - (ii) 1 or more suppliers of stormwater services:
 - (c) the following types of regulation may be imposed on 1 or more suppliers of 1 or more water services in accordance with the process set out in **subsection (2)**: 15
 - (i) quality regulation:
 - (ii) performance requirement regulation:
 - (iii) price-quality regulation.
- (2) The process for imposing regulation on 1 or more suppliers in respect of 1 or more water services involves the following steps: 20
- Order in Council imposing regulation*
- (a) the Commission may make a recommendation to the Minister under **section 57E** (but is not required to hold an inquiry under sections 52H to 52K):
 - (b) the Minister considers the Commission’s recommendation under **section 57H**: 25
 - (c) if the Minister decides to recommend regulation, an Order in Council may be made under **section 57J** that makes those suppliers subject to regulation and identifies the type or types of regulation that apply: 30
- Determination*
- (d) the Commission makes a section 52P determination specifying how the applicable type or types of regulation apply to a supplier.
- (3) This section is intended only as a guide to the general scheme and effect of this subpart.
- 57AA Interpretation for this subpart** 35
- (1) In this subpart and in **Schedule 7**, unless the context otherwise requires,—

local authority has the meaning given in section 5(1) of the Local Government Act 2002	
stormwater service —	
(a) means the collection, treatment, drainage, or discharge of stormwater in an urban area; and	5
(b) includes a service declared to be a stormwater service by an Order in Council made under section 57AB ; but	
(ba) does not include—	
(i) a service declared not to be a stormwater service by an Order in Council made under section 57AB ;	10
(ii) a service relating to a transport corridor	
Treaty settlement obligations has the meaning given in section 4 of the Local Government (Water Services) Act 2024	
wastewater service —	
(a) means the collection, treatment, storage, transmission, metering, or discharge of wastewater from consumers; and	15
(b) includes a service declared to be a wastewater service by an Order in Council made under section 57AB ; but	
(c) does not include a service declared not to be a wastewater service by an Order in Council made under section 57AB	20
water supply service —	
(a) means the abstraction, storage, treatment, transmission, or metering of water for supply to consumers if any of the water supplied is intended to be used as drinking water; and	
(b) includes a service declared to be a water supply service by an Order in Council made under section 57AB ; but	25
(c) does not include a service declared not to be a water supply service by an Order in Council made under section 57AB .	
(2) In subsection (1) , drinking water and urban area have the meanings given in section 4 of the Local Government (Water Services) Act 2024 .	30
(3) In this subpart and Schedule 7 , serviceability charges under section 62 of the Local Government (Water Services) Act 2024 must be treated as prices for supplying water supply services or wastewater services, as the case may be.	
57AB Order in Council declaring water services	
(1) The Governor-General may, on the recommendation of the Minister, make an Order in Council declaring—	35
(a) 1 or more services that involve water to be a stormwater service, a wastewater service, or a water supply service; or	

- (b) 1 or more services not to be a stormwater service, a wastewater service, or a water supply service.
- (2) Before recommending that an Order in Council be made, the Minister must be satisfied that—
 - (a) the Commission has made a recommendation to the same effect; and 5
 - (b) the Commission has consulted with interested parties.
- (3) Before making a recommendation under **subsection (2)(a)**, the Commission must assess the benefits, in meeting the purpose of this Part, of the proposed declaration against the costs of the proposed declaration.
- (4) An order made under this section is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements). 10

Water services regulated under this Part

57A Water services declared to be regulated

The following are regulated under this Part:

- (a) water supply services: 15
- (b) wastewater services:
- (c) stormwater services declared to be regulated by Order in Council made under **section 57J**.

57B Water supply and wastewater services

- (1) Water supply services and wastewater services are subject to both of the following types of regulation under this Part if the services are supplied by a person that is, in respect of that service, a decision-making local government water service supplier: 20
 - (a) information disclosure regulation (*see* subpart 4 and **Part 2 of Schedule 7**): 25
 - (b) revenue threshold regulation (*see* **Part 3 of Schedule 7**).
- (2) A **decision-making local government water service supplier**, in respect of a service, is a local government water service supplier that makes decisions about either or both of the following: 30
 - (a) capital and operating expenditure on the service:
 - (b) the level of charges or revenue recovery for the service.
- (3) In addition, water supply services and wastewater services are subject to any or all of the following types of regulation under this Part if that regulation is imposed by an Order in Council made under **section 57J**: 35
 - (a) information disclosure regulation (*see* subpart 4 and **Part 2 of Schedule 7**) if **subsection (1)(a)** does not already apply to the service:

- (iii) quality regulation:
 - (iv) performance requirement regulation:
 - (v) price-quality regulation.
- (2) A recommendation for the purposes of **subsection (1)(a)(i) or (ii)** in respect of a water service must not apply to a person that is, in respect of that service, a regulated supplier to which **section 57B(1)** applies. 5
- (3) The Minister must publish the Commission’s recommendation, and may do so in whatever way the Minister considers appropriate.
- (4) A recommendation by the Commission is not a determination of the Commission. 10
- 57F Process for Commission’s recommendation**
- (1) Before making a recommendation under **section 57E**, the Commission must—
- (a) consider the following matters:
 - (i) whether imposing (or removing suppliers from) the regulation would better promote the purpose of this Part: 15
 - (ii) the nature of the water services delivery structure (to the extent that the Commission considers relevant):
 - (iii) whether revenue threshold regulation applies to the relevant water services and, if so, the extent of regulated suppliers’ performance against each revenue threshold that applies: 20
 - (iv) any other matters the Commission considers relevant; and
 - (b) consult interested parties (but *see* **section 57K**).
- (2) For the purposes of **subsection (1)(a)(ii)**, the nature of the water services delivery structure may include any of the following (to the extent that the Commission considers those matters are relevant): 25
- (a) the types of water services being supplied:
 - (b) the location of the suppliers:
 - (c) the size of the suppliers:
 - (d) the governance arrangements of the suppliers: 30
 - (e) the type of delivery model adopted under **subpart 1 of Part 2** of the Local Government (Water Services) Act **2024**.
- (3) If the Commission recommends to the Minister that 1 or more suppliers be subject to 1 or more types of regulation, the recommendation must—
- (a) describe each supplier that is the subject of the recommendation; and 35
 - (b) describe the water services provided by the supplier that the Commission considers should be regulated; and

(c)	specify the 1 or more types of regulation that the Commission considers the supplier should be subject to and when the relevant section 52P determinations should apply.	
(4)	Subsection (3) applies with all necessary modifications to a recommendation that 1 or more suppliers should no longer be subject to 1 or more types of regulation.	5
57G Inquiry not required		
	For the purposes of this subpart, the Commission may act without holding an inquiry under sections 52H to 52K.	
	<i>Order in Council</i>	10
57H Minister's consideration		
(1)	The Minister must consider any recommendation of the Commission made under section 57E .	
(2)	As part of that consideration, the Minister—	
(a)	must consult the Minister who, under the authority of any warrant or with the authority of the Prime Minister, is for the time being responsible for the administration of the Local Government Act 2002; and	15
(b)	may request further information or advice from the Commission.	
57I Minister's decision and recommendation		
(1)	After considering the Commission's recommendation in accordance with section 57H , the Minister must—	20
(a)	decide whether, in addition to the regulation referred to in sections 57B(1) and 57D , further regulation should be imposed (or removed from suppliers) under this subpart; and	
(b)	if so,—	25
(i)	decide which type or types of regulation are to apply in relation to particular water services; and	
(ii)	decide which suppliers should (or should no longer) be subject to the regulation; and	
(iii)	make a recommendation to that effect.	30
(2)	The Minister may not decide that regulation should be imposed (or removed) under this subpart unless the Commission has considered and recommended that, but the Minister's decision may otherwise be the same as, or different from, the Commission's recommendation under section 57E .	
(3)	If the Minister's decision is different from the Commission's recommendation, the Minister must set out the reasons for the decision and make the decision, with the reasons, publicly available.	35

57J	Order in Council imposing regulation	
(1)	The Governor-General may, on the recommendation of the Minister made under section 57I , make an Order in Council imposing (or removing) regulation on 1 or more suppliers in respect of 1 or more water services.	
(2)	The order must—	5
	(a) declare that 1 or more suppliers are regulated (or no longer regulated) in respect of 1 or more water services; and	
	(b) state which type or types of regulation the suppliers are (or are no longer) subject to in respect of those services.	
(3)	The order may identify the water services it relates to by reference to services—	10
	(a) supplied in specified regions, areas, or localities in New Zealand; or	
	(b) supplied in different quantities, qualities, grades, or classes; or	
	(c) supplied to or for the use of different persons or classes of persons; or	
	(d) described in any or all of paragraphs (a) to (c) .	15
(4)	Subsection (3) applies so that any part or element of services can be dealt with separately.	
(5)	An order made under this section that imposes regulation must include an expiry date, which must be a date not later than 20 years after the date of its commencement.	20
(6)	An order made under this section may remove regulation only if the regulation has been imposed by an order made under this section.	
(7)	An order made under this section is secondary legislation (<i>see</i> Part 3 of the Legislation Act 2019 for publication requirements).	
57K	Commission not required to consult on non-material amendment	25
	An Order in Council made under section 57J may be amended in a non-material way without prior consultation under section 57F(1)(b) .	
	<i>Determinations</i>	
57L	Commission determination about how regulation applies	
(1)	The Commission must make a section 52P determination specifying how a type of regulation imposed by this subpart will apply,—	30
	(a) in the case of section 57B(1)(a) (information disclosure),—	
	(i) within 6 months after this section comes into force; or	
	(ii) before a date specified in a notice issued under subsection (3) ;	
	(b) in the case of sections 57B(3) and 57C , as soon as practicable after an Order in Council is made under section 57J ;	35

(c)	in the case of section 57D , see the transitional provisions in Part 6 of Schedule 1AA relating to the Watercare charter.	
(2)	Despite section 52P, the Commission has a discretion to decide whether and, if so, when to make a section 52P determination specifying how revenue threshold regulation will apply.	5
(3)	The following applies for the purposes of subsection (1)(a)(ii) :	
(a)	the Minister may, by notice in the <i>Gazette</i> , specify a date earlier or later than 6 months after this section comes into force if the Minister considers it to be in the public interest to do so:	
(b)	a copy of the notice must be made publicly available:	10
(c)	before issuing the notice, the Minister must consult the Commission on a draft of the notice.	
57M Section 52P determinations apply to each type of regulation imposed		
(1)	Section 52P applies under this subpart with necessary modifications with the effect that, for each type or types of regulation imposed under this subpart, the Commission must make a section 52P determination specifying how the relevant type of regulation applies to a supplier of the regulated service.	15
(2)	This section is subject to section 57L .	
57N Section 52P determinations without input methodologies		
(1)	The Commission may make a section 52P determination relating to information disclosure regulation or price-quality regulation without determining an input methodology.	20
(2)	However, subsection (1) applies only to the extent that the section 52P determination applies to a period before the relevant date (as defined in clause 28 of Schedule 7).	25
Guidance note		
Clause 28 of Schedule 7 provides for when the Commission must determine an input methodology.		
57O Additional matters relating to section 52P determinations		
(1)	In addition to the matters in section 52P(3), a section 52P determination made for the purposes of this subpart must—	30
(a)	specify the regulated suppliers to which it applies; and	
(b)	specify the water services in respect of which it applies.	
(2)	For the purposes of subsection (1)(a) , the determination may relate to all regulated suppliers or to 1 or more regulated suppliers (for example, a determination relating to price-quality regulation may apply to a particular regulated supplier and set price-quality paths that are specific to that supplier).	35

- (2A) For the purposes of **subsection (1)(b)**, the determination may relate to all water services or to 1 or more types or parts of a water service (for example, a determination relating to price-quality regulation may apply to a particular part of a service and set price-quality paths that are specific to that service).
- (3) A section 52P determination relating only to price-quality regulation may last for more than 1 regulatory period and remains in force until it is revoked. 5

Other functions of Commission in relation to water services

57P Water efficiency

In performing or exercising its functions and powers under this subpart, the Commission may take into account the efficient use of water resources in relation to water services, including reuse, conservation, and demand management. 10

57Q Commission must take into account duties owed by suppliers of water services

The Commission must take into account the duties owed by suppliers of water services under other legislation or instruments or under Treaty settlement obligations (for example, under water quality standards and requirements to support and enable planning processes, growth, and housing and urban development) when applying this subpart in relation to water services. 15

57R Commission's functions do not extend to regulating safety of drinking water 20

The Commission's functions under this subpart do not extend to regulating the safety of drinking water (*see* section 11 of the **Water Services Authority—Taumata Arowai Act 2020**, which describes the role of the Water Services Authority—Taumata Arowai in that regard).

Compare: 2023 No 54 s 4(5) 25

Additional matters

57S Commission may grant exemption to local authority

- (1) The Commission may make a determination that exempts a local authority from compliance with any provision or provisions of this subpart in respect of 1 or more water services if the Commission is satisfied that— 30
- (a) the costs of complying with the provision or provisions outweigh the benefits; and
 - (b) the extent of the exemption is not broader than is reasonably necessary to address the matters that gave rise to the exemption.
- (2) The Commission may make the determination after receiving an application from a local authority or on its own initiative. 35

- (3) The Commission may grant the exemption on the terms and conditions (if any) that it thinks fit.
- (4) The Commission's reasons for making the determination (including why the exemption is appropriate) must be published together with the determination.
- (5) A determination made under this section may continue in force for not more than 20 years (and at the close of the date that is 20 years after the determination first comes into force, the determination must be treated as having been revoked unless it is sooner revoked). 5
- (6) A determination made under this section is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements). 10
- 57T Additional matters relating to regulation of water services**
The provisions set out in **Schedule 7** have effect according to their terms.

226 New Part 4A inserted

After Part 4, insert:

- Part 4A** 15
Consumer protection in relation to water services
- Subpart 1—Overview, purpose, interpretation, and application of this Part
- 57TA Overview of this Part**
- (1) In this Part,— 20
- (a) this subpart contains preliminary provisions in relation to water services and water services suppliers:
- (b) **subpart 2** enables the Commission, in relation to water services, to include requirements relating to consumer protection in any information disclosure requirements that apply under Part 4: 25
- (c) **subpart 3** makes provision for other consumer protection measures in relation to water services, including—
- (i) regulations relating to consumer protection (including regulations about consumer complaints and dispute resolution); and
- (ii) service quality codes. 30
- (2) This section is intended only as a guide to the general scheme and effect of this Part.
- Compare: 2023 No 54 s 57
- 57U Purpose of this Part**
- The purpose of this Part is to provide for— 35

- (a) consumer protection by water services suppliers to which this Part applies; and
- (b) improvements in the quality of service provided to consumers by those suppliers, to reflect consumer demands.

Compare: 2023 No 54 s 58

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57V Interpretation of this Part

- (1) In this Part, unless the context otherwise requires,—

Commission service quality code means a code made by the Commission under **section 57ZC**

complaint means an expression of dissatisfaction

service or **water services** means any of the water services to which this Part applies

supplier or **water services supplier** means a supplier that is a regulated supplier in relation to water services to which this Part applies

Water Services Authority—Taumata Arowai means the Water Services Authority—Taumata Arowai established by section 8 of the **Water Services Authority—Taumata Arowai Act 2020**.

- (2) Any term or expression that is defined in Part 4 and used, but not defined, in this Part has the same meaning as in Part 4.

Compare: 2023 No 54 s 59

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57W Application of this Part

This Part applies to—

- (a) water services to which information disclosure regulation applies; and
- (b) regulated suppliers of those services.

Subpart 2—Information disclosure requirements relating to protecting consumers of water services

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57X Information disclosure requirements relating to consumer protection

- (1) The Commission may include requirements relating to protecting consumers of water services in any information disclosure regulation that applies under **subpart 12** of Part 4 (*see sections 57B and 57C*).

- (2) Those requirements may require the disclosure of information about consumers' experience of the services provided by their supplier, including—

- (a) the number of complaints received by the supplier:
- (b) the nature of those complaints:
- (c) when each complaint was received and how long it took to resolve it:
- (d) how the complaint was resolved.

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- (3) This section does not limit the other powers of the Commission under this or any other Act.

Subpart 3—Other measures relating to protecting consumers of water services

Regulations

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57Y Regulations relating to protecting consumers of water services

- (1) The Governor-General may, on the recommendation of the Minister, make regulations relating to protecting consumers of water services, including regulations for all or any of the following:
- (a) prescribing the information that water services suppliers must provide to consumers, including how a consumer may make a complaint to a supplier: 10
 - (b) prescribing requirements relating to consumer complaints that water services suppliers must meet, including—
 - (i) requirements for investigating consumer complaints: 15
 - (ii) the time frame for investigating consumer complaints:
 - (iii) notifying decisions on consumer complaints (including any action that was taken to resolve the matters that gave rise to the complaint):
 - (iv) records that suppliers must keep about consumer complaints: 20
 - (c) prescribing requirements for annual reporting about consumer complaints to the Commission by water services suppliers, including the number of complaints that have been received and the outcome of complaints, including any action taken: 25
 - (d) prescribing requirements relating to how, and in what manner, water services suppliers must provide access to an external consumer dispute resolution process, for example, by setting up a regulated scheme, or requiring suppliers to appoint their own scheme subject to any criteria set in the regulations: 25
 - ~~(e) prescribing those breaches of the regulations that would constitute an offence under this Act: 30~~
 - ~~(e) prescribing offences for the breach of the regulations: 30~~
 - (f) prescribing the maximum fine for each offence prescribed under **paragraph (e)**, which must not,—
 - (i) in the case of an individual, exceed \$10,000; and 35
 - (ii) in any other case, exceed \$200,000:

- (g) providing for any other matters relating to consumer protection in respect of water services that the Minister thinks necessary for the purpose of this Part.
- (2) The Minister may make a recommendation on the Minister’s own initiative or following a recommendation from the Commission. 5
- (3) The Commission may make a recommendation to the Minister only after—
- (a) considering—
- (i) whether consumer interests are adequately protected, and the purpose of this Part is adequately promoted, or would be better protected or promoted by the proposed regulations; and 10
- (ia) whether the proposed regulations would unduly duplicate other requirements that apply to water services and water services suppliers; and
- (ii) any other matters that the Commission considers relevant; and
- (b) consulting the Water Services Authority—Taumata Arowai and other interested persons. 15
- (4) The Minister may make a recommendation only—
- (a) if the Minister is satisfied that the proposed regulations would better achieve the purpose of this Part; and
- (b) if the Minister is satisfied that the proposed regulations would not unduly duplicate other requirements that apply to water services and suppliers; and 20
- (c) after consulting the Minister responsible for the Water Services Authority—Taumata Arowai, the Minister responsible for the administration of the Water Services Act 2021, and the Commission; and 25
- (d) in the case of regulations relating to external dispute resolution, if the Minister is satisfied that consumers of water services do not have, and are unlikely to have, adequate dispute resolution procedures unless the proposed regulations are made.
- (5) Regulations made under this section are secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements). 30

Service quality codes

57Z Purpose of service quality code

The purpose of a service quality code is to improve service quality to reflect the demands of consumers of water services. 35

Compare: 2001 No 103 s 233

57ZA Commission may issue guidelines to industry about service quality codes

The Commission may issue guidelines to the water services industry on any matters relating to service quality codes, including advice on what matters are appropriately dealt with by service quality codes.

Compare: 2001 No 103 s 234

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57ZB Commission review of industry service quality codes

- (1) The Commission may, at any time, review an industry service quality code.
- (2) The Commission may require the following persons to provide the Commission with any information relevant to the industry service quality code under review:

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- (a) the Water Services Authority—Taumata Arowai;
- (b) suppliers to whom the code applies.

- (3) After each review, the Commission must—

- (a) advise the Water Services Authority—Taumata Arowai, the dispute resolution provider for the code (if any), and the Minister of any recommendations for improving the code and of any recommendations for creating a new code; and

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- (b) advise the Minister of whether any previous recommendations have been implemented; and

- (c) advise the Minister of whether, in the Commission's opinion,—

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- (i) the code fails to achieve the purpose of this Part; or
- (ii) a Commission service quality code would better achieve the purpose of this Part.

Compare: 2001 No 103 s 234

57ZC Commission may make Commission service quality code

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- (1) The Commission may make a Commission service quality code in relation to the provision of 1 or more types of service to which this Part applies.

- (2) The Commission may make that code on the Commission's own initiative or following a recommendation from the Minister.

- (3) The Commission may make a code, and the Minister may recommend a code, under this section only if—

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- (a) no industry service quality code has been made in relation to the service; or

- (b) an industry service quality code has been made in relation to the service, but in the Commission's or the Minister's opinion—

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- (i) the code fails to achieve the purpose of this Part; or

- (ii) a Commission service quality code would better achieve the purpose of this Part.

- (4) If the Commission intends to make a Commission service quality code, the Commission must, before making the code, provide a report to the Minister containing the reasons for making the code and specifying the provision of this section that applies.
- (5) A Commission service quality code is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements). 5
Compare: 2001 No 103 s 236; 2023 No 54 s 66

57ZD Contents of Commission’s service quality code

- (1) A Commission service quality code must— 10
- (a) specify which services it applies to; and
 - (b) specify which suppliers it applies to; and
 - (c) promote the purpose of this Part.
- (2) The code may (without limitation) do 1 or more of the following:
- (a) specify a consumer’s rights when they make a complaint to a supplier:
 - (b) specify the type and frequency of communications that a supplier must have with consumers about— 15
 - (i) restrictions or interruptions of water services; and
 - (ii) the time taken to respond to water services’ restrictions or interruptions and faults:
 - (c) contain rules about the transparency of billing practices, and the way in which suppliers must respond to account queries: 20
 - (d) set out the types of redress available to consumers when the quality of service does not meet appropriate standards (for example, in relation to pressure flow rates):
 - (e) specify conditions for providing services to consumers who are experiencing hardship or who have other vulnerabilities (for example, the obligations of suppliers when responding to non-payment by consumers): 25
 - (f) specify requirements for consulting consumers:
 - (g) provide for any other matter that the Commission considers appropriate. 30
- Compare: 2023 No 54 s 67

57ZE Suppliers must comply with Commission service quality code

Suppliers to which a Commission service quality code applies must comply with the code.
Compare: 2023 No 54 s 68

57ZF Process for making or amending Commission service quality code 35

- (1) To make a Commission service quality code, the Commission must—
- (a) give public notice of the process that it will follow to make the code; and

- (b) consult the Water Services Authority—Taumata Arowai and other interested persons; and
- (c) give public notice of a draft code.
- (2) A person is entitled to make a submission to the Commission not later than 30 working days after the date on which the Commission gives public notice of the draft code. 5
- (3) The Commission must—
- (a) take reasonable steps to identify classes of vulnerable consumers; and
- (b) consider the impact of the provision of services on vulnerable consumers and take the interests of those persons into account when making the code. 10
- (4) The Commission may make the code only if satisfied that the draft code meets all the requirements set out in this subpart.
- (5) The Commission may amend or revoke and replace the code if the Commission considers that the code should be changed to better promote the purpose of this Part. 15
- (6) The same procedure that applies to making a code in **subsections (1) to (4)** must be followed to make an amendment or a revocation and replacement, with any necessary modifications, except that **subsections (1) to (4)** do not apply if the Commission is satisfied that an amendment is non-material. 20

Compare: 2023 No 54 s 69

Compliance

57ZG Commission must monitor compliance

- (1) The Commission—
- (a) must monitor compliance by suppliers with any requirements set out in regulations under this Part or in a Commission service quality code; and 25
- (b) in doing so, may have regard to the scale, complexity, and risk profile of a supplier or the type of water services being provided by the supplier.
- (2) For the purpose of monitoring compliance with any of those requirements, the Commission may, in addition to exercising its powers under section 98, issue a written notice to a supplier requiring it to provide any or all of the following: 30
- (a) a written statement of whether the supplier has complied with the requirement:
- (b) a report on the written statement that is signed by an auditor in accordance with any form specified by the Commission: 35
- (c) sufficient information to enable the Commission to properly determine whether the requirement has been complied with:

- (d) a certificate in the form specified by the Commission, and signed by at least 1 board member of the supplier or, if there is no board, the person who operates the supplier, confirming the truth and accuracy of any information provided under this section.

Compare: 2023 No 54 s 79

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57ZI When court may make pecuniary penalty order

- (1) The court may, on the application of the Commission, order a person to pay to the Crown a pecuniary penalty if the court is satisfied that the person has—

- (a) contravened a Commission service quality code; or
(b) attempted to contravene, or been involved in a contravention of, a Commission service quality code.

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- (2) A supplier may not be liable to both a pecuniary penalty under this section and a fine under **section 57ZN** in respect of the same conduct.

Compare: 2023 No 54 s 83

57ZJ Maximum amount of pecuniary penalty

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The maximum amount of a pecuniary penalty under **section 57ZI** is \$300,000 for—

- (a) a contravention of the service quality code under ~~**section 57ZI(a)**~~ **57ZI(1)(a)**;
(b) an attempted contravention of the service quality code under ~~**section 57ZI(b)**~~ **57ZI(1)(b)**;
(c) involvement in the contravention of the service quality code under ~~**section 57ZI(b)**~~ **57ZI(1)(b)**.

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Compare: 2023 No 54 s 84

57ZK Court may make compensatory orders for contravention of Commission service quality code

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- (1) If the court orders a person to pay a pecuniary penalty order under **section 57ZI** in respect of a a contravention of a Commission service quality code, the court may, in addition, order the person to pay compensation to any person who has suffered, or is likely to suffer, loss or damage as a result of the contravention (an **aggrieved person**).

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- (2) An application for an order under this section may be made by the Commission or any aggrieved person.

- (3) The court may make a compensatory order whether or not the aggrieved person is a party to the proceeding.

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Compare: 2023 No 54 s 87

57ZL Court may grant injunctions for contravention of Commission service quality code

The court may, on application by the Commission or any other person, grant an injunction—

- (a) restraining a person from engaging in conduct that constitutes or would constitute a contravention, an attempted contravention, or involvement in a contravention of a Commission service quality code; or 5
- (b) requiring a person to do a thing if—
 - (i) that person has refused or failed, is refusing or failing, or is proposing to refuse or fail, to do that thing; and 10
 - (ii) the refusal or failure was, is, or would be a contravention of an information disclosure requirement or a Commission service quality code.

Compare: 2023 No 54 s 89

57ZM Order requiring regulations to be complied with

- (1) The court may, on application by the Commission, order a supplier to comply with any regulations made under this subpart that apply to the supplier. 15
- (2) An order under this section must specify the date by which, or period within which, the supplier must comply with the requirement. 20

Compare: 2023 No 54 s 92

57ZN Offence relating to Commission service quality codes

- (1) A person commits an offence if—
 - (b) the person, knowing that particular services are subject to a Commission service quality code, intentionally contravenes a code requirement in respect of the services; or 25
 - (c) the person is subject to an order under **section 57ZM** and fails to comply with the order.
- (2) A person who commits an offence under **subsection (1)** is liable on conviction to a fine not exceeding \$200,000, in the case of an individual, or \$1 million, in any other case. 30

Compare: 2023 No 54 s 102

Additional remedies in relation to failure to comply with Commission service quality code

57ZO Overview of sections 57ZP to 57ZR

Sections 57ZP to 57ZR set out orders that the court may make for breaches of a Commission service quality code. 35

Compare: 2023 No 54 s 105

57ZP Order to disclose information

- (1) The court may make either or both of the following orders if the court is satisfied, on the application of the Commission, that a person has failed without reasonable excuse to comply with a Commission service quality code:
- (a) an order requiring that person, or any other person involved in the failure to comply, to disclose to the public, or to a particular person or class of persons, the information or class of information that is specified in the order, being information that is in the possession of the person to whom the order is directed or to which that person has access: 5
 - (b) an order requiring that person, or any other person involved in the failure to comply, to publish corrective statements the terms of which are specified in, or are to be determined in accordance with, the order. 10
- (2) The information must be disclosed or published—
- (a) in the manner and at the times that are specified in the order; and
 - (b) at the person’s own expense. 15
- (3) The court may hear and determine an application under **subsection (1)** in conjunction with any other proceedings under this Part.

Compare: 2023 No 54 s 106

57ZQ General order for failure to comply with Commission service quality code

- (1) The court may make 1 or more of the following orders if the court is satisfied, on the application of the Commission, that a person (**person X**) has failed without reasonable excuse to comply with a Commission service quality code: 20
- (a) an order directing person X to refund money or return property to any other person:
 - (b) an order directing person X to pay to any other person the amount of any loss or damage caused to that other person by the conduct of person X: 25
 - (c) an order directing person X, at person X’s own expense, to supply a service to any other person:
 - (d) an order declaring all or part of a contract made between person X and any other person, or a collateral arrangement relating to such a contract,— 30
 - (i) to be void; and
 - (ii) if the court thinks fit, to have been void at all times on and after a date specified in the order, which may be before the date on which the order is made: 35
 - (e) an order in respect of a contract made between person X and any other person, or a collateral arrangement relating to such a contract,—
 - (i) varying the contract or the arrangement in the manner specified in the order; and

(ii)	if the court thinks fit, declaring the varied contract or arrangement to have had effect on and after a date specified in the order, which may be before the date on which the order is made.	
(2)	The court may hear and determine an application under subsection (1) in conjunction with any other proceedings under this Part.	5
	Compare: 2023 No 54 s 107	
57ZR Other order for failure to comply with Commission service quality code		
(1)	The court may, if the court is satisfied, on the application of the Commission or a consumer, that a person has failed without reasonable excuse to comply with a Commission service quality code, make an order directing the person, at the person's own expense, to supply a service to a consumer.	10
(2)	The court may hear and determine an application under subsection (1) in conjunction with any other proceedings under this Part.	
	Compare: 2023 No 54 s 108	
57ZS Appeals and remedies Remedies		
(1)	Sections 93 to 97 79A, 87(5) and (6), and 87A(3) apply in respect of proceedings under this subpart.	15
(2)	For the purposes of this Act, the remedies set out in sections 57ZP to 57ZR are civil liability remedies.	
	Compare: 2023 No 54 s 109	20
57ZT Application of Part 6 undertakings and injunction provisions		
	The following provisions of this Act apply with any necessary modifications in respect of a contravention of any regulations made under this Part or a Commission service quality code:	
(a)	section 74A (Commission may accept undertakings):	25
(b)	section 74B (matters included in undertakings):	
(c)	section 74C (enforcement of undertakings):	
(d)	sections 88 to 90 (injunctions generally).	
	Compare: 2023 No 54 s 136	
<i>Other provisions</i>		
57ZU Commission must take into account duties owed by suppliers of water services		
	The Commission must take into account the duties owed by suppliers of water services under other legislation or instruments or under Treaty settlement obligations (for example, under water quality standards and requirements to support and enable planning processes, growth, and housing and urban development) when applying this Part in relation to water services.	35

57ZV Commission’s functions do not extend to regulating safety of drinking water

The Commission’s functions under this Part do not extend to regulating the safety of drinking water (*see* section 11 of the **Water Services Authority—Taumata Arowai Act 2020**, which describes the role of the Water Services Authority—Taumata Arowai in that regard).

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Compare: 2023 No 54 s 4(5)

57ZW Levies

- (1) Regulations made under section 53ZE may provide for levies to recover the costs of performing the Commission’s functions, powers, and duties under this Part, and of collecting the levy money.
- (2) In that case, section 53ZE applies in full as if those costs related to Part 4.

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226A Section 75 amended (Jurisdiction of High Court)

After section 75(1)(c), insert:

- (ca) in the case of contraventions relating to **Part 4A**, proceedings under **sections 57ZI, 57ZK, 57ZL, 57ZP, 57ZQ, and 57ZR**:

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226B Section 76 amended (Jurisdiction of District Court)

In section 76, replace “sections 86B” with “sections **57Y(1)(e), 57ZN**, 86B”.

227 Section 87 amended (Pecuniary penalty for contravening price-quality requirements)

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- (1) In the heading to section 87, after “**price-quality**”, insert “, **quality, or performance**”.
- (2) In section 87(1)(a), replace “price-quality requirement” with “price-quality or quality or performance requirement”.
- (3) Replace section 87(2) with:

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- (2) In subsection (1) and sections 87A to 87C, a reference to **contravening a price-quality, quality, or performance requirement**—

- (a) refers to a requirement imposed by a determination made under section 52P in relation to goods or services that are subject to any of the following:

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- (i) default/customised price-quality regulation imposed under Part 4:
- (ii) individual price-quality regulation imposed under Part 4:
- (iii) quality regulation imposed under **subpart 12** of Part 4:
- (iv) performance requirement regulation imposed under **subpart 12** of Part 4:

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- (v) price-quality regulation imposed under **subpart 12** of Part 4; and
- (b) means 1 or more of the following:

- (i) failing to comply with the requirements for prices, whether by charging a price for the goods or services that is higher than the maximum price permitted or is lower than the minimum price required, or by receiving more or less revenue than is permitted or required, or in any other way: 5
- (ii) refusing or failing to comply with any quality standards, or any incentives to maintain or improve quality of supply under **Schedule 7** (which relates to regulation of water services), required under the price-quality or quality regulation: 10
- (iii) refusing or failing to comply with any performance requirements set out in a section 52P determination relating to price-quality, quality, or performance ~~requirements~~ requirement regulation. 10
- (4) After section 87(2), insert:
- (2A) In this section and sections 87A to 87C, a reference to **price-quality, quality, or performance requirement regulation** means any type of regulation referred to in **subsection (2)(a)**. 15
- 228 Section 87A amended (Compensation for contravention of price-quality requirement)**
- (1) In the heading to section 87A, after “**price-quality**”, insert “, **quality, or performance**”. 20
- (2) In section 87A(1), replace “price-quality requirement” with “price-quality, quality, or performance requirement”.
- 229 Section 87B amended (Offence relating to price-quality regulation)**
- (1) In the heading to section 87B, after “**price-quality**”, insert “, **quality, or performance requirement**”. 25
- (2) Replace section 87B(1)(a) with:
- (a) the person, knowing that particular goods or services are subject to price-quality, quality, or performance requirement regulation, intentionally contravenes a price-quality, quality, or performance requirement in respect of the goods or services; or 30
- 230 Section 87C amended (Injunction and other orders relating to price-quality regulation)**
- (1) In the heading to section 87C, after “**price-quality**”, insert “, **quality, or performance requirement**”. 35
- (2) Replace section 87C(1) with:
- (1) If the court is satisfied that goods or services that are subject to price-quality, quality, or performance requirement regulation are being supplied, or are likely to be supplied, in contravention of any price-quality, quality, or performance

requirement applying with respect to those goods or services, the court may do either or both of the following:

- (a) grant an injunction restraining any supplier of those goods or services from supplying them in contravention of the price-quality, quality, or performance requirement: 5
- (b) make an order requiring the supplier to supply the goods or services in accordance with the price-quality, quality, or performance requirement applying to them.

231 Section 91 amended (Appeals in relation to determinations by Commission) 10

After section 91(1)(a)(ii), insert:

- (iii) how revenue threshold regulation applies to regulated suppliers under **Part 3 of Schedule 7**; or
- (iv) the quality path that applies to regulated suppliers under **Part 4 of Schedule 7**; or 15
- (v) a performance requirement that applies to regulated suppliers under **Part 5 of Schedule 7**:

232 Section 103 amended (Offences)

In section 103(1)(a), replace “sections 53B(1)(c), 53N, 53ZD, and 98” with “section 53B(1)(c), 53N, 53ZD, **57ZG(2)**, or 98 or **clause 33(2) or (4) of Schedule 7**”. 20

233 Schedule 1AA amended

In Schedule 1AA,—

- (a) insert the Part set out in **Schedule 5** of this Act as the last Part; and
- (b) make all necessary consequential amendments. 25

234 New Schedule 7 inserted

After Schedule 6, insert the **Schedule 7** set out in **Schedule 6** of this Act.

Part 2A

Amendments to Goods and Services Tax Act 1985

234A Principal Act 30

Sections 234C to 234G amend the Goods and Services Tax Act 1985.

234B Meaning of taxable period

In this Part, **taxable period** has the meaning set out in section 2(1) of the Goods and Services Tax Act 1985.

234C Section 2 amended (Interpretation)

- (1) In section 2(1), insert in their appropriate alphabetical order:
- water organisation** has the meaning set out in **section 4** of the Local Government (Water Services) Act **2024**
- water services** has the meaning set out in **section 4** of the Local Government (Water Services) Act **2024** 5
- (2) **Subsection (1)** applies to each taxable period that starts on or after the date on which this section comes into force.

234D Section 5 amended (Meaning of term supply)

- (1) In section 5(7B), after “a local authority”, insert “or a water organisation”. 10
- (2) In section 5(7B), after “the local authority”, insert “or the water organisation”.
- (3) After section 5(7B)(b), insert:
- (c) a development contribution under the Local Government (Water Services) Act **2024**.
- (4) In section 5(7C), after “a local authority”, insert “or a water organisation”. 15
- (5) In section 5(7C), after “the local authority”, insert “or the water organisation”.
- (6) After section 5(7C)(b), insert:
- (c) a development contribution under the Local Government (Water Services) Act **2024**.
- (7) **Subsections (1) to (6)** apply to each taxable period that starts on or after the date on which this section comes into force. 20

234E Section 6 amended (Meaning of term taxable activity)

- (1) Replace section 6(1)(b) with:
- (b) without limiting the generality of paragraph (a), the activities of any— 25
- (i) local authority; or
- (ii) public authority; or
- (iii) public purpose Crown-controlled company; or
- (iv) water organisation under the Local Government (Water Services) Act **2024**.
- (2) **Subsection (1)** applies to each taxable period that starts on or after the date on which this section comes into force. 30

234F Section 9 amended (Time of supply)

- (1) In section 9(8), after “to which section 5(7)(a) applies,”, insert “or if a water organisation supplies water services,”.
- (2) **Subsection (1)** applies to each taxable period that starts on or after the date on which this section comes into force. 35

- 234G Section 11B amended (Zero-rating of some supplies by territorial authorities, some supplies involving contributions to local authorities)**
- (1) In the heading to section 11B, after “**territorial authorities**”, insert “**or water organisations**”.
 - (2) In the heading to section 11B, after “**local authorities**”, insert “**or water organisations**”. 5
 - (3) In section 11B(1B), after “a local authority”, insert “or a water organisation”.
 - (4) In section 11B(1B), after “the local authority”, insert “or the water organisation”.
 - (5) In section 11B(1C), after “a local authority”, insert “or a water organisation”. 10
 - (6) In section 11B(1C), after “the local authority”, insert “or the water organisation”.
 - (7) **Subsections (1) to (6)** apply to each taxable period that starts on or after the date on which this section comes into force.

Part 3

15

Amendments to Income Tax Act 2007

235 Principal Act

Sections 235B to 237 amend the Income Tax Act 2007.

235A Meaning of income year

In this Part, **income year** has the meaning set out in section YA 1 of the Income Tax Act 2007. 20

235B Section CW 39 amended (Local authorities)

- (1) Replace section CW 39(4)(a)(i) with:
 - (i) a council-controlled organisation linked by ownership or control to the local authority, other than a council-controlled organisation operating a hospital as a charitable activity on behalf of the local authority or a water organisation whose income is exempt under **section CW 55BC**; or 25
- (2) In section CW 39, in the list of defined terms, after “trustee”, insert “, water organisation”. 30
- (3) **Subsections (1) and (2)** apply for the 2025–26 and later income years.

236 New section CW 55BC inserted (Water organisations)

- (1) After section CW 55BB, insert:

CW 55BC Water organisations

- (1) An amount of income derived by a water organisation is exempt income if— 35

- (a) the water organisation provides services that are only 1 or more of the following:
- (i) water services:
- (ii) services that are related to, or necessary for, providing water services (for example, services relating to the management or maintenance of water services networks): 5
- (b) the water organisation is a company incorporated under the Companies Act 1993, and the only shareholders of the company are 1 or more of the following:
- (i) a territorial authority: 10
- (ii) a consumer trust that derives only exempt income under 1 or both of sections CW 41 and CW 42:
- (c) the water organisation is not a company incorporated under the Companies Act 1993, and any distribution it makes is to a person who derives only exempt income. 15
- Meaning of water organisation*
- (2) In this section and section CW 39, **water organisation** has the same meaning as in **section 4** of the Local Government (Water Services) Act **2024**.
- Meaning of water services*
- (3) In this section, **water services** has the same meaning as in **section 4** of the Local Government (Water Services) Act **2024**. 20
- Meaning of territorial authority*
- (4) In this section, **territorial authority** has the same meaning as in section 2 of the Local Government Act 2002.
- Meaning of consumer trust* 25
- (5) In this section, **consumer trust** has the same meaning as in **section 4** of the Local Government (Water Services) Act **2024**.
- Defined in this Act: amount, consumer trust, exempt income, income, water services, water organisation*
- (2) **Subsection (1)** applies for the 2025–26 and later income years. 30
- 237 Section YA 1 amended (Definitions)**
- (1) This section amends section YA 1.
- (2) In section YA 1, insert in their appropriate alphabetical order:
- consumer trust** is defined in **section CW 55BC** (Water organisations) for the purposes of that section 35
- territorial authority** is defined in **section CW 55BC** (Water organisations) for the purposes of that section

water organisation is defined in **section CW 55BC** (Water organisations) for the purposes of that section and section CW 39 (Local authorities)

water services is defined in **section CW 55BC** (Water organisations) for the purposes of that section

Part 4

5

Amendments to Local Government Act 2002

238 Principal Act

This Part amends the Local Government Act 2002.

239 Section 6 amended (Meaning of council-controlled organisation and council organisation)

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(1) Before section 6(1), insert:

(1AAA) In this Act, unless the context otherwise requires, **council-controlled organisation** means a council organisation that is—

(a) a company—

(i) in which equity securities carrying 50% or more of the voting rights at a meeting of the shareholders of the company are—

(A) held by 1 or more local authorities; or

(B) controlled, directly or indirectly, by 1 or more local authorities; or

(ii) in which 1 or more local authorities have the right, directly or indirectly, to appoint 50% or more of the directors of the company; or

(b) an entity in respect of which 1 or more local authorities have, whether or not jointly with other local authorities or persons,—

(i) control, directly or indirectly, of 50% or more of the votes at any meeting of the members or controlling body of the entity; or

(ii) the right, directly or indirectly, to appoint 50% or more of the trustees, directors, or managers (however described) of the entity.

(1AAB) In addition, **council-controlled organisation** includes a water organisation within the meaning of **section 4** of the Local Government (Water Services) Act **2024** if—

(a) the organisation is owned by 1 or more local authorities; or

(b) the organisation is owned by 1 or more local authorities (and those local authorities hold 50% or more of the shares and voting rights in the organisation) and the trustees of 1 or more consumer trusts.

(2) In section 6(1), repeal the definition of **council-controlled organisation**.

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- (3) In section 6(1), replace the definition of **council-controlled trading organisation** with:

council-controlled trading organisation—

- (a) means a council-controlled organisation that operates a trading undertaking for the purpose of making a profit; but
- (b) excludes a water organisation within the meaning of **section 4** of the Local Government (Water Services) Act **2024**

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239A Section 106 amended (Policy on development contributions or financial contributions)

After section 106(6), insert:

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- (6A) A territorial authority may extend its policy adopted under section 102(1) to a water organisation under **section 93** of the Local Government (Water Services) Act **2024**.

Ministerial powers in relation to water service providers

240 Section 253 amended (Outline of Part)

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In section 253(a) and (b), replace “or Watercare” with “, water organisations, or the trustees of consumer trusts”.

241 Section 254 amended (How this Part works)

- (1) Replace section 254(2) with:

- (2) Subparts 1 and **1A** provide the Minister with a range of options in relation to the following parties if they have a problem:

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- (a) a local authority;
- (b) a water organisation;
- (c) the trustees of a consumer trust.

- (2) In section 254(4) and (5), replace “or Watercare” with “, a water organisation, or the trustees of a consumer trust”.

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- (3) In section 254(6), replace “subpart 1” with “subparts 1 and **1A**”.

242 Section 255 replaced (Application of this Part)

Replace section 255 with:

255 Application of this Part

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- (1) The Minister may appoint a Ministerial body—

- (a) under subpart 1 of this Part only to a local authority and not to any entity that the local authority may control or have an interest in, including, for example, a council-controlled organisation, council-controlled trading

- organisation, council organisation, or other subsidiary of the local authority; and
- (b) under **subpart 1A** of this Part only to—
- (i) a local authority in relation to providing water services; or
 - (ii) a group of 2 or more local authorities in relation to providing water services; or 5
 - (iii) a water organisation; or
 - (iv) a shareholder in a water organisation.
- (2) However, the Minister may exercise the powers in this Part in relation to a local board and, for that purpose, this Part applies, with any necessary modifications, as if the local board were a local authority. 10
- (3) Despite **subsection (1)(a)**, the Minister may exercise the powers in sections 257 to 258E in relation to a water organisation or consumer trust and, for that purpose, sections 256 to 258E, 258N to 258Q, and 258S to 258ZA apply as if the water organisation or consumer trust were a local authority. 15

243 Section 256 amended (Interpretation)

- (1) In section 256, replace the definition of **Ministerial appointee** with:
- Ministerial appointee** means a person appointed—
- (a) under subpart 1 of this Part as a Crown Observer or a Crown Manager, or as a member of a Crown Review Team or of a Commission; or 20
 - (b) under **subpart 1A** of this Part as a Crown facilitator—water services or a Crown commissioner—water services
- (2) In section 256, replace the definition of **Ministerial body** with:
- Ministerial body** means—
- (a) a Crown Review Team, a Crown Observer, a Crown Manager, or a Commission appointed under subpart 1 of this Part; or 25
 - (b) a Crown facilitator—water services or a Crown commissioner—water services appointed under **subpart 1A** of this Part
- (3) In section 256, definition of **problem**,—
- (a) after “a local authority”, insert “or a water organisation”; and 30
 - (b) paragraph (a)(ii), after “local authority”, insert “or the water organisation”; and
 - (c) paragraph (a)(iii), after “region”, insert “or (as applicable) the water organisation’s service area”; and
 - (d) paragraph (b)(i), after “local authority”, insert “or the water organisation”; and 35
 - (e) after paragraph (b), insert:

- (c) includes, in relation to a water organisation, a local authority that provides water services, or a shareholder in a water organisation,—
- (i) a failure to give effect to proposals or undertakings specified in a water services delivery plan that has been accepted under section 20 of the Local Government (Water Services Preliminary Arrangements) Act 2024; and 5
- (ii) a matter or circumstance relating to the establishment of the water organisation or a consumer trust, or the management, governance, or operations of the water organisation, local authority, or consumer trust, that prevents, or is likely to prevent, the water organisation or local authority from providing water services— 10
- (A) that are financially sustainable; and
- (B) that comply with all regulatory requirements; and
- (C) that meet the objectives for water service providers set out in **section 15** of the Local Government (Water Services) Act **2024**; and 15
- (D) that are consistent with the intended approach to funding, revenue, and pricing set out in a water services strategy (*see section 190* of the Local Government (Water Services) Act **2024**); and 20
- (E) in accordance with the financial principles set out in **section 16** of the Local Government (Water Services) Act **2024**; and
- (iii) a matter or circumstance relating to the relationship between a shareholder of a water organisation and the board of the water organisation, or between 2 or more shareholders of a water organisation, and that prevents, or is likely to prevent, the water organisation from providing water services— 25
- (A) that are financially sustainable; and
- (B) that comply with all regulatory requirements; and 30
- (C) that meet the objectives for water service providers set out in **section 15** of the Local Government (Water Services) Act **2024**; and
- (D) that are consistent with prices, revenues, and service levels proposed in a water services strategy (*see section 190* of the Local Government (Water Services) Act **2024**); and 35
- (E) in accordance with the financial principles set out in **section 16** of the Local Government (Water Services) Act **2024**; and

- (iv) a significant or persistent failure to comply with Part 4 of the Commerce Act 1986 in relation to providing water services; and
- (v) the consequences of an event that causes, or is likely to cause, a significant disruption to water services or a risk to public health in the service area of the water organisation or in the district of the local authority; and 5
- (d) includes, in relation to the trustees of a consumer trust, a failure to act in accordance with the trust's trust deed.
- (4) In section 256, insert in their appropriate alphabetical order:
- consumer trust** has the meaning set out in **section 4** of the Local Government (Water Services) Act **2024** 10
- water organisation** has the meaning set out in **section 4** of the Local Government (Water Services) Act **2024**
- water service provider** has the meaning set out in **section 4** of the Local Government (Water Services) Act **2024** 15
- 244 New subpart 1A of Part 10 inserted**
- After section 258M, insert:
- Subpart 1A—Additional ministerial powers of assistance and intervention: water services
- Minister may appoint Crown facilitator—water services* 20
- 258MA Minister may appoint Crown facilitator—water services**
- (1) The Minister may, in the circumstances set out in **subsection (2)**, appoint a Crown facilitator—water services to—
- (a) a local authority; or
- (b) a group of 2 or more local authorities; or 25
- (c) a water organisation; or
- (d) a consumer trust.
- (2) The Minister may appoint a Crown facilitator—water services if—
- (a) the local authority, group of local authorities, water organisation, or the trustees of the consumer trust requests, in writing to the Minister, that the Minister do so and the Minister decides to grant that request; or 30
- (b) the Minister believes, on reasonable grounds, that a problem exists and—
- (i) the nature or extent of the problem is such that the local authority, group of local authorities, water organisation, or trustees of the consumer trust are unlikely to effectively address the problem without the appointment of a Crown facilitator; or 35

- (ii) in the case of a water organisation, the shareholders of the organisation are unable or unwilling to address the problem effectively; or
- (iii) for no good reason, the local authority, group of local authorities, water organisation, or trustees of the consumer trust have not adequately implemented a recommendation of any other Ministerial body in relation to the problem; or 5
- (iv) a Ministerial body currently or previously appointed to the local authority, group of local authorities, water organisation, or consumer trust has recommended the appointment; or 10
- (c) the Minister believes, on reasonable grounds, that it would be beneficial to appoint a Crown facilitator—water services to provide assistance, advice, or direction to the local authority, group of local authorities, water organisation, or trustees to improve the arrangements for providing water services in the relevant region, district, or service area. 15
- (3) Before the appointment period begins, the Minister must give notice of the appointment—
- (a) in writing to the local authority, group of 2 or more local authorities, water organisation, or trustees; and
- (b) by notice in the *Gazette*; and 20
- (c) by public notice.
- (4) Each notice must comply with section 258S.
- (5) A Crown facilitator—water services must, to the extent authorised by their terms of reference,—
- (a) assist and advise the local authority, group of local authorities, water organisation, or trustees for the purposes of— 25
- (i) addressing a matter specified in a request made under **subsection (2)(a)** or specified in the terms of reference:
- (ii) addressing a problem:
- (iii) identifying improvements for providing water services: 30
- (iv) implementing improvements for providing water services; and
- (b) monitor the local authority's, group of local authorities', water organisation's, or trustees' progress in addressing a problem or improving its provision of water services; and
- (c) direct the local authority, group of local authorities, water organisation, or trustees to act to address a problem; and 35
- (d) make recommendations to the Minister on whether the Minister should take further action in relation to the local authority, group of local authorities, water organisation, or consumer trust, including whether the Minister should— 40

- (i) consider amending the Crown facilitator’s terms of reference, including the duration of the Crown facilitator’s appointment or the scope of the Crown facilitator’s role, to enable the Crown facilitator to continue their work; or
 - (ii) appoint any other Ministerial body to the local authority, group of local authorities, water organisation, or consumer trust; and
 - (e) ensure, as far as practicable, that the existing capability of the local authority, the group of local authorities, the water organisation, or the trustees is not diminished.
- (6) If applicable, and to the extent authorised by their terms of reference, a Crown facilitator—water services must also assist, advise, monitor, or direct the local authority, group of local authorities, water organisation, or trustees on any related matter as recommended by a Ministerial body currently or previously appointed to the local authority, group of local authorities, water organisation, or consumer trust.
- (7) The local authority, group of local authorities, water organisation, and the trustees of the consumer trust to which a Crown facilitator—water services has been appointed must—
- (a) co-operate with the Crown facilitator so that the Crown facilitator may fulfil their terms of reference; and
 - (b) comply with the directions of the Crown facilitator; and
 - (c) comply with any reasonable request of the Crown facilitator to provide any relevant information that the local authority, group of local authorities, water organisation, or consumer trust holds.
- 258MB How Crown facilitator—water services is appointed**
- (1) The Minister may appoint 1 person or a panel of 2 or more people to be a Crown facilitator—water services.
 - (2) If the Minister appoints a panel to be a Crown facilitator—water services, the Minister must appoint 1 member as the chairperson.
 - (3) The Minister appoints a Crown facilitator—water services by providing notice in writing to the person appointed or, if the Minister appoints a panel, to each member of the panel.
 - (4) The notice must include the following information:
 - (a) the terms of reference of the Crown facilitator—water services, including—
 - (i) an outline of the reasons for making the appointment; and
 - (ii) the problem or opportunity that the appointment is intended to address; and
 - (iii) the role of the Crown facilitator; and

- (iv) the extent of the Crown facilitator's authority:
- (b) the start and end dates of the appointment:
- (c) the local authority, the group of local authorities, the water organisation, or the consumer trust to which the Crown facilitator is appointed.

Minister may appoint Crown commissioners—water services 5

258MC Minister may appoint Crown commissioners—water services

- (1) The Minister may, in the circumstances set out in **subsection (2)**, appoint 2 or more Crown commissioners—water services to—
 - (a) a local authority; or
 - (b) a group of 2 or more local authorities; or 10
 - (c) a water organisation; or
 - (d) a consumer trust.
- (2) The Minister may appoint Crown commissioners—water services if—
 - (a) the local authority, group of local authorities, water organisation, or ~~the~~ trustees of the consumer trust request, in writing to the Minister, that the Minister do so and the Minister decides to grant that request; or 15
 - (b) the Minister believes, on reasonable grounds, that a significant problem exists and—
 - (i) the nature or extent of the problem is such that the local authority, group of local authorities, water organisation, or trustees of the consumer trust are unlikely to effectively address the problem without the appointment of Crown commissioners—water services; or 20
 - (ii) in the case of a water organisation, the shareholders of the organisation have failed to effectively address the problem; or 25
 - (iii) for no good reason, the local authority, group of local authorities, water organisation, or trustees of the consumer trust have not adequately implemented a recommendation of any other Ministerial body in relation to the problem; or
 - (iv) a Ministerial body currently or previously appointed to the local authority, group of local authorities, water organisation, or consumer trust has recommended the appointment; or 30
 - (c) the Minister believes, on reasonable grounds, that it is necessary to appoint Crown commissioners—water services to—
 - (i) identify or implement a solution to a problem, and the solution will require actions or decisions from 2 or more local authorities or 2 or more water organisations; or 35
 - (ii) replace the board of a water organisation; or

- (iii) replace the joint committee or body that represents the shareholders of a water organisation (which may include, for example, replacing a local authority representative or trustee).
- (3) Before the appointment period begins, the Minister must give notice of the appointment— 5
 - (a) in writing to the local authority, group of 2 or more local authorities, water organisation, or trustees; and
 - (b) by notice in the *Gazette*; and
 - (c) by public notice.
- (4) Each notice must comply with section 258S. 10
- (5) Crown commissioners—water services must, to the extent authorised by their terms of reference,—
 - (a) work with the local authority, group of local authorities, water organisation, or trustees to— 15
 - (i) address a problem:
 - (ii) implement a solution to a problem or to address any other matter specified in a request made under **subsection (2)(a)** or specified in the terms of reference; and
 - (b) direct the local authority, group of local authorities, water organisation, or trustees to act to— 20
 - (i) address a problem:
 - (ii) implement a solution to a problem or to address any other matter specified in a request made under **subsection (2)(a)** or specified in the terms of reference:
 - (iii) make decisions that are necessary to address the problem or to implement the solution; and 25
 - (c) oversee the local authority, group of local authorities, water organisation, or trustees implementing a solution to a problem; and
 - (d) make recommendations to the Minister on whether the Minister should take further action in relation to the local authority, group of local authorities, water organisation, or consumer trust, including whether the Minister should— 30
 - (i) consider amending the Crown commissioners’ terms of reference, including the duration of the Crown commissioners’ appointment or the scope of the Crown commissioners’ role, to enable the Crown commissioners to continue their work; or 35
 - (ii) appoint any other Ministerial body to the local authority, group of local authorities, water organisation, or consumer trust; and

- (e) ensure, to the extent practicable, that the ability of the local authority, group of local authorities, water organisation, or trustees to perform their obligations in relation to the provision of water services is not diminished.
- (6) Crown commissioners—water services may, to the extent authorised by their terms of reference, do any of the following: 5
- (a) if appointed to a water organisation, perform any functions or duties, or exercise any powers, of the board of the water organisation:
- (b) if appointed to a consumer trust, perform any functions or duties, or exercise any powers, of the trustees: 10
- (c) if appointed to a water organisation that is owned by 1 or more local authorities, perform any functions or duties that the committee or body that represents the shareholders of the water organisation would otherwise undertake in relation to the water organisation.
- (7) If applicable, and to the extent authorised by their terms of reference, Crown commissioners—water services must also direct the local authority, group of local authorities, water organisation, or trustees on any related matter as recommended by a Ministerial body currently or previously appointed to the local authority, group of local authorities, water organisation, or consumer trust. 15
- (8) The local authority, group of local authorities, water organisation, or trustees of the consumer trust to which Crown commissioners—water services have been appointed must— 20
- (a) co-operate with the Crown commissioners—water services so that the Crown commissioners—water services may fulfil their terms of reference; and 25
- (b) comply with the directions of the Crown commissioners—water services; and
- (c) comply with any reasonable request of the Crown commissioners—water services to provide any relevant information that the local authority, group of local authorities, water organisation, or trustees hold. 30

258MD How Crown commissioners—water services are appointed

- (1) The Minister may appoint a panel of 2 or more people to be Crown commissioners—water services.
- (2) The Minister must appoint 1 Crown commissioner—water services to be the chairperson. 35
- (3) The Minister appoints Crown commissioners—water services by providing notice in writing to each person appointed.
- (4) The notice must include the following information:
- (a) the terms of reference of the panel, including—

- (i) an outline of the reasons for making the appointment; and
- (ii) the problem or opportunity that the appointment is intended to address; and
- (iii) the role of the panel; and
- (iv) the extent of the panel’s authority: 5
- (b) the start and end dates of the appointment:
- (c) the local authority, group of local authorities, water organisation, or consumer trust to which the panel is appointed.

Obligation to consult

258ME Minister must consult 10

- (1) The Minister must consult the Minister of Commerce and Consumer Affairs when determining what action, if any, to take under subpart 1 or **1A**, including when—
 - (a) appointing a Ministerial appointee; or
 - (b) formulating the terms of reference for a Ministerial appointee. 15
- (2) However, the obligation to consult only applies in relation to a significant or persistent failure (or possible failure) to comply with the regulation of water services set out in **subpart 12** of Part 4 of the Commerce Act 1986.
- (3) When determining what action to take, if any, under this subpart, the Minister may consider any information they receive, including any information provided by the Commerce Commission. 20

245 Subpart 2 heading in Part 10 amended

In Part 10, in the subpart 2 heading, replace “subpart 1” with “subparts 1 and **1A**”.

246 Section 258N amended (Minister may consult any person) 25

In section 258N(1)(a) and (b), after “subpart 1”, insert “**or 1A**”.

247 Section 258O amended (Minister must publish list in *Gazette*)

In section 258O(1), after “subpart 1”, insert “**or 1A**”.

248 Section 258P amended (Minister must have regard to published list)

- (1) In section 258P(1), after “subpart 1”, insert “**or 1A**”. 30
- (2) Replace section 258P(2) with:
- (2) To avoid doubt, the Minister may act under this Part and appoint a Ministerial body even if the relevant problem does not relate to a matter featured in the list.

249 Section 258Q amended (Notice to local authority of proposed appointment of Ministerial body)

- (1) In the heading to section 258Q, delete “to local authority”.
- (2) In section 258Q(1)(a), after “local authority”, insert “, group of local authorities, water organisation, or trustees of a consumer trust”. 5
- (3) In section 258Q(1)(c), (2)(a), and (3)(a), after “local authority”, insert “, group of local authorities, water organisation, or trustees” in each place.
- (4) In section 258Q(2)(b), replace “or 258F(2)” with “258F(2), **258MA(3)**, or **258MC(3)**”.
- (5) In section 258Q(3)(b), replace “local authority’s district or region” with “district, region, or service area of the local authority, group of local authorities, water organisation, or consumer trust”. 10

250 Section 258S amended (Notification of appointment of Ministerial body)

In section 258S(1), replace “or 258F(1)” with “258F(1), **258MA(1)**, or **258MC(1)**”. 15

251 Section 258W amended (Recovery of expenses from local authority)

- (1) In the heading to section 258W, delete “from local authority”.
- (2) Replace section 258W(1) with:
 - (1) A local authority, group of local authorities, water organisation, or trustees of a consumer trust owe as a debt to the Crown any expenses that the Crown incurs for the appointment of a Crown Manager, Crown Commission, Crown facilitator—water services, or Crown commissioner—water services to the local authority, group of local authorities, water organisation, or consumer trust, including the payment of remuneration and expenses to the Crown Manager, a member of the Commission, the Crown facilitator—water services, or the Crown commissioner—water services. 20 25
 - (1A) A water organisation or the trustees of a consumer trust owe as a debt to the Crown any expenses that the Crown incurs for the appointment of a Crown Observer or a Crown Review Team to the water organisation or consumer trust, including the payment of remuneration and expenses to the Crown Observer or a member of the Crown Review Team. 30
- (3) In section 258W(2), after “local authority”, insert “or group of local authorities” in each place.
- (4) After section 258W(3), insert:
 - (4) If the Minister appoints a Ministerial appointee to a group of local authorities, each local authority owes an equal share of the expenses incurred as a debt to the Crown. 35

252 Section 258ZA replaced (Decisions and directions of Crown Manager or Commission remain in force until local authority decides otherwise)

Replace section 258ZA with:

258ZA Decisions and directions remain in force

- | | | |
|-----|---|----|
| (1) | Subsections (2) and (3) apply to a local authority, group of local authorities, water organisation, or trustees of a consumer trust on and from the expiry of the term of 1 of the following Ministerial appointees appointed to the local authority, group of local authorities, water organisation, or consumer trust: | 5 |
| (a) | Crown Manager: | |
| (b) | Crown facilitator—water services: | 10 |
| (c) | Crown commissioner—water services. | |
| (2) | A direction given to the local authority, group of local authorities, water organisation, or trustees of the consumer trust by the Ministerial appointee ceases to have effect. | |
| (3) | Despite subsection (2) , any decision made by the local authority, group of local authorities, water organisation, or trustees giving effect to the direction continues in force unless and until the local authority, group of local authorities, water organisation, or trustees revoke or amend the decision. | 15 |
| (4) | Subsection (5) applies to a local authority on and from the expiry of the term of a Commission appointed to the local authority. | 20 |
| (5) | A decision of the Commission continues in force as if it were a decision made by the local authority unless and until the local authority revokes or amends the decision. | |
| (6) | Subsection (7) applies to a local authority, group of local authorities, water organisation, or trustees on and from the expiry of the term of a Crown commissioner—water services appointed to the local authority, group of local authorities, water organisation, or consumer trust. | 25 |
| (7) | A decision of the Crown commissioner—water services continues in force as if it were a decision made by the local authority, group of local authorities, water organisation, or trustees unless and until the local authority, group of local authorities, water organisation, or trustees revoke or amend the decision. | 30 |

253 New section 258ZB and cross-heading inserted

After section 258ZA, insert:

Information required for purpose of advising Minister

258ZB Secretary may require water services information 35

- (1) For the purpose set out in **subsection (2)**, the Secretary may require the following parties to provide the Secretary with information that relates to providing water services under this Act:

- (a) a local authority;
 - (b) a water service provider;
 - (c) a shareholder in a water organisation.
- (2) The purpose is to enable the Secretary to advise the Minister in relation to exercising the Minister’s powers under this Part. 5
- (3) A party that is required to provide the Secretary with information under **sub-section (1)** must provide the information in accordance with the terms of the request.

254 Schedule 1AA amended

In Schedule 1AA,—

- (a) insert the Part set out in **Schedule 7** of this Act as the last Part; and
- (b) make all necessary amendments.

254A Schedule 13 amended

In Schedule 13, after clause 2, insert:

- 3 Calculations when water organisation being established** 15
- (1) This clause applies in the period when—
- (a) a territorial authority is establishing a water organisation under the Local Government (Water Services) Act **2024**; but
 - (b) before the territorial authority amends its policy on development contributions or financial contributions under **section 83(2)** of that Act. 20
- (2) When calculating development contributions under this Act, the territorial authority may base its calculation on the capital expenditure that the authority expects the water organisation to incur after the transfer agreement takes effect.
- (3) In this clause, **transfer agreement** has the meaning set out in **section 4** of the Local Government (Water Services) Act **2024**. 25

Part 5**Amendments to Local Government (Water Services Preliminary
Arrangements) Act 2024****255 Principal Act**

Sections 256 and 257 amend the Local Government (Water Services Preliminary Arrangements) Act 2024. 30

**256 Section 89 amended (Crown monitor’s and Secretary’s expenses
recoverable from Watercare)**

Replace section 89(1)(a) with:

- (a) expenses incurred by the Crown monitor in relation to performing or exercising its functions, duties, or powers under this Act; and

257 Schedule 1 amended

In Schedule 1,—

- (a) insert the Part set out in **Schedule 8** of this Act as the last Part; and 5
(b) make all necessary consequential amendments.

Part 6
Amendments to Receiverships Act 1993

258 Principal Act

This Part amends the Receiverships Act 1993. 10

259 Cross-heading above section 40A replaced

Replace the cross-heading above section 40A with “*Local authorities and water organisations*”.

260 Section 40AAA replaced (Meaning of Watercare)

Replace section 40AAA with: 15

40AAA Meaning of water organisation and Watercare

In sections 40A to 40E,—

water organisation has the same meaning as in **section 4** of the Local Government (Water Services) Act **2024**

Watercare means Watercare Services Limited. 20

261 Section 40A amended (Instrument may provide for appointment of receiver)

In section 40A, after “local authority”, insert “, a water organisation,”.

262 Section 40B amended (Power of court to appoint receiver)

(1) After section 40B(1)(b), insert: 25

- (c) on the application of any creditor of a water organisation, appoint a receiver of any asset of a water organisation or appoint a receiver for the purposes of **section 213** of the Local Government (Water Services) Act **2024**.

(2) After section 40B(4), insert: 30

(4A) When considering, in accordance with subsection (2), the terms and conditions upon which a receiver can be appointed by a court in relation to a water organisation, the court must—

- (a) take account of the interests of both the secured and non-secured creditors of the water organisation, as against—
- (i) the interests of the water organisation itself; and
 - (ii) the requirement of the water organisation to provide those services that are essential for the maintenance of public health and safety; and
 - (iii) the interests of consumers with property in the service area of the water organisation; and
 - (iv) the interests of the general public living within the service area of the water organisation; and
- (b) take account of the interests of secured creditors as against the interests of non-secured creditors of the water organisation.
- (3) Replace section 40B(5) with:
- (5) In this section,—
- Auckland** has the same meaning as in section 4(1) of the Local Government (Auckland Council) Act 2009
- service area** has the same meaning as in **section 4** of the Local Government (Water Services) Act **2024**.
- 263 Section 40C amended (Powers and duties of receivers)**
- (1) In section 40C(1),—
- (a) after “a local authority”, insert “or a specified water organisation”;
 - (b) after “the local authority”, insert “or the specified water organisation”.
- (2) After section 40C(3), insert:
- (4) If Crown commissioners—water services are or have been appointed to an entity under **section 258MC** of the Local Government Act 2002 (either before or after the appointment of a receiver in respect of some or all of the assets or rates of that entity under section 40A or section 40B(1)), the High Court may order that any receiver so appointed may not, until the High Court so orders, exercise any of the rights, powers, and duties of a receiver.
- (5) In **subsection (1)**, **specified water organisation** means a water organisation that is exempt under an Order in Council made under **section 57** of the Local Government (Water Services) Act **2024** from the requirement that a water organisation must be a company incorporated under the Companies Act 1993.
- 264 Section 40D amended (Constraints on receiver)**
- (1) In section 40D(1), after “a local authority”, insert “, a water organisation,”.
- (2) In section 40D(1), after “the local authority”, insert “, the water organisation,”.
- (3) In section 40D(3), after “the local authority”, insert “, the water organisation,”.

- (4) In section 40D(4), after “the local authority’s”, insert “, the water organisation’s,”.
- (5) Replace section 40D(5) with:
- (5) Subject to subsection (6), subsection (5A) applies to any land that is vested in a local authority, a water organisation, or Watercare and is— 5
- (a) a reserve under the Reserves Act 1977; or
- (b) land over which the local authority, the water organisation, or Watercare has no power of disposition; or
- (c) land in respect of which the local authority’s, the water organisation’s, or Watercare’s power of disposition is conditional. 10
- (6) In section 40D(5A), after “local authority”, insert “, that water organisation,”.
- (7) In section 40D(6), after “local authority”, insert “, the water organisation,”.
- 265 Section 40E amended (Protection for receiver)**
- (1) In section 40E(1) and (2), after “local authority”, insert “, a water organisation,”. 15
- (2) In section 40E(3)(a), after “local authority”, insert “, the water organisation,”.

Part 7

Amendments to Resource Management Act 1991

- 266 Principal Act**
- This Part amends the Resource Management Act 1991. 20
- 267 Section 2 amended (Interpretation)**
- (1) In section 2(1), definition of **use**, paragraph (a), after “10B,”, insert “**44B**,”.
- (2) In section 2(1), definition of **use**, paragraph (b), after “10A,”, insert “**44B**,”.
- (3) In section 2(1), insert in their appropriate alphabetical order:
- infrastructure design solution** means an infrastructure design solution made under **section 139B** of the Water Services Act 2021 25
- stormwater environmental performance standard** means a stormwater environmental performance standard made under section 139A of the Water Services Act 2021
- wastewater environmental performance standard** means a wastewater environmental performance standard made under section 138 of the Water Services Act 2021 30
- 267A Section 9 amended (Restrictions on use of land)**
- (1) After section 9(1)(d), insert:

- (e) is an activity expressly allowed by a wastewater environmental performance standard, a stormwater environmental performance standard, or an infrastructure design solution.
- (2) After section 9(2)(b), insert:
- (c) is an activity expressly allowed by a wastewater environmental performance standard, a stormwater environmental performance standard, or an infrastructure design solution. 5
- (3) After section 9(3)(c), insert:
- (d) is an activity expressly allowed by a wastewater environmental performance standard, a stormwater environmental performance standard, or an infrastructure design solution. 10
- 267B Section 12 amended (Restrictions on use of coastal marine area)**
- (1) In section 12(1), (2), and (3), after “national environmental standard,” insert “a wastewater environmental performance standard, a stormwater environmental performance standard, an infrastructure design solution,”. 15
- (2) In section 12(4), definition of **remove any sand, shingle, shell, or other natural material**, after “national environmental standard”, insert “, the wastewater environmental performance standard, the stormwater environmental performance standard, the infrastructure design solution,”.
- 267C Section 13 amended (Restriction on certain uses of beds of lakes and rivers)** 20
- (1) In section 13(1), after “national environmental standard,” insert “a wastewater environmental performance standard, a stormwater environmental performance standard, an infrastructure design solution,”.
- (2) In section 13(2), after “national environmental standard”, insert “, a wastewater environmental performance standard, a stormwater environmental performance standard, an infrastructure design solution,”. 25
- 267D Section 14 amended (Restrictions relating to water)**
- (1) In section 14(1), after “national environmental standard”, insert “, a wastewater environmental performance standard, a stormwater environmental performance standard, an infrastructure design solution,”. 30
- (2) In section 14(3)(a), after “national environmental standard,”, insert “a wastewater environmental performance standard, a stormwater environmental performance standard, an infrastructure design solution,”.
- 267E Section 15 amended (Discharges of contaminants into environment)** 35
- (1) In section 15(1), after “or other regulations,”, insert “a wastewater environmental performance standard, a stormwater environmental performance standard, an infrastructure design solution,”.

- (2) In section 15(2), after “national environmental standard”, insert “, a wastewater environmental performance standard, a stormwater environmental performance standard, or an infrastructure design solution”.
- (3) After section 15(2A)(a), insert:
- (aa) is expressly allowed by a wastewater environmental performance standard, a stormwater environmental performance standard, or an infrastructure design solution; or

268 New section 44B and cross-heading inserted

After section 44A, insert:

Designations

44B Relationship between environmental performance standards, infrastructure design solutions, and designations

- (1) A designation that exists when a stormwater environmental performance standard, a wastewater environmental performance standard, or an infrastructure design solution is made prevails over the environmental performance standard or the infrastructure design solution until the earlier of the following:
- (a) the designation lapses;
- (b) the designation is altered under section 181 by the alteration of conditions in it to which the environmental performance standard or infrastructure design solution is relevant.
- (2) If the conditions of a designation are altered as described in **subsection (1)(b)**, the environmental performance standard or infrastructure design solution—
- (a) applies to the altered conditions; and
- (b) does not apply to the unaltered conditions.
- (3) Despite **subsection (1)**, a stormwater environmental performance standard, a wastewater environmental performance standard, or an infrastructure design solution prevails over a designation that requires an outline plan if, when the environmental performance standard or infrastructure design solution is made,—
- (a) the designation exists; and
- (b) no outline plan for the designation has completed the process described in section 176A.
- (4) A stormwater environmental performance standard, a wastewater environmental performance standard, or an infrastructure design solution that exists when a designation is made prevails over the designation.

- (5) A use is not required to comply with a stormwater environmental performance standard, a wastewater environmental performance standard, or an infrastructure design solution if—
- (a) the use was lawfully established by way of a designation that has been removed; and 5
 - (b) the effects of the use, in character, intensity, and scale, are the same as or similar to those that existed before the designation was removed; and
 - (c) the environmental performance standard or infrastructure design solution is made—
 - (i) after the designation was made; and 10
 - (ii) before or after the designation is removed.
- (6) Work under a designation is not required to comply with a stormwater environmental performance standard, a wastewater environmental performance standard, or an infrastructure design solution if the work has come under the designation through the following sequence of events: 15
- (a) the work is made; and
 - (b) the environmental performance standard or infrastructure design solution is made; and
 - (c) the designation is applied to the work.
- (7) In this section, **conditions** includes a condition about the physical boundaries of a designation. 20

269 New sections 58JA to 58JC and cross-headings inserted

After section 58J, insert:

Wastewater and stormwater environmental performance standards

- 58JA Relationship between wastewater and stormwater environmental performance standards and other instruments** 25
- (1) A wastewater environmental performance standard or a stormwater environmental performance standard prevails over a rule.
 - (2) **Subsection (1)** applies whether the rule is more or less stringent than the wastewater environmental performance standard or the stormwater environmental performance standard. 30
 - (3) If there is any conflict or duplication between a wastewater environmental performance standard or a stormwater environmental performance standard and a document listed in **subsection (4)**, the environmental performance standard prevails. 35
 - (4) The documents are—
 - (aaa) a national policy statement:

- (aab) a New Zealand coastal policy statement:
 - (a) a national environmental standard:
 - (ca) a regional policy statement:
 - (d) a regional plan:
 - (f) a district plan. 5
- (4A) However, if anything in a document listed in **subsection (4)(ca), (d), or (f)** (the **relevant document**) conflicts with or duplicates anything in a wastewater environmental performance standard or a stormwater environmental performance standard, then, to the extent that the conflict or duplication results from the relevant document giving effect to Te Ture Whaimana o Te Awa o Waikato—the Vision and Strategy for the Waikato River,— 10
 - (a) **subsection (3)** does not apply; and
 - (b) the relevant document prevails.
- (5) If a local authority’s plan or proposed plan contains a rule that conflicts with or duplicates a provision in a wastewater environmental performance standard or a stormwater environmental performance standard, the local authority must amend the plan or proposed plan to remove the conflict or duplication— 15
 - (a) without using the process in Schedule 1; and
 - (b) as soon as practicable after the date on which the standard comes into force. 20
- (6) Every local authority and consent authority must—
 - (a) enforce the observance of stormwater environmental performance standards and wastewater environmental performance standards—
 - (i) within the limits specified in **subsections (4A) and (8)**; and
 - (ii) to the extent to which their powers enable them to do so; and 25
 - (b) observe stormwater environmental performance standards and wastewater environmental performance standards.
- (8) However, **subsections (1), (2), and (5)** do not apply if—
 - (a) the rule gives effect to Te Ture Whaimana o Te Awa o Waikato—the Vision and Strategy for the Waikato River; and 30
 - (b) the rule is more stringent than the wastewater environmental performance standard or the stormwater environmental performance standard.

58JAA Plan may permit effects that wastewater or stormwater environmental performance standard does not deal with

- (1) **Subsection (2)** applies if a wastewater environmental performance standard or a stormwater environmental performance standard provides that— 35
 - (a) an activity is permitted; or
 - (b) an activity does not require a resource consent.

- (2) A plan may permit, and impose conditions that deal with, any effects of the activity that differ from those regulated or managed in the environmental performance standard.
- (3) However, **subsection (2)** does not apply if the environmental performance standard provides otherwise.

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Infrastructure design solutions

58JB Relationship between infrastructure design solutions and other instruments

- (1) An infrastructure design solution prevails over a rule.
- (2) **Subsection (1)** applies whether the rule is more or less stringent than the infrastructure design solution. 10
- (2A) However, a rule prevails over the infrastructure design solution, and **subsections (1) and (2)** do not apply, if—
- (a) the rule is included in a district plan or regional plan to give effect to Te Ture Whaimana o Te Awa o Waikato—the Vision and Strategy for the Waikato River; and 15
- (b) the rule is more stringent than the infrastructure design solution.
- (3) If there is any conflict or duplication between an infrastructure design solution and a document listed in **subsection (4)**, the infrastructure design solution prevails. 20
- (4) The documents are—
- (aaa) a national policy statement:
- (aab) a New Zealand coastal policy statement:
- (a) a national environmental standard: 25
- (ca) a regional policy statement:
- (d) a regional plan:
- (f) a district plan.
- (5) However, if anything in a document listed in **subsection (4)(ca), (d), or (f)** (the **relevant document**) conflicts with or duplicates anything in an infrastructure design solution, then, to the extent that the conflict or duplication results from the relevant document giving effect to Te Ture Whaimana o Te Awa o Waikato—the Vision and Strategy for the Waikato River,— 30
- (a) **subsection (3)** does not apply; and
- (b) the relevant document prevails.
- (6) If a local authority’s plan or proposed plan contains a rule that conflicts with or duplicates a provision in an infrastructure design solution, the local authority must amend the plan or proposed plan to remove the inconsistency or duplication— 35

- (a) without using the process in Schedule 1; and
 - (b) as soon as practicable after the date on which the standard comes into force.
- (7) However, **subsection (6)** does not apply if—
- (a) the rule gives effect to Te Ture Whaimana o Te Awa o Waikato—the Vision and Strategy for the Waikato River; and
 - (b) the rule is more stringent than the infrastructure design solution.

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58JBA Plan may permit effects that infrastructure design solution does not deal with

- (1) **Subsection (2)** applies if an infrastructure design solution provides that—
- (a) an activity is permitted; or
 - (b) an activity does not require a resource consent.
- (2) A plan may permit, and impose conditions that deal with, any effects of the activity that differ from those regulated or managed in the infrastructure design solution.
- (3) However, **subsection (2)** does not apply if the infrastructure design solution provides otherwise.

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58JC References to infrastructure design solutions

In this Act, each ~~Each~~ reference to an infrastructure design solution in this Act must be read, unless the context otherwise requires, as referring only to an infrastructure design solution that the relevant person has decided to rely on.

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270 Section 87A amended (Classes of activities)

- (1) In section 87A, delete “(including any national environmental standard)” in each place.
- (2) After section 87A(7), insert:
- (8) In this section, **regulations** includes—
- (a) any national environmental standard; and
 - (b) any stormwater environmental performance standard; and
 - (c) any wastewater environmental performance standard; and
 - (d) any infrastructure design solution.

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271 Section 95A amended (Public notification of consent applications)

Replace section 95A(5)(a) with:

- (a) the application is for a resource consent for 1 or more activities and public notification is precluded for each activity by 1 or more of the following:
 - (i) a rule:

35

	(ii) a national environmental standard:	
	(iii) an infrastructure design solution:	
	(iv) a stormwater environmental performance standard:	
	(v) a wastewater environmental performance standard:	
272	Section 95B amended (Limited notification of consent applications)	5
	Replace section 95B(6)(a) with:	
	(a) the application is for a resource consent for 1 or more activities and public notification is precluded for each activity by 1 or more of the following:	
	(i) a rule:	10
	(ii) a national environmental standard:	
	(iii) an infrastructure design solution:	
	(iv) a stormwater environmental performance standard:	
	(v) a wastewater environmental performance standard:	
273	Section 104 amended (Consideration of applications)	15
(1)	After section 104(1)(b)(i), insert:	
	(ia) a wastewater environmental performance standard:	
	(ib) a stormwater environmental performance standard:	
	(ic) an infrastructure design solution:	
(1A)	Replace section 104(2D) with:	20
(2D)	When considering a resource consent application that relates to a wastewater network, as defined in section 5 of the Water Services Act 2021,—	
	(a) a consent authority must not grant the consent contrary to—	
	(i) a wastewater environmental performance standard made under section 138 of that Act; or	25
	(ii) an infrastructure design solution; and	
	(b) a consent authority must include, as a condition of granting the consent, requirements that are no more or less restrictive than is necessary to give effect to—	
	(i) the wastewater environmental performance standard; or	30
	(ii) the infrastructure design solution; but	
	(e) paragraphs (a) and (b) do not apply if an exception under a wastewater environmental performance standard or an infrastructure design solution applies.	
(2DA)	However, subsection (2D) —	35

- (a) does not apply if an exception under a wastewater environmental performance standard or an infrastructure design solution applies; and
- (b) except as expressly otherwise provided in this Act, does not prevent a consent authority from including, as a condition of granting a resource consent, a requirement that relates to any activity, effect, or other matter that a wastewater environmental standard or an infrastructure design solution does not regulate or manage.

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(3A) Replace section 104(2E) with:

(2E) When considering a resource consent application that relates to a stormwater network, as defined in section 5 of the Water Services Act 2021, a consent authority—

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- (a) must not grant the consent contrary to—
 - (i) a stormwater environmental performance standard made under section 139A of that Act; or
 - (ii) an infrastructure design solution; and
- (b) must include, as a condition of granting the consent, requirements that are no more or less restrictive than is necessary to give effect to—
 - (i) the stormwater environmental performance standard; or
 - (ii) the infrastructure design solution; ~~but~~
- (e) ~~paragraphs (a) and (b) do not apply if an exception under a stormwater environmental performance standard or an infrastructure design solution applies.~~

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(2EAAA) However, **subsection (2E)**—

- (a) does not apply if an exception under a stormwater environmental performance standard or an infrastructure design solution applies; and
- (b) except as expressly otherwise provided in this Act, does not prevent a consent authority from including, as a condition of granting a resource consent, a requirement that relates to any activity, effect, or other matter that a stormwater environmental standard or an infrastructure design solution does not regulate or manage.

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273A Section 104A amended (Determination of applications for controlled activities)

In section 104A(b)(i), after “environmental standards”, insert “, wastewater environmental performance standards, stormwater environmental performance standards, infrastructure design solutions,”.

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273B Section 104C amended (Determination of applications for restricted discretionary activities)

In section 104C(1)(a) and (3)(a), after “national environmental standards”, insert “, wastewater environmental performance standards, stormwater environmental performance standards, infrastructure design solutions,”.

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273C New section 104DA inserted (Circumstances in which consent authority may grant resource consent contrary to standards and solutions)

After section 104D, insert:

104DA Circumstances in which consent authority may grant resource consent contrary to standards and solutions

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(1) Despite the provisions listed in **subsection (2)**, a consent authority may grant a resource consent contrary to a stormwater environmental performance standard, a wastewater environmental performance standard, or an infrastructure design solution for the purpose of giving effect to—

(a) Te Ture Whaimana o Te Awa o Waikato—the Vision and Strategy for the Waikato River; or

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(b) a provision that is included in a regional policy statement or a proposed regional policy statement to give effect to Te Ture Whaimana o Te Awa o Waikato—the Vision and Strategy for the Waikato River; or

(c) a provision that—

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(i) is included in a plan or proposed plan to give effect to Te Ture Whaimana o Te Awa o Waikato—the Vision and Strategy for the Waikato River; and

(ii) is more stringent than the environmental performance standard or infrastructure design solution.

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(2) The provisions are—

(a) section 87A:

(b) **section 104(2D) and (2E)**:

(c) **section 105(3)**:

(d) **section 107(4)**:

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(e) **section 123(aa) and (ab)**:

(f) section 128.

274 Section 105 amended (Matters relevant to certain applications)

After section 105(2), insert:

(3) However, subsections (1) and (2) do not apply if an application is for an activity—

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(a)	that is regulated by a wastewater environmental performance standard or a stormwater environmental performance standard and the application complies with the relevant environmental performance standard; or	
(b)	that is regulated by an infrastructure design solution and the application complies with the infrastructure design solution.	5
275	Section 107 amended (Restriction on grant of certain discharge permits) After section 107(3), insert:	
(4)	However, this section does not apply if an application is for an activity—	
(a)	that is regulated by a wastewater environmental performance standard or a stormwater environmental performance standard and the application complies with the relevant environmental performance standard; or	10
(b)	that is regulated by an infrastructure design solution and the application complies with the design solution.	
275A	Section 108 amended (Conditions of resource consents) In section 108(1), after “108AA and”, insert “any wastewater environmental performance standards, any stormwater environmental performance standards, any infrastructure design solutions, and”.	15
276	Section 108AA amended (Requirements for conditions of resource consents) After section 108AA(1)(b)(iv), insert:	20
(v)	an infrastructure design solution; or	
276A	<u>New section 122A inserted (Resource consent prevails over specified instruments)</u> After section 122, insert:	
122A	<u>Resource consent prevails over specified instruments</u>	25
(1)	<u>A resource consent that is granted before one of the following instruments is made prevails over that instrument:</u>	
(a)	<u>a stormwater environmental performance standard under section 139A of the Water Services Act 2021;</u>	
(b)	<u>a wastewater environmental performance standard made under section 138 of the Water Services Act 2021.</u>	30
(2)	However, subsection (1) ceases to apply when—	
(a)	<u>the consent authority reviews the conditions of the resource consent under section 128(1)(bc); and</u>	
(b)	<u>the review results in either or both of the instruments listed in subsection (1) prevailing over the resource consent.</u>	35

- 277 Section 123 amended (Duration of consent)**
- (1) After section 123(a), insert:
- (aa) the period for which a resource consent for an activity that meets the requirements of a wastewater environmental performance standard or a stormwater environmental performance standard is granted is 35 years: 5
 - (ab) the period for which a resource consent for a wastewater treatment plant that meets the requirements of an infrastructure design solution is granted is 35 years:
- (2) In section 123, insert as subsection (2):
- (2) Despite anything in **subsection (1)**, the period of an extant wastewater consent (as defined in **section 139B**), may be extended as specified in **section 139C**. 10
- 278 Section 124 amended (Exercise of resource consent while applying for new consent)**
- After section 124(2), insert: 15
- (2A) The holder of a resource consent for an activity that is regulated by a wastewater environmental performance standard or a stormwater environmental performance standard may, if they make an application under subsection (1) or (2), continue to operate under an expired consent—
- (a) for the duration specified in the environmental performance standard; or 20
 - (b) if the environmental performance standard does not specify a duration, until the date determined under subsection (3).
- 279 Section 128 amended (Circumstances when consent conditions can be reviewed)**
- After section 128(1)(bb), insert: 25
- (bc) in the case of a resource consent for an activity that is regulated by a wastewater environmental performance standard or a stormwater environmental performance standard, when the environmental performance standard has been made or amended; or
- 280 New sections 139B to 139D and cross-heading inserted** 30
- After section 139A, insert:
- Extant wastewater consents*
- 139B Definitions for purposes of extant wastewater consents**
- In **sections 139C and 139D**, unless the context otherwise requires,—
- commencement date** means the date on which this section comes into force 35

extant wastewater consent means a resource consent that—

- (a) is for an activity associated with constructing or operating a wastewater network, as defined in section 5 of the Water Services Act 2021; and
- (b) is current on the commencement date; and
- (c) is due to expire on a date that is before the date that is 3 years after the commencement date

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extended expiry date means—

- (a) the date that is 3 years after the commencement date; or
- (b) if the Minister extends the period of an extant wastewater consent under **section 139CA**, the date on which the extended period ends.

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139C Extension of extant wastewater consents

- (1) The expiry date of an extant wastewater consent is extended to the extended expiry date.
- (2) An extant wastewater consent is not able to be extended, ~~except other than~~ as specified in **subsection (1)** and **section 139CA**.
- (3) Any conditions applying to an extant wastewater consent continue to apply unless a change to a condition is required as a consequence of extending the duration of the extant wastewater consent under **subsection (1)** or **section 139CA**.
- (4) However, the extension of an extant wastewater consent under this section or **section 139CA** does not affect the application of sections 127 to 129.

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139CA Minister may extend extant wastewater consent in exceptional circumstances

- (1) The Minister may extend the expiry date of an extant wastewater consent to a date that is more than 3 years after the commencement date.
- (2) The Minister may extend the expiry date of an extant wastewater consent—
 - (a) only if the Minister is satisfied that exceptional circumstances exist that justify such an extension; and
 - (b) for a maximum period of 2 years.
- (3) The Minister may extend the expiry date of an extant wastewater consent—
 - (a) on receipt of an application under **section 139CB**; or
 - (b) on the Minister's own volition.

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139CB Application to extend extant wastewater consent

- (1) The holder of an extant wastewater consent may apply to the Minister for an extension of the expiry date of the extant wastewater consent.
- (2) An application must be made no later than 30 months after the commencement date.

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- (3) For the purposes of deciding whether to grant an application, the Minister may require the applicant to provide such further information as the Minister considers necessary to enable the Minister to make the decision.
- (4) If the Minister receives an application and any further information required under **subsection (3)**, the Minister must decide whether to extend the expiry date of the extant wastewater consent to no later than 35 months after the commencement date. 5
- 139D Consent authority must update extant wastewater consent**
- The consent authority for an extant wastewater consent must, no later than 6 months after the commencement date, update the extant wastewater consent to record the extended expiry date under **section 139C** and any extended expiry date under **section 139CA**. 10
- 281 Section 168A amended (Notice of requirement by territorial authority)**
- (1) After section 168A(1AB), insert:
- (1AC) However, a territorial authority must not publicly notify a notice of requirement under this section if— 15
- (a) the requirement is for 1 or more activities; and
- (b) each activity is the subject of an infrastructure design solution that precludes public notification.
- (2) After section 168A(3)(a)(iii), insert: 20
- (iiiia) an infrastructure design solution:
- 282 Section 169 amended (Further information, notification, submissions, and hearing for notice of requirement to territorial authority)**
- After section 169(1B), insert:
- (1C) However, a territorial authority must not publicly notify a notice of requirement under this section if— 25
- (a) the requirement is for 1 or more activities; and
- (b) each activity is the subject of an infrastructure design solution that precludes public notification.
- 283 Section 171 amended (Recommendation by territorial authority)** 30
- (1) After section 171(1)(a)(iii), insert:
- (iiiia) an infrastructure design solution:
- (2) After section 171(2), insert:
- (2AAA) Despite subsection (2), if a notice of requirement relates to a wastewater network or a stormwater network (as those terms are defined in section 5 of the Water Services Act 2021), and an infrastructure design solution applies and is being relied upon, the territorial authority— 35

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- (a) must not recommend any conditions that are contrary to the requirements of the relevant infrastructure design solution; and
- (b) must recommend that conditions are imposed on the designation that are no more or less restrictive than is necessary to comply with the infrastructure design solution. 5
- 284 Section 174 amended (Appeals)**
In section 174(4), after “section 171(1A)”, insert “and **(2AAA)**”.
- 285 Section 176A amended (Outline plan)**
- (1) Replace section 176A(4) with:
- (4) Within 20 working days after receiving the outline plan, the territorial authority— 10
- (a) may request the requiring authority to make changes to the outline plan; but
- (b) must not request a change that is inconsistent with an infrastructure design solution that the public work, project, or work relies on. 15
- (2) Replace section 176A(6) with:
- (6) In determining any such appeal, the Environment Court must consider whether the changes requested by the territorial authority—
- (a) will give effect to the purpose of this Act; and
- (b) will give effect to any infrastructure design solution that the public work, project, or work relies on. 20
- 285A Section 198E amended (Environment Court decides)**
In section 198E(6)(a), after “section 171(1A)”, insert “and **(2AAA)**”.
- 285B Section 198K amended (Environment Court decides)**
In section 198K(5)(a), after “section 171(1A)”, insert “and **(2AAA)**”. 25
- 286 Schedule 12 amended**
In Schedule 12,—
- (a) insert the Part set out in **Schedule 9** of this Act as the last Part; and
- (b) make all necessary consequential amendments.

Part 8

Amendments to Act previously called Taumata Arowai—the Water Services Regulator Act 2020

287 Principal Act

This Part amends the Act that was previously called Taumata Arowai—the Water Services Regulator Act 2020. 5

288 Title of principal Act changed

In section 1, replace “Taumata Arowai—the Water Services Regulator” with “Water Services Authority—Taumata Arowai”.

289 Section 4 amended (Interpretation) 10

(1) In section 4, insert in their appropriate alphabetical order:

National Engineering Design Standards means the NEDS under **subpart 1AA** of Part 3 of the Water Services Act 2021

National Policy Statement for Freshwater Management means the National Policy Statement for Freshwater Management issued in 2020 under section 52 of the Resource Management Act 1991 and any statement issued under that section that amends or replaces the 2020 statement 15

network infrastructure means any infrastructure and process that is a part of a drinking water network, a stormwater network, or a wastewater network

shared domestic supplier has the meaning given by **section 10(1)** of the Water Services Act 2021 20

Water Services Authority means the Water Services Authority—Taumata Arowai established by section 8

water service provider has the meaning given by **section 4** of the Local Government (Water Services) Act **2024** 25

(2) In section 4, repeal the definitions of **domestic dwelling**, **Taumata Arowai**, and **Te Mana o te Wai**.

290 Section 5 amended (Māori interests)

(1) Repeal section 5(a) and (b).

(2) Replace section 5(d) and (e) with: 30

(d) section 17(1) and **(2)** provides that the role of the Māori Advisory Group is to advise the board and the Water Services Authority on Māori interests and knowledge, from a Māori perspective and in accordance with the group’s terms of reference:

(e) section 17(3) requires the board to take the advice of the Māori Advisory Group into account: 35

(3) Replace section 5(f)(ii) with:

<ul style="list-style-type: none"> <li style="margin-left: 2em;">(ii) partnering and engaging early and meaningfully with Māori, including to inform how the Water Services Authority can— <ul style="list-style-type: none"> (A) take into account any relevant national direction issued under Part 5 of the Resource Management Act 1991 and any regional plans (as defined in section 43AA of that Act) that relate to freshwater; and (B) understand, support, and enable the exercise of mātauranga Māori, tikanga Māori, and kaitiakitanga: 	5
291 Section 10 amended (Objectives of Taumata Arowai)	10
<ul style="list-style-type: none"> (1) Repeal section 10(d). (2) After section 10(f), insert: <ul style="list-style-type: none"> (g) effectively develop and administer National Engineering Design Standards for the design, construction, and operational performance of network infrastructure used in land development. 	10
292 Section 11 amended (Functions of Taumata Arowai)	15
<ul style="list-style-type: none"> (1) After section 11(1)(d), insert: <ul style="list-style-type: none"> (e) develop and review the National Engineering Design Standards; and (2) After section 11(1)(f), insert: <ul style="list-style-type: none"> (fa) facilitate, promote, provide, or support education and training for domestic self-suppliers and shared domestic suppliers; and 	20
293 Section 12 amended (Board)	
Replace section 12(2) with:	
<ul style="list-style-type: none"> (2) The responsible Minister must appoint only people who, in the Minister’s opinion, have the appropriate knowledge, skills, and experience to assist the board to perform its role. 	25
294 Section 14 amended (Māori Advisory Group established)	
In section 14(2),—	
(a) replace “5” with “3”; and	
(b) replace “7” with “5”.	
295 Section 17 amended (Role of Māori Advisory Group)	30
<ul style="list-style-type: none"> (1) Replace section 17(2) with: (2) The Māori Advisory Group must provide advice under subsection (1)— <ul style="list-style-type: none"> (a) from a Māori perspective; and (b) within the terms of reference prepared and agreed under subsection (4)(b). 	35

- (2) In section 17(3)(a), replace “have regard to” with “take into account”.
- (3) Repeal section 17(3)(b).

296 Section 18 replaced (Operating principles)

Replace section 18 with:

18	Operating principles	5
(1)	The Water Services Authority must ensure that its performance and delivery of its objectives, functions, and duties are guided and informed by the operating principles set out in subsection (2) .	
(2)	The operating principles are—	
(a)	building and maintaining credibility and integrity, so that the Water Services Authority is trusted by consumers, drinking water suppliers, wastewater network operators, stormwater network operators, water service providers, Māori, and government:	10
(b)	ensuring that the Water Services Authority has suitable expertise to build and maintain confidence in its capability as a regulator:	15
(c)	developing sector capability by promoting collaboration, education, and training:	
(d)	partnering and engaging meaningfully with other people and organisations, including working proactively with drinking water suppliers, stormwater network operators, and wastewater network operators to ensure that regulatory compliance requirements—	20
(i)	take into account the risk profiles of the suppliers or operators; and	
(ii)	are proportionate to the abilities and capacities of the suppliers or operators:	25
(e)	partnering and engaging early and meaningfully with Māori, including to inform how the Water Services Authority can—	
(i)	take into account—	
(A)	any relevant national directions made under Part 5 of the Resource Management Act 1991; and	30
(B)	any regional plans prepared under the Resource Management Act 1991 that relate to freshwater:	
(ii)	understand, support, and enable the exercise of mātauranga Māori, tikanga Māori, and kaitiakitanga:	
(f)	ensuring that the Water Services Authority takes costs into account, including by—	35

- (i) taking suppliers' compliance costs into account while protecting and promoting public health outcomes relating to drinking water safety; and
- (ii) maintaining a regulatory framework that is proportionate to the scale, complexity, and risk profile of the relevant water services and that takes into account the costs to consumers; and 5
- (iii) considering compliance costs for mixed-use rural water schemes in the context of their circumstances, including their scale, complexity, and risk profile.
- (3) In this section, **mixed-use rural water scheme** has the meaning given by **section 13A** of the Water Services Act 2021. 10
- 297 Consequential amendments to principal Act and other enactments**
- (1) Amend the principal Act as set out in **Part 1 of Schedule 10**.
- (2) Amend the Acts specified in **Part 2 of Schedule 10** as set out in that schedule. 15
- (3) Amend the secondary legislation specified in **Part 3 of Schedule 10** as set out in that schedule.

Part 8A

Amendment to Tax Administration Act 1994

- 297A Principal Act** 20
- Section 297B** amends the Tax Administration Act 1994.
- 297B Section 32E amended (Applications for RWT-exempt status)**
- (1) In section 32E(2)(k), after “to CW 52,”, insert “**CW 55BC**,”.
- (2) **Subsection (1)** applies for the ~~2024–25~~ 2025–26 and later income years.

Part 8B

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Amendments to Waikato River legislation

Amendments to Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010

- 297C Principal Act**
- Sections 297D and 297E** amend the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010. 30

297D Section 12 amended (Effect of vision and strategy on Resource Management Act 1991 planning documents)

- (1) In the heading to section 12, replace “**Resource Management Act 1991 planning documents**” with “**planning documents, environmental performance standards, and infrastructure design solutions**”. 5
- (2) After section 12(1)(c), insert:
- (d) a wastewater environmental performance standard made under section 138 of the Water Services Act 2021; and
 - (e) a stormwater environmental performance standard made under section 139A of the Water Services Act 2021; and 10
 - (f) an infrastructure design solution made under **section 139B** of the Water Services Act 2021.
- (3) Replace section 12(4) and (5) with:
- (4) If a rule included in a regional or district plan for the purpose of giving effect to the vision and strategy is more stringent than a document listed in **subsection (5)**, the rule prevails over that document. 15
- (5) The documents are—
- (a) a national environmental standard made under section 43 of the Resource Management Act 1991:
 - (b) a water conservation order made under section 214 of the Resource Management Act 1991: 20
 - (c) a wastewater environmental performance standard made under section 138 of the Water Services Act 2021:
 - (d) a stormwater environmental performance standard made under section 139A of the Water Services Act 2021: 25
 - (e) an infrastructure design solution made under **section 139B** of the Water Services Act 2021.

297E Section 17 amended (Duty to have particular regard to vision and strategy)

- Before section 17(10)(a), insert: 30
- (aaa) the Local Government (Water Services) Act **2024**; and

*Amendments to Ngati Tuwharetoa, Raukawa, and Te Arawa River Iwi Waikato River Act 2010***297F Principal Act**

- Sections 297G and 297H** amend the Ngati Tuwharetoa, Raukawa, and Te Arawa River Iwi Waikato River Act 2010. 35

297G Section 13 amended (Effect of vision and strategy on Resource Management Act 1991 planning documents)

- (1) In the heading to section 13, replace “**Resource Management Act 1991 planning documents**” with “**planning documents, environmental performance standards, and infrastructure design solutions**”. 5
- (2) After section 13(1)(c), insert:
- (d) a wastewater environmental performance standard made under section 138 of the Water Services Act 2021; and
 - (e) a stormwater environmental performance standard made under section 139A of the Water Services Act 2021; and 10
 - (f) an infrastructure design solution made under **section 139B** of the Water Services Act 2021.
- (3) Replace section 13(4) and (5) with:
- (4) If a rule included in a regional or district plan for the purpose of giving effect to the vision and strategy is more stringent than a document listed in **subsection (5)**, the rule prevails over that document. 15
- (5) The documents are—
- (a) a national environmental standard made under section 43 of the Resource Management Act 1991;
 - (b) a water conservation order made under section 214 of the Resource Management Act 1991: 20
 - (c) a wastewater environmental performance standard made under section 138 of the Water Services Act 2021;
 - (d) a stormwater environmental performance standard made under section 139A of the Water Services Act 2021: 25
 - (e) an infrastructure design solution made under **section 139B** of the Water Services Act 2021.

297H Section 18 amended (Duty to have particular regard to vision and strategy)

- Before section 18(10)(a), insert: 30
- (aaa) the Local Government (Water Services) Act **2024**; and

Part 9
Amendments to Water Services Act 2021

298 Principal Act

- This Part amends the Water Services Act 2021. 35

299 Section 5 amended (Interpretation)

- (1) In section 5, repeal the definition of **council-controlled organisation**.
- (1A) In section 5, definition of **source**, **source water**, and **source of a drinking water supply**, after paragraph (a), insert:
- (aa) an open-air artificial watercourse from which water is abstracted for use in a drinking water supply (for example, an open-air irrigation canal, water supply race, canal for the supply of water for electricity generation, or farm drainage channel); and 5
- (2) In section 5, definition of **stormwater network**, paragraph (a)(ii)(A), replace “council-controlled organisation” with “water organisation” in each place. 10
- (3) In section 5, definition of **stormwater network operator**, paragraph (a)(i), replace “council-controlled organisation” with “water organisation” in each place.
- (4) In section 5, definition of **wastewater network**, paragraph (b)(i), replace “council-controlled organisation” with “water organisation” in each place. 15
- (5) In section 5, definition of **wastewater network operator**, paragraph (a)(i), replace “council-controlled organisation” with “water organisation” in each place.
- (6) In section 5, insert in their appropriate alphabetical order:
- mixed-use rural water scheme** has the meaning set out in **section 13A** 20
- National Engineering Design Standards** and **NEDS** means the National Engineering Design Standards set out in regulations
- shared domestic supplier** has the meaning set out in **section 10**
- territorial authority** has the same meaning as in section 5(1) of the Local Government Act 2002 25
- water organisation** has the same meaning as in **section 4** of the Local Government (Water Services) Act **2024**
- water service provider** has the same meaning as in **section 4** of the Local Government (Water Services) Act **2024**
- water services bylaw** has the same meaning as in **section 4** of the Local Government (Water Services) Act **2024** 30

300 Section 8 amended (Meaning of drinking water supplier)

In section 8(e), after “domestic self-supplier”, insert “or a shared domestic supplier”.

301 Section 9 amended (Meaning of drinking water supply) 35

- (1) In section 9(1)(c), replace “or a domestic self-supply” with “, a domestic self-supply, or a shared domestic supply”.
- (2) Replace section 9(2) with:

- (2) The Water Services Authority may, by notice in the *Gazette*, declare the provision of water by a person or a class of persons—
- (a) to be a drinking water supply if the Water Services Authority is satisfied, on reasonable grounds, that the water is or will be used as drinking water; or 5
 - (b) not to be a drinking water supply if the Water Services Authority is satisfied, on reasonable grounds, that—
 - (i) the water is not or will not be used as drinking water; or
 - (ii) the person is a consumer, or the class of persons is a class of consumers; or 10
 - (iii) the water is source water.
- (3) When deciding whether to make a declaration under **subsection (2)**, the Water Services Authority—
- (a) must take into account the main purpose of this Act (*see* section 3(1)); and 15
 - (b) may take into account the extent of the infrastructure providing the water and the level of risk to consumers that would follow from making the declaration.
- (4) A declaration made under this section that applies to a class of persons is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements). 20

302 Section 10 replaced (Meaning of domestic self-supply and domestic dwelling)

Replace section 10, and the examples that follow that section, with:

- 10 Meaning of domestic self-supply and shared domestic supplier** 25
- (1) In this Act, unless the context otherwise requires,—
- domestic self-supply** means a stand-alone domestic dwelling that has its own supply of drinking water, and **domestic self-supplier** has a corresponding meaning
- shared domestic supplier** means a person (**person A**) who— 30
- (a) supplies drinking water to no more than 25 consumers who reside in domestic dwellings located on—
 - (i) the land from which person A supplies the drinking water; or
 - (ii) any other land; and
 - (b) is not a domestic self-supplier or a water carrier 35
- shared domestic supply** has a corresponding meaning to **shared domestic supplier**.
- (2) In this Act,—

domestic dwelling means a building that is used as a single household unit, whether it is—

- (a) tenanted on a long- or short-term basis; or
- (b) occupied permanently or temporarily (for example, a holiday home)

household unit has the meaning given to it by section 7(1) of the Building Act 2004. 5

Examples

A single property with tenants on a lease that is supplied by a rainwater tank is a domestic self-supply.

A single holiday house that is supplied by a rainwater tank and is rented to tourists on a short-term basis is a domestic self-supply. 10

A multi-dwelling building (for example, multiple separate apartments contained in a single building) that has its own bore water supply is not a domestic self-supply.

A marae wharekai (dining hall) or community hall that has its own river water supply is not a domestic self-supply. 15

A café building supplied by a rainwater tank is not a domestic self-supply.

A person who supplies a neighbouring school with drinking water is not a shared domestic supplier.

A person who supplies 40 homes on the same street with drinking water is not a shared domestic supplier. 20

A person who supplies a home and fruit packhouse on a neighbouring property is not a shared domestic supplier.

303 New section 13A inserted (Meaning of mixed-use rural water scheme)

After section 13, insert:

13A Meaning of mixed-use rural water scheme 25

In this Act, unless the context otherwise requires, **mixed-use rural water scheme** means—

- (a) a water supply that meets the criteria for being a mixed-use rural water scheme that are specified in a drinking water acceptable solution issued under section 50; or 30
- (b) if no drinking water acceptable solution has specified criteria for being a mixed-use rural water scheme, a drinking water supply that supplies water to consumers' properties and for which the following statements are true:
 - (i) no less than 50% of the water supplied is intended to be used for agricultural purposes or horticultural purposes, or both: 35
 - (ii) no more than 50% of the water supplied is intended to be used for domestic purposes (including for drinking water).

- 304 Section 14 repealed (Te Mana o te Wai: meaning, application, effect)**
Repeal section 14.
- 305 New section 19A inserted (Application to New Zealand Defence Force)**
After section 19, insert:
- 19A Application to New Zealand Defence Force** 5
- (1) Despite section 19, this Act does not apply to the New Zealand Defence Force supplying water services if the Chief of Defence Force, or any other officer or person authorised by the Chief of Defence Force, has—
- (a) issued and promulgated a Defence Force Instruction; and
- (b) provided a copy of the Instruction to the Water Services Authority. 10
- (1A) The Chief of Defence Force, or any other officer or person authorised by the Chief of Defence Force, must consult the Water Services Authority before issuing and promulgating a Defence Force Instruction under **subsection (1)**.
- (2) However, despite issuing and promulgating a Defence Force Instruction, the Chief of Defence Force must ensure that the supply of water services by the New Zealand Defence Force— 15
- (a) complies with the requirements of this Act to the extent that is reasonably practicable; and
- (b) is carried out in accordance with the Defence Force Instruction by— 20
- (i) members of the New Zealand Defence Force; and
- (ii) any other person.
- (3) The Chief of Defence Force, or any other officer or person authorised by the Chief of Defence Force, must, in consultation with the Water Services Authority, periodically review the requirements in the Defence Force Instruction for supplying water services. 25
- (4) In this section, unless the context otherwise requires,—
- New Zealand Defence Force** means the New Zealand Defence Force constituted under the Defence Act 1990
- officer** has the same meaning as in section 2(1) of the Defence Act 1990.
- 306 Section 29 amended (Duty of officers, employees, and agents to exercise due diligence)** 30
- In section 29(3), replace “council-controlled organisation” with “water organisation” in each place.
- 307 Section 30 amended (Owner must have drinking water safety plan)**
- After section 30(1), insert: 35

- (1A) However, the owner of a drinking water supply is not required to prepare a drinking water safety plan if the drinking water supply supplies no more than 25 consumers.

307A Section 32 amended (Taumata Arowai to review drinking water safety plans and monitor compliance) 5

After section 32(2), insert:

- (3) For the purposes of performing its functions under subsection (1), the Water Services Authority may issue a written notice to a drinking water supplier requiring the supplier to provide the Water Services Authority with 1 or both of the following types of information: 10
- (a) a written statement as to whether the drinking water supplier has complied with a particular legislative requirement:
 - (b) information that will enable the Water Services Authority to determine whether a particular legislative requirement has been complied with.
- (4) In addition to the information specified in **subsection (3)**, the Water Services Authority may require the drinking water supplier to provide a certificate to confirm that the information provided under this section is accurate and complete. 15
- (5) A certificate under **subsection (4)** must— 20
- (a) be in the form specified by the Water Services Authority; and
 - (b) be signed by—
 - (i) the drinking water supplier’s chief executive; or
 - (ii) at least 1 board member or director of the drinking water supplier; or
 - (iii) if the drinking water supplier has no board or director, a person occupying a position that is comparable to a board member or director. 25
- (6) The Water Services Authority may issue a written notice under **subsection (3)** only to a drinking water supplier that is— 30
- (a) a territorial authority; or
 - (b) a water organisation; or
 - (c) a government department; or
 - (d) the New Zealand Defence Force.

307B Section 35 amended (Duty to notify Taumata Arowai of notifiable risk or hazard) 35

After section 35(1), insert:

- (1A) A notice under subsection (1) may relate to—
- (a) all drinking water supplies or drinking water suppliers; or

(b) a class of drinking water supplies or drinking water suppliers.

308 Section 35A amended (Notice to warn users of domestic self-supply about contamination)

(1) In the heading to section 35A, after “domestic self-supply”, insert “or shared domestic supply”. 5

(2) Replace section 35A(1) with:

(1) This section applies if a medical officer of health or the Water Services Authority believes that a source of water for domestic self-supply or for shared domestic supply is contaminated in a way that affects, or is likely to affect, that domestic self-supply or shared domestic supply. 10

(3) Replace section 35A(2) with:

(2) The medical officer of health or the Water Services Authority may issue a notice to any local authority, water organisation, or subsidiary of a water organisation that is responsible for the area to which water is supplied from that source. 15

(4) In section 35A(3),—

(a) replace “council-controlled organisation” with “water organisation” in each place; and

(b) in paragraph (a), after “domestic self-supply”, insert “or shared domestic supply”. 20

308A Section 39 repealed (Review by Taumata Arowai)

Repeal section 39.

308B Section 40 amended (Taumata Arowai to monitor compliance with complaints process)

In section 40(a), replace “this subpart” with “any regulations made under section 200”. 25

308C New section 43A inserted (Source water risk management plans: additional provisions for water service providers)

After section 43, insert:

43A Source water risk management plans: additional provisions for water service providers 30

(1) The source water risk management plan of a drinking water supplier that is also a water service provider must, in addition to complying with section 43, include a description of land—

(a) that surrounds a source of a drinking water supply; or

(b) that is— 35

- (i) a groundwater catchment from which drinking water is sourced, and
- (ii) land that the water service provider owns, has long-term control over, or has agreed with the land owner will be included in the plan. 5
- (2) The source water risk management plan of a drinking water supplier that is also a water service provider may, for the purpose of managing risks to drinking water from a source described in **subsection (1)**, include—
- (a) if the water service provider is a territorial authority, a proposal that the territorial authority make a water services bylaw; or 10
- (b) if the water service provider is a water organisation, a recommendation that the relevant territorial authority in relation to the land make a water services bylaw.
- (3) A proposal or recommendation made under **subsection (2)** may be for a water services bylaw that restricts, imposes requirements on, or prohibits 1 or more of the following in the land described under **subsection (1)**: 15
- (a) access to the controlled drinking water catchment area:
- (b) activities that may be undertaken in the controlled drinking water catchment area:
- (c) the use or contamination of water in the controlled drinking water catchment area. 20
- (4) ~~In this section, **water organisation**, **water service provider**, and **water services bylaw** have the same meanings as in **section 4** of the Local Government (Water Services) Act **2024**.~~
- 309 Section 50 amended (Acceptable solutions or verification methods for drinking water)** 25
- In section 50(1), replace “Taumata Arowai may” with “The Water Services Authority must”.
- 311 Section 55 amended (Register of drinking water supplies)**
- In section 55(5), replace “12 months” with “5 years”. 30
- 312 Section 56 amended (Duty to renew annual registration and notify changes)**
- (1) In the heading to section 56, delete “**annual**”.
- (2) In section 56(1), replace “12-month” with “5-year”.
- 313 Section 57 amended (General exemptions)** 35
- (1) After section 57(1)(g), insert:

(ga)	to notify the Water Services Authority of a notifiable risk or hazard (<i>see</i> section 35):	
(2)	In section 57(2), replace “all” with “1 or more of”.	
(3)	Replace section 57(3) with:	
(3)	The chief executive may grant an exemption under this section—	5
(a)	on the chief executive’s own volition; or	
(b)	after receiving an application for the exemption (which application must be accompanied by the prescribed fee, if any).	
(3A)	However,—	
(a)	the scope of the exemption must be no broader than is reasonably necessary in the circumstances; and	10
(b)	the chief executive must not grant an exemption on their own volition unless satisfied that the exemption is consistent with the purpose of general exemptions (<i>see</i> section 58A-57A).	
(4)	In section 57(7), replace “5 years” with “15 years” in each place.	15
314	New section 57A inserted (Purpose of general exemptions)	
	After section 57, insert:	
57A	Purpose of exemptions	
	The purpose of exemptions under sections 57 and 58 is to—	
(a)	provide flexibility where compliance with the relevant requirement is impracticable, inefficient, unduly costly, or unduly burdensome, taking into account—	20
(i)	the nature of the drinking water supply; or	
(ii)	the characteristics of the drinking water supplier or the class of drinking water suppliers; or	25
(b)	allow for exemptions that are minor or technical.	
314A	Section 58 amended (Exemption: residual disinfection)	
(1)	After section 58(3)(a), insert:	
(aa)	satisfied that the exemption is consistent with the purpose of general exemptions (<i>see</i> section 58A-57A); and	30
(2)	Replace section 58(4) with:	
(4)	The chief executive may grant an exemption under this section—	
(a)	on the chief executive’s own volition; or	
(b)	after receiving an application for the exemption (which application must be accompanied by the prescribed fee, if any).	35

Local Government (Water Services) (Repeals and Amendments) Bill	
<u>Part 9 cl 314B</u>	
(4A) However, the scope of the exemption must be no broader than is reasonably necessary in the circumstances.	
(3) In section 58(5), replace “5 years” with “15 years” in each place.	
314B New section 58A inserted (Purpose of exemptions)	
After section 58, insert:	5
58A Purpose of exemptions	
The purpose of exemptions under sections 57 and 58 is to—	
(a) <u>provide flexibility where compliance with the relevant requirement is impracticable, inefficient, unduly costly, or unduly burdensome, taking into account—</u>	10
(i) <u>the nature of the drinking water supply; or</u>	
(ii) <u>the characteristics of the drinking water supplier or the class of drinking water suppliers; or</u>	
(b) <u>allow for exemptions that are minor or technical.</u>	
315 Section 59 amended (Taumata Arowai may declare drinking water emergency)	15
(1) In section 59(2)(b), after “domestic self-supplies”, insert “and shared domestic supplies”.	
(2) Replace section 59(3) with:	
(3) Before declaring a drinking water emergency or amending a drinking water emergency declaration, the Water Services Authority must—	20
(a) consult the Minister; and	
(b) to the extent practicable, consider the impact of the declaration or amendment on the operation of lifeline utilities.	
(3) After section 59(7), insert:	25
(8) In this section, lifeline utility has the meaning set out in section 4 of the Civil Defence Emergency Management Act 2002.	
316 Section 69 amended (Requirement for prescribed skills, qualifications, or experience in respect of drinking water supply or wastewater network)	
In section 69, replace “or operate” with “design, operate, or carry out an activity relating to maintaining, repairing, upgrading, or renewing”.	30
317 Section 97 amended (Effect of appeal against compliance order)	
Replace section 97(a) with:	
(a) while the order is the subject of an appeal or while the time for the person’s appeal rights is running, the chief executive whose compliance order is appealed against—	35

- (i) may, if they receive new information that relates to the compliance order, revoke or amend the order; or
- (ii) if **subparagraph (i)** does not apply, must not revoke or amend the order.

318 Part 3 heading amended 5

In the Part 3 heading, replace “**Enforcement**” with “**Standards, enforcement,**”.

319 New subpart 1AA of Part 3 inserted

In Part 3, before subpart 1, insert:

Subpart 1AA—National Engineering Design Standards (NEDS) for water services networks 10

Preliminary

97A Outline of this subpart

This subpart—

(a) provides for the development, making, and ongoing review of the National Engineering Design Standards (the **NEDS**) that contain performance-based requirements relating to the water services infrastructure that makes up a water services network; and 15

(ba) ~~provides for compliance with the NEDS by—~~

(i) ~~water service providers; and~~ 20

(ii) ~~persons who intend to transfer ownership of water services infrastructure and processes to a water service provider, or to connect water services infrastructure and processes to a water services network; and~~

(ba) provides for compliance with the NEDS by water service providers; and 25

(ca) provides for national codes of practice that water service providers may use may be used to comply with the NEDS; and

(d) allows water service providers to approve alternative ways of complying with the NEDS.

97B Purpose of NEDS 30

The purpose of the NEDS is to provide for national consistency in the design, construction, and operational performance of water services networks, including by—

(a) promoting the efficient and financially sustainable operation of those networks; and 35

(b) improving the networks’ reliability and resilience; and

- (c) protecting public health and safety; and
- (d) contributing to the continuous improvement of water services.

97C Interpretation

In this subpart, unless the context otherwise requires,—

alternative solution means a way of complying with the NEDS that is approved by a water service provider under **section 97M** as an alternative to ~~complying~~ acting in accordance with the national codes of practice 5

national code of practice means a national code of practice made by the Water Services Authority under **section 97HB**

stormwater network has the same meaning as in **section 4** of the Local Government (Water Services) Act **2024** 10

wastewater network has the same meaning as in **section 4** of the Local Government (Water Services) Act **2024**

water services infrastructure has the same meaning as in **section 4** of the Local Government (Water Services) Act **2024** 15

water services network means 1 or more of the following:

- (a) a water supply network;
- (b) a stormwater network;
- (c) a wastewater network

~~**water service provider** has the same meaning as in **section 4** of the Local Government (Water Services) Act **2024**~~ 20

water supply network has the same meaning as in **section 4** of the Local Government (Water Services) Act **2024**.

Development and making of NEDS

97D Water Services Authority to develop NEDS 25

- (1) The Water Services Authority may develop the NEDS for the purposes of this subpart.
- (2) The NEDS must contain—
 - (a) performance-based requirements for the design, construction, and operational performance of the water services infrastructure ~~and processes~~ that ~~make~~ makes up water services networks owned or operated by water service providers, including water services infrastructure that is proposed to be transferred to a water service provider; and 30
 - (c) requirements about how water services infrastructure ~~and processes are~~ is to be connected to a water services network; and 35

- (ca) requirements for the repair, upgrade, renewal, replacement, maintenance, and decommissioning of water services infrastructure ~~and processes that make~~ makes up water services networks; and
- (d) requirements about how information about the design, construction, and operational performance of water services infrastructure ~~and processes~~ should be collected, kept, and shared.— 5
- (i) ~~collected and kept; and~~
- (ii) ~~given to other persons, including water service providers, the Water Services Authority, and the Commerce Commission.~~
- (3A) The NEDS may include a requirement to use a specified method to determine whether performance-based requirements have been met. 10
- (3B) The requirements in the NEDS—
- (a) must specify the type of water services network to which they apply; and
- (b) may apply to classes of types of water services infrastructure ~~and processes~~. 15
- (4) In addition, the requirements in the NEDS may vary in their application to different regions or districts if variations between those regions or districts (for example, geographic, climatic, and geological variations) impact the performance of water services infrastructure ~~and processes~~.
- 97F Draft NEDS: consultation** 20
- (1) Before making a recommendation under **section 97G**, the Water Services Authority must consult the following in relation to a draft of the proposed NEDS:
- (b) water service providers:
- (c) water services industry representative bodies: 25
- (d) the Commerce Commission:
- (e) any central government agency that is responsible for providing advice and guidance on water services infrastructure ~~and processes~~ and that the Water Services Authority considers appropriate.
- (1A) Consultation must include— 30
- (a) adequate and appropriate notice of the content of the draft NEDS; and
- (b) a reasonable opportunity for the entities listed in **subsection (1)** to make submissions; and
- (c) appropriate consideration of any submissions received.
- (1B) However, the Water Services Authority need not consult the entities listed in **subsection (1)** if it is satisfied that a proposed amendment to the NEDS— 35
- (a) needs to be made—
- (i) urgently for safety reasons; or

(ii)	to deal with transitional issues; or	
(b)	is minor and will not adversely and substantially affect the interest of any person.	
97G	Water Services Authority recommends NEDS to Minister	
	On completing the development of the NEDS, including the consultation process, the Water Services Authority may recommend to the Minister that the NEDS be issued by regulations made under section 200.	5
97H	Ongoing review of NEDS	
(1)	The Water Services Authority—	
(a)	may review and update the NEDS at any time; but	10
(b)	must review and update the NEDS at least every 10 years.	
(2)	Sections 97D to 97G apply, with all necessary modifications, to a review and update of the NEDS.	
(3)	Despite subsection (2) , the Water Services Authority is not required to consult on the draft of a proposed update to the NEDS under section 97F if the proposed update—	15
(a)	needs to be made urgently for safety reasons; or	
(b)	contains only minor amendments that will not adversely and substantially affect any person’s interests.	
	<i>National codes of practice</i>	20
97HA	Effect of national codes of practice	
(1)	This section and sections 97HB and 97HC provide for national codes of practice as means by a way in which water service providers and others may comply with the NEDS (or, where applicable, ensure that work that a person carries out for or on behalf of a water service provider meets the requirements of the NEDS).	25
(2)	For the purposes of complying with the NEDS, a water service provider and any other person with a duty under this subpart —	
(a)	may, but is not required to, act in accordance with a national code of practice; and	30
(b)	who that acts in accordance with a national code of practice must be treated as having complied with the NEDS requirement to which the code relates.	
97HB	National codes of practice	
(1)	The Water Services Authority may, by notice published in the <i>Gazette</i> , make national codes of practice for the purposes of this Act.	35

- (2) A national code of practice provides a means of compliance with 1 or more requirements in the NEDS and may contain any matter for that purpose, including the following:
- (a) technical specifications and standards for the design, construction, and operational performance of 1 or more types or classes of water services infrastructure ~~and processes~~ that make up a water services network owned or operated, wholly or partly, by a water service provider: 5
 - (b) detailed specifications and standards for the design and construction of water services infrastructure ~~and processes~~ the ownership of which is proposed to be transferred to a water service provider: 10
 - (c) detailed specifications, standards, and steps for connecting water services infrastructure ~~and processes~~ to a water services network:
 - (d) detailed specifications, standards, and steps for the repair, upgrade, renewal, maintenance, and decommissioning of water services infrastructure ~~and processes~~: 15
 - (e) detailed steps and standards concerning how information about the design, construction, and operational performance of water services infrastructure ~~and processes~~ is to be collected, kept, and shared with ~~given to~~ other persons:
 - (f) any other detailed specifications, standards, and steps relating to the design, construction, and operational performance of water services infrastructure ~~and processes~~. 20
- (3) ~~A national code of practice may also contain warnings that specified water services infrastructure and processes, either in isolation or when used with other specified water services infrastructure and processes, do not comply with the NEDS.~~ 25
- (3) A national code of practice may also contain warnings that the chief executive includes in it under **section 97P**.
- (4) The provisions of a national code of practice—
- (a) must specify the NEDS requirements to which they apply; and 30
 - (b) must specify the type of water services network to which they apply; and
 - (c) may apply to classes of types of water services infrastructure ~~and processes~~; and
 - (d) may vary in their application to different regions or districts.
- (5) National codes of practice made under this section are secondary legislation (see Part 3 of the Legislation Act 2019 for publication requirements). 35

97HC Preparation of national codes of practice

When preparing, and when reviewing and updating, a national code of practice, the Water Services Authority must undertake consultation with the same per-

sons and bodies, and by the same method, as it ~~must consult under section 97F~~ when preparing, or reviewing and updating, the NEDS.

Water service providers ensure compliance with NEDS

97I Vesting in water service providers

- (1) A water service provider must not accept a transfer of ownership of water services infrastructure from any person unless the infrastructure ~~and processes meet~~ meets the design, construction, and operational performance requirements in the NEDS. 5
- (2) A water service provider is not required to accept a transfer of ownership of infrastructure that ~~meet~~ meets the requirements in the NEDS. 10

97J Connecting infrastructure to network

- (1) A water service provider must not connect, or allow any other person to connect, water services infrastructure ~~and processes~~ to a water services network for which the provider is responsible unless— 15
- (a) the infrastructure ~~and processes meet~~ meets the design, construction, and operational performance requirements in the NEDS; and
- (b) the connection is made in accordance with connection requirements in the NEDS; and
- (c) the connection is made in accordance with any applicable water services bylaw. 20
- (2) A water service provider is not required to make or allow a connection that satisfies **subsection (1)**. 25

97K Construction of infrastructure

A water service provider must ensure that water services infrastructure ~~and processes~~ that it constructs complies with the NEDS. 25

97L Repair, replacement, maintenance, decommissioning, etc, of infrastructure

- (1) A water service provider that is carrying out work repairing, upgrading, replacing, renewing, maintaining, or decommissioning the whole or any part of any water services infrastructure ~~and processes~~ must comply with the NEDS.
- (3) This section does not apply to work that— 30
- (a) is necessary or desirable for the continued operation of the relevant infrastructure ~~and processes~~; and
- (b) does not significantly alter the capacity, efficiency, security, or safety of the infrastructure ~~and processes~~ (for example, because the work is minor or isolated). 35

97LA Information requirements

In taking an action or making a decision to which any of **sections 97I to 97L** apply, a water service provider must comply with all requirements in the NEDS concerning the collection, keeping, and sharing of information about the design, construction, and operational performance of the relevant water services infrastructure.

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Alternative solutions

97M Water service provider may approve alternative solution

(1) ~~Despite **sections 97I(1), 97J(1), 97K, and 97L**, a~~ A water service provider may take or allow an action to which any of **sections 97I to 97L** apply ~~those sections applies~~ in accordance with a solution that the provider approves as an alternative to acting in accordance with a relevant national code of practice.

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(2) An alternative solution approved under this section must—

- (a) involve full compliance with the NEDS; and
- (b) be consistent with any applicable water services bylaw.

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(3) A water service provider may approve an alternative solution—

- (a) on its own initiative; or
- (b) on application.

(4) A water service provider must give a copy of any approved alternative solution to the Water Services Authority.

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Warnings

97N Chief executive may issue warnings

(1) The chief executive may issue a warning in relation to—

- (a) specified water services infrastructure; or
- (b) a specified method relating to water services infrastructure.

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(2) The chief executive may issue a warning if they consider, on reasonable grounds, that specified water services infrastructure or a specified method relating to water services infrastructure has resulted, or is likely to result, in a failure to meet a requirement of the NEDS.

(3) In this section and **sections 97O and 97P**,—

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specified method relating to water services infrastructure and specified method include the following:

- (a) a specified method of connecting water services infrastructure to a water services network;
- (b) a specified method of operating water services infrastructure once connected to a water services network;

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- (c) a specified method of constructing water services infrastructure;
 (d) a specified method of repairing, upgrading, replacing, renewing, main-
 taining, or decommissioning water services infrastructure
specified water services infrastructure includes—
 (a) a specified type or class of water services infrastructure; and
 (b) water services infrastructure with a specified feature or characteristic;
 and
 (c) a specified design of water services infrastructure.

97O Process for proposed warning

- (1) Before issuing a warning under **section 97N**, the chief executive must con-
 sider whether— 10
 (a) any reasonably practicable modifications to the specified water services
 infrastructure can be made; and
 (b) any reasonably practicable alternative to the specified method may be
 adopted. 15
 (2) If, after considering those matters, the chief executive proposes to issue a warn-
 ing, they must consult in accordance with this section.
 (3) The chief executive must make a notice containing the following publicly
 available:
 (a) a statement of the proposed warning; 20
 (b) reasons for the proposed warning;
 (c) a summary of the assessment of reasonably practicable options;
 (d) the date on which the proposed warning will come into force;
 (e) an invitation for the submission of comments on the proposed warning
 by a specified date. 25
 (4) The chief executive must consider all comments submitted by the specified
 date.
 (5) The chief executive need not consult if satisfied that the warning needs to be
 issued urgently for safety reasons.
 (6) The chief executive must— 30
 (a) decide whether to issue the proposed warning (or a variation of the pro-
 posed warning); and
 (b) issue any warning in accordance with **section 97P**.
 (7) If the chief executive decides not to issue a warning, they must make that deci-
 sion publicly available. 35
 (8) The chief executive must follow the process set out in this section for any pro-
 posal to amend or revoke a warning.

97P How warning is issued

- (1) The chief executive must issue a warning in relation to specified water services infrastructure or a specified method by notifying the warning in the *Gazette*.
- (2) On issuing the warning, the chief executive may include it in the relevant national code of practice.
- (3) When reviewing and updating a national code of practice, the Water Services Authority need not undertake consultation as required by **section 97HC** if, or to the extent that, the update consists of including a warning in that national code of practice.

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97Q Effect of warning

- (1) A water service provider must take any relevant warning into account when taking actions or making decisions to which any of **sections 97I to 97LA** apply.
- (2) A water service provider that takes an action or makes a decision referred to in **subsection (1)** despite an applicable warning must notify the chief executive of how the provider took the warning into account beforehand.

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320 Cross-heading above section 107 amended

In the cross-heading above section 107, after “*samples*”, insert “*and to conduct inquiries or inspections*”.

321 Section 107 amended (Power to take and test samples)

In the heading to section 107, after “*samples*”, insert “**and to conduct inquiries or inspections**”.

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322 Section 108 amended (Power to obtain information)

After section 108(4), insert:

- (5) A compliance officer may use their power of entry and inspection under section 111 to obtain information under this section.

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323 Section 111 amended (Powers of entry and inspection)

- (1) In section 111(2)(c), after “section 107”, insert “or 108”.
- (2) Replace section 111(4) with:
- (4) The places are—
 - (a) any area where ~~water services infrastructure and processes are~~ is used to collect, treat, or transmit drinking water for supply to consumers, including—
 - (i) the point of supply:
 - (ii) any end-point treatment device:
 - (iii) any backflow prevention device; and

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- (b) when exercising the powers in section 108, any premises of a local authority or a water organisation that are relevant to a compliance officer's powers under section 108.

324 Section 120 amended (Power to issue compliance order)

After section 120(1)(b), insert:

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- (e) requiring that person—
- (i) ~~to stop, or prohibiting that person from starting, anything done or to be done that the chief executive believes, on reasonable grounds, contravenes any of **sections 97I to 97L**; or~~
- (ii) ~~to do something that the chief executive believes, on reasonable grounds, will ensure compliance with any of those provisions.~~

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After section 120(1), insert:

(1A) The chief executive may serve a compliance order on a water service provider requiring the provider—

- (a) to stop, or prohibiting the provider from starting or continuing, anything done or to be done that the chief executive believes, on reasonable grounds, contravenes any of **sections 97I to 97L**; or
- (b) to do something that the chief executive believes, on reasonable grounds, will ensure compliance with any of those provisions.

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324A New subpart 4A of Part 3 inserted

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After section 129, insert:

Subpart 4A—Chief executive statements

129A Chief executive statement relating to drinking water supply

- (1) The chief executive may issue a statement advising that a drinking water supply may be unsafe, and the measures that consumers should take as a result.
- (2) A statement may be ~~issued~~ ~~made~~ to specific consumers of a drinking water supply or to the general public.
- (3) The chief executive may issue a statement only if satisfied on reasonable grounds that—
- (a) the drinking water is or may be unsafe; or
- (b) the drinking water does not comply with drinking water standards; or
- (c) it is necessary to issue a statement to prevent, reduce, or remove a serious risk to public health arising from the drinking water.
- (4) This statement is protected by qualified privilege.
- (5) This section does not limit—
- (a) any other enactment or rule of law; and

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- (b) the functions, duties, or powers of the chief executive or of any other person or body.

325 Section 130 amended (Chief executive may accept enforceable undertakings)

- (1) After section 130(1), insert: 5
- (1A) However, the chief executive may refuse to accept the enforceable undertaking under subsection (1) if it does not provide for the person giving the undertaking to reimburse any costs and expenses incurred by the chief executive in relation to—
- (a) the undertaking; or 10
- (b) the contravention or alleged contravention.
- (2) After section 130(3), insert:
- (4) For the purposes of **subsection (1A)**, the costs and expenses of the chief executive include any costs or expenses incurred by, or in relation to, an employee, an agent, or a contractor of the Water Services Authority. 15

326 Section 136 amended (Drinking water compliance, monitoring, and enforcement strategy)

After section 136(6), insert:

- (6A) Without limiting subsection (6), the strategy must include information about how the Water Services Authority's intended approach applies to a mixed-use rural water scheme. 20

327 Section 137 amended (Taumata Arowai to publish annual drinking water regulation report)

- (1) In section 137(1), replace “before 1 July in each year” with “on an annual basis”. 25
- (2) Repeal section 137(1)(e) and (g).
- (3) After section 137(1), insert:
- (1A) A report prepared under subsection (1) may, without limitation, also report on—
- (a) capability among drinking water suppliers and across the wider water services sector; and 30
- (b) the extent to which this Act is meeting its main purpose.
- (1B) The report must also include commentary on mixed-use rural water schemes in relation to those of the topics set out in subsection (1) that are relevant to mixed-use rural water schemes. 35

328 Section 138 amended (Wastewater environmental performance standards)

- (1) Replace section 138(1) with:

- (1) The Governor-General may, by Order in Council made on the recommendation of the Minister; and following consultation undertaken by the Water Services Authority with wastewater network operators, regional councils, and any other person the Water Services Authority considers appropriate, make regulations to set wastewater environmental performance standards, including standards that relate to— 5
- (a) discharges to air, water, or land:
 - (b) biosolids and any other by-products from wastewater:
 - (c) energy use:
 - (d) waste that is introduced by a third party into a wastewater network (for example, trade waste). 10
- (2) After section 138(2), insert:
- (2A) A wastewater environmental performance standard may specify—
- (a) circumstances in which part or all of the wastewater environmental performance standard does not apply: 15
 - (b) the activity status under the Resource Management Act 1991 that an activity will have if it is performed in accordance with the standard:
 - (c) the activities controlled by the standard for which the consent authority—
 - (i) is precluded from giving public notification of an application for a resource consent: 20
 - (ii) is precluded from giving limited notification of an application for a resource consent:
 - (d) a period during which—
 - (i) existing wastewater infrastructure must be upgraded to meet the standard; or 25
 - (ii) new wastewater infrastructure must be built to meet the standard:
 - (e) that a discharge consent for existing or new wastewater infrastructure must include a condition requiring the infrastructure to be upgraded or built within the specified period. 30
- (3) Repeal section 138(3A) and (3B).
- (4) In section 138(4), replace “Wastewater environmental performance standards” with “Regulations”.
- 329 Section 138A repealed (Repeal of provisions relating to National Policy Statement for Freshwater Management)** 35
- Repeal section 138A.

329A New section 138B inserted (Wastewater environmental performance standards: application to Resource Management Act 1991)

After section 138A, insert:

138B Wastewater environmental performance standards: application of certain provisions of Resource Management Act 1991

5

(1) **Subsection (2)** applies if a wastewater environmental performance standard applies to an activity that is permitted, or otherwise allowed without a resource consent, under the Resource Management Act 1991.

(2) The following provisions of the Resource Management Act 1991 apply to the activity as if the wastewater environmental performance standard were a rule in a district plan or regional plan (as applicable) that has become operative:

10

(a) section 10:

(b) section 10A:

(c) section 10B:

(d) section 20A(2).

15

330 Section 139A amended (Stormwater environmental performance standards)

(1) Replace section 139A(1) with:

(1) The Governor-General may, by Order in Council made on the recommendation of the Minister, and following consultation undertaken by the Water Services Authority with stormwater network operators, regional councils, and any other person the Water Services Authority considers appropriate, make regulations to set stormwater environmental performance standards, including standards relating to—

20

(a) the environmental performance of stormwater networks, including the quality and quantity of stormwater:

25

(b) inundation of property as a result of the performance of the stormwater networks:

(c) discharges to air, water, or land.

(2) After section 139A(3), insert:

30

(3A) A stormwater environmental performance standard may specify—

(a) circumstances in which part or all of the stormwater environmental performance standard does not apply:

(b) the activity status under the Resource Management Act 1991 that an activity will have if it is performed in accordance with the standard:

35

(c) the activities controlled by the standard for which the consent authority—

- (i) is precluded from giving public notification of an application for a resource consent:
- (ii) is precluded from giving limited notification of an application for a resource consent:
- (d) a period during which— 5
- (i) existing stormwater infrastructure must be upgraded to meet the standard; or
- (ii) new stormwater infrastructure must be built to meet the standard:
- (e) that a discharge consent for existing or new stormwater infrastructure must include a condition requiring the infrastructure to be upgraded or built within the specified period. 10
- (3) In section 139A(4), replace “Stormwater environmental performance standards” with “Regulations”.

330A New section 139AB inserted (Stormwater environmental performance standards: application to Resource Management Act 1991) 15

After section 139A, insert:

139AB Stormwater environmental performance standards: application of certain provisions of Resource Management Act 1991

- (1) **Subsection (2) applies if a stormwater environmental performance standard applies to an activity that is permitted, or otherwise allowed without a resource consent, under the Resource Management Act 1991.** 20
- (2) **The following provisions of the Resource Management Act 1991 apply to the activity as if the stormwater environmental performance standard were a rule in a district plan or regional plan (as applicable) that has become operative:**
- (a) section 10: 25
- (b) section 10A:
- (c) section 10B:
- (d) section 20A(2).

331 New subpart 7B of Part 3 inserted

After section 139A, insert: 30

Subpart 7B—Infrastructure design solutions

139B Infrastructure design solutions

- (1) The Governor-General may, by Order in Council made on the recommendation of the Minister; and following consultation undertaken by the Water Services Authority with stormwater network operators, wastewater network operators, regional councils, and any other person it considers appropriate, make regula- 35

- tions to set infrastructure design solutions that set the following matters for wastewater and stormwater infrastructure:
- (a) technical performance standards:
 - (b) treatment processes:
 - (c) design requirements: 5
 - (d) operating requirements.
- (2) An infrastructure design solution set by regulations under **subsection (1)** may—
- (a) specify any or all resource consent requirements for wastewater or stormwater infrastructure: 10
 - (b) identify circumstances in which a person must not rely on part or all of the infrastructure design solution:
 - (c) specify the activity status under the Resource Management Act 1991 of some or all of the activities that are included in the infrastructure design solution: 15
 - (d) identify whether, in respect of the activities included in the design solution, the consent authority is precluded from giving either or both of the following:
 - (i) public notification of an application for a resource consent:
 - (ii) limited notification of an application for a resource consent. 20
- (3) Compliance with an infrastructure design solution is not mandatory.
- (4) However, if wastewater or stormwater infrastructure complies with an infrastructure design solution, it is deemed to meet the relevant environmental performance standard.
- (5) Regulations made under this section are secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements). 25
- 139C Infrastructure design solutions: application of certain provisions of Resource Management Act 1991**
- (1) **Subsection (2)** applies if an infrastructure design solution relates to an activity that is permitted, or otherwise allowed without a resource consent, under the Resource Management Act 1991. 30
- (2) The following provisions of the Resource Management Act 1991 apply to the activity as if the infrastructure design solution were a rule in a district plan or regional plan (as applicable) that has become operative:
- (a) section 10: 35
 - (b) section 10A:
 - (c) section 10B:
 - (d) section 20A(2).

332 Section 140 amended (Interpretation)

- (1) In section 140, definition of **drinking water network**, paragraph (a), replace “council-controlled organisation” with “water organisation” in each place.
- (2) In section 140, definition of **drinking water network operator**, paragraph (a)(i), replace “council-controlled organisation” with “water organisation” in each place. 5

333 Section 142 amended (Collection of information for monitoring and reporting on environmental performance)

Replace section 142(2) with:

- (2) Any person required to provide information under subsection (1) must provide the information to the Water Services Authority in accordance with— 10
- (a) regulations made under section 200; or
- (b) if no applicable regulations have been made under section 200, any requirements specified by the Water Services Authority.

334 Section 144 amended (Network registers)

15

- (1) In section 144(1), replace “Taumata Arowai must” with “For the purposes of monitoring and reporting under section 141, the Water Services Authority may”.
- (2) In section 144(4), replace “the registers” with “any registers”.
- (3) After section 144(4), insert: 20
- (5) Despite subsection (1), the Water Services Authority may exclude a wastewater network, a class of wastewater networks, a stormwater network, or a class of stormwater networks from the relevant register if it considers the network or class of networks need not be included.

335 Section 146 amended (Record-keeping requirements for monitoring and reporting purposes)

25

(1A) After section 146(2), insert:

- (2A) For the purpose of ensuring that a network operator complies with subsection (1), the Water Services Authority may require the network operator to provide the Water Services Authority with—~~4~~ either or both of the following types of information: 30
- (a) a written statement as to whether the network operator has complied with subsection (1):
- (b) information that will enable the Water Services Authority to determine whether the network operator has complied with subsection (1). 35
- (2B) In addition to the information specified in **subsection (2A)**, the Water Services Authority may require the network operator to provide a certificate to

- confirm that the information provided under this section is accurate and complete.
- (2C) A certificate under **subsection (2B)** must—
- (a) be in the form specified by the Water Services Authority; and
 - (b) be signed by—
 - (i) the network operator’s chief executive; or
 - (ii) at least 1 board member or director of the network operator; or
 - (iii) if the network operator has no board or director, a person occupying a position that is comparable to a board member or director.
- (2D) The Water Services Authority may require information to be provided under **subsection (2A)** only if the network operator is—
- (a) a territorial authority; or
 - (b) a water organisation; or
 - (c) a government department; or
 - (d) the New Zealand Defence Force.
- (1B) In section 146(3), replace “this section” with “subsection (1)”.
- (2) After section 146(3), insert:
- (3A) In this section,—
- ~~**network** means a water supply network, a stormwater network, or a wastewater network within the meaning of **section 97C**~~
- ~~**network operator** means a water service provider that operates the whole or any part of a network~~
- ~~**territorial authority** has the meaning set out in section 5(1) of the Local Government Act 2002~~
- ~~**water service provider** has the meaning set out in **section 4** of the Local Government (Water Services) Act **2024**.~~
- 336 Section 147 amended (Annual reporting on networks)**
- (2A) Repeal section 147(1)(d)(i) and (e).
- (3) After section 147(2), insert:
- (3) A report prepared under subsection (1) may also, without limitation,—
- (a) report on best practices for networks, including examples of best practices; and
 - (b) include recommendations for any actions that might be taken to address matters raised in the report.

337 Section 149 amended (Interpretation)

In section 149, definition of **infringement offence**, paragraph (b), replace “regulations” with “secondary legislation”.

338 Section 200 amended (Regulations)

- (1) After section 200(1)(c), insert: 5
- (ca) prescribing, for the purposes of **subpart 1AA of Part 3**, the National Engineering Design Standards (NEDS) developed or updated by the Water Services Authority:
- (cb) prescribing matters relating to the following: 10
- (i) wastewater environmental performance standards:
- (ii) stormwater environmental performance standards:
- (iii) infrastructure design solutions:
- (1A) In section 200(1)(g), after “in or under”, insert “any legislative requirement made under”.
- (2) After section 200(1), insert: 15
- (1A) Regulations under **subsection (1)(ca)** may prescribe different standards and requirements to apply in different specified regions and districts.
- (1B) The Minister must not recommend making regulations under **subsection (1)(ca)** unless satisfied that, in developing the NEDS, the Water Services Authority consulted in accordance with **section 97F**. 20

339 Section 201 amended (Levy)

- (1) After section 201(1), insert:
- (1A) A levy prescribed under subsection (1) in relation to any costs of the Water Services Authority that relate to the performance or exercise of its functions, powers, and duties under **subpart 1AA of Part 3** (national engineering design standards for water services networks) is payable by a water service provider that operates the whole or any part of a network. 25
- (1A) After section 201(4)(b), insert:
- (ba) provide for a penalty for the late payment of the levy; and
- (2) After section 201(5), insert: 30
- (5A) ~~In **subsection (1A)**,—~~
- ~~**network** means a water supply network, a stormwater network, or a wastewater network within the meaning of those terms in **section 97C**~~
- ~~**water service provider** has the same meaning as in **section 4** of the Local Government (Water Services) Act **2024**.~~ 35
- (5A) In **subsection (1A)**, **network** means a water services network within the meaning of **section 97C**.

- 341 Section 204 amended (Information sharing with regulatory agencies)**
In section 204(5), definition of **regulatory agency**, after paragraph (l), insert:
- (la) a water service provider:
 - (2) After section 204(5), insert:
 - (5A) In subsection (5), in **paragraph (la)** of the definition of **regulatory agency**, **water service provider** has the same meaning as in **section 4** of the Local Government (Water Services) Act **2024**. 5
- 343 Schedule 1 amended**
- (1) In Schedule 1, clause 6(2)(b), replace “4 years” with “7 years”.
 - (2) In Schedule 1, replace clause 6(2)(c) with: 10
 - (c) unless **section 30(1A)** applies, provide the Water Services Authority with a drinking water safety plan that complies with section 30(1) within 9 years after the commencement date.
 - (3) In Schedule 1, clause 6(3)(a) and (b), replace “7 years” with “9 years”.
 - (4) In Schedule 1, clause 6(3)(b), replace “4 years” with “7 years”. 15
 - (4A) In Schedule 1, clause 6(4), replace “earlier” with “earliest”.
 - (4B) In Schedule 1, after clause 6(4)(b), insert:
 - (c) if **section 30(1A)** applies, the date that is 9 years after the commencement date.
 - (5) In Schedule 1, clause 7, replace “council-controlled organisation” with “water organisation”. 20
 - (6) In Schedule 1, clause 7, replace “5 years” with “10 years”.
 - (6A) In Schedule 1, repeal clause 14(1)(d).
 - (7) In Schedule 1,—
 - (a) insert the Part set out in **Schedule 11** of this Act as the last Part; and 25
 - (b) make all necessary consequential amendments.

Part 10

Consequential amendments

343A Consequential amendments

Amend the legislation specified in **Schedule 12** as set out in that schedule. 30

.

Schedule 5
New Part 6 inserted into Schedule 1AA of Commerce Act 1986

s 233

Part 6		
Provisions relating to Local Government (Water Services) Act 2024		5
28	Interpretation in this Part	
	In this Part, unless the context otherwise requires,—	
	Preliminary Arrangements Act 2024 means the Local Government (Water Services Preliminary Arrangements) Act 2024	
	section 52P determination has the same meaning as in section 52C.	10
29	Transition in respect of information disclosure requirements for purpose of economic regulation	
(1)	The Commission must, before 1 July 2026 , make 1 or more section 52P determinations specifying how information disclosure regulation imposed under subpart 12 of Part 4 of this Act will apply to any entities that are specified under section 39 of the Preliminary Arrangements Act 2024 as being subject to foundational information disclosure.	15
(2)	On and after 1 July 2026 ,—	
	(a) that or those section 52P determinations apply to those entities; but	
	(b) any foundational information disclosure requirements imposed under the Preliminary Arrangements Act 2024 continue to apply in relation to a <u>the financial year ending on 30 June 2026</u> if the disclosure date under section 44(1)(g) of that Act is on or before 31 December 2026 (and those requirements may be enforced under that Act, despite the commencement of the provisions in Part 5 of the Local Government (Water Services) Act 2024 that amend this Act); and	20 25
	(c) <u>no foundational information disclosure requirements under the Preliminary Arrangements Act 2024 apply in relation to the financial year ending on 30 June 2027 or any later years.</u>	
(3)	An entity may not be declared to be a specified entity under section 39 of the Preliminary Arrangements Act 2024 after the commencement of the Local Government (Water Services) Act 2024 .	30
(4)	Any consultation undertaken under section 40 of the Preliminary Arrangements Act 2024 is treated as also having been undertaken for the purposes of clause 32 of Schedule 7 of this Act.	35

- 30 Transition in respect of economic regulation of Watercare Services Limited**
- (1) In this clause, unless the context otherwise requires,—
- end-date of the first regulatory period** means the end-date of the first time period in respect of economic regulation of Watercare Services Limited under the Watercare charter made under Part 4 of the Preliminary Arrangements Act 2024, being—
- (a) the date specified under section 78(b)(ii) of that Act; or
- (b) any earlier or later date determined by the Minister under **clause 31**.
- (2) The Commission must, before the end-date of the first regulatory period, make a section 52P determination specifying how price-quality regulation imposed under **subpart 12** of Part 4 of this Act will apply to Watercare Services Limited and any subsidiary of Watercare Services Limited under **section 57D** of this Act.
- (3) On and after that end-date,—
- (a) that section 52P determination applies to those entities; and
- (b) any price-quality path set under the Watercare charter under the Preliminary Arrangements Act 2024 no longer applies to those entities.
- (4) Subject to this clause, Part 4 of the Preliminary Arrangements Act 2024 continues in force, and may be enforced under that Act, despite the commencement of the provisions **in Part 5 of the Local Government (Water Services) Act 2024** that amend this Act.
- 31 Commission may recommend alteration of first regulatory period that applies under Preliminary Arrangements Act 2024**
- (1) The Commission may recommend to the Minister responsible for the Preliminary Arrangements Act 2024 and the Minister responsible for this Act that the end-date of the first regulatory period that applies under the Preliminary Arrangements Act 2024 be—
- (a) extended; or
- (b) brought forward to an earlier date.
- (2) The Commission may make that recommendation only if it considers that the recommendation would better promote the purpose of Part 4 of this Act.
- (3) The Minister responsible for the Preliminary Arrangements Act 2024 may take that recommendation into account if acting under section 77 of that Act and may recommend to the Governor-General that the time period during which the charter applies for the purpose of section 78(b)(ii) of that Act be amended.

32 Transition for recovery of costs of Commission

- (1) Levy regulations made under section 53ZE may provide for the recovery of the costs of the Commission in respect of the Commission's functions, powers, and duties under the Preliminary Arrangements Act 2024.
- (2) However, **subclause (1)** does not apply to expenses incurred by the Crown monitor in relation to monitoring Watercare that are referred to in section 89(1)(a) of the Preliminary Arrangements Act 2024 (which costs continue to be recoverable from Watercare under that section 89). 5
- (3) Any consultation referred to in **subclause (4)** must be treated as having been undertaken for the purposes of section 53ZE(4). 10
- (4) The consultation is any consultation undertaken by the Minister with suppliers of water services, or representatives of those suppliers, that—
 - (a) occurred at any time between 1 November 2024 and 28 February 2025; and
 - (b) related to levies to meet the costs of performing the Commission's functions, powers, and duties in connection with **subpart 12** of Part 4 and **Schedule 7** of this Act (and the costs of collecting the levy money). 15

Schedule 6
New Schedule 7 inserted into Commerce Act 1986

s 234

Schedule 7
Additional matters relating to regulation of water services 5

s 57T

Contents

		Page
1	Overview	112
2	Interpretation in subpart 12 of Part 4 of this Act and this schedule	113
	Part 1	
	Ring-fencing of revenue	
2A	Application of this Part	113
2B	Purpose of this Part	114
3	Section 52P determinations may relate to requirement to ring-fence revenue	114
	Part 2	
	Additional matters for information disclosure regulation	
4	Additional matters relating to information disclosure regulation under subpart 12 of Part 4	114
5	Section 52P determination may require supplier to provide additional information	115
	Part 3	
	Revenue threshold regulation	
6	Purpose of revenue threshold regulation	116
7	Section 52P determination to set out revenue thresholds	116
8	Effect of being subject to revenue threshold regulation	117
	Part 4	
	Quality regulation	
9	Purpose of quality regulation	117
10	Effect of being subject to quality regulation	117
11	Section 52P determination to set out quality path requirements	117
12	Other matters relating to quality path requirements	118
12A	Reopening quality path if input methodology changes as result of appeal	118
12B	No other reopening of quality path	119

Part 5		
Performance requirement regulation		
13	Purpose of performance requirement regulation	119
14	Effect of being subject to performance requirement regulation	119
15	Section 52P determination to set out performance requirements	119
16	Other matters relating to performance requirements	121
Part 6		
Price-quality regulation		
17	Purpose of price-quality regulation	121
18	Effect of being subject to price-quality regulation	121
19	Section 52P determination to set out price-quality path requirements	121
20	Other matters relating to price-quality paths	123
21	Wash-up mechanism for maximum revenues specified in price-quality paths	123
22	Smoothing revenues and prices	124
23	Reopening price-quality path if input methodology changes as result of appeal	124
24	No other reopening of price-quality path	124
Part 7		
Additional matters for input methodologies		
25	When Commission must or may determine input methodologies	124
26	How input methodologies apply	125
27	Additional matters covered by input methodologies	125
28	Timing of initial input methodologies for information disclosure and price-quality regulation	126
29	Commission may determine initial input methodologies relating to quality regulation after other methodologies	127
30	Commission may seek court order for contravention of input methodology set outside of determination	127
Part 8		
Miscellaneous		
32	Consultation on section 52P determination	127
33	Monitoring compliance with certain requirements	127
34	Information sharing with regulatory agencies in relation to water services	128
35	Commission may use or respond to information	129
1	Overview	
(1)	This schedule sets out additional matters for the purposes of subpart 12 of Part 4 of this Act (which relates to the regulation of water services).	

- (2) This schedule also contains provisions about ring-fencing water services revenue.
- 2 Interpretation in subpart 12 of Part 4 of this Act and this schedule**
- (1) In **subpart 12** of Part 4 of this Act and this schedule, unless the context otherwise requires,— 5
- consumer**—
- (a) means a person who consumes, uses, is provided with, or benefits from the provision of, a water service; and
- (b) includes a person who is liable to pay a serviceability charge under **section 62** of the Local Government (Water Services) Act **2024** 10
- local government water service supplier**—
- (a) means either of the following:
- (i) a local authority (within the meaning of section 5 of the Local Government Act 2002):
- (ii) a water organisation ~~(within the meaning of section 4 of the~~ 15
~~Local Government (Water Services) Act 2024):~~
- (b) does not include the Chatham Islands Council (but that council may be declared to be regulated by an Order in Council under **section 57J**)
- regulated supplier**, in relation to a water service, means—
- (a) a local government water service supplier to which **section 57B(1)** 20
applies; or
- (b) a supplier of the water service that is declared to be regulated by an Order in Council under **section 57J**
- split decision-making model** means an arrangement for providing water services where a local government water service supplier makes 1 or more, but 25
not all, decisions about capital and operating expenditure on a regulated water service or the level of charges or revenue recovery for a regulated water service
- water organisation** has the meaning given in **section 4** of the Local Government (Water Services) Act **2024**.
- (2) Any term or expression that is defined in the Water Services Act 2021 and 30
used, but not defined, in this clause has the same meaning as in that Act.

Part 1

Ring-fencing of revenue

2A Application of this Part

This Part applies to every person that is a regulated supplier in relation to 1 or 35
more regulated water services.

2B	Purpose of this Part	
	The purpose of this Part is to ensure that regulated suppliers act in accordance with the following as applied to regulated water services:	
	(a) the financial principle in section 16(1)(a) of the Local Government (Water Services) Act 2024 :	5
	(b) section 16(3)(b) section 16(3) of that Act.	
3	Section 52P determinations may relate to requirement to ring-fence revenue	
(1)	If the Commission considers it necessary or desirable, the Commission may make 1 or more section 52P determinations relating to 1 or more regulated suppliers with requirements that give effect to the purpose of this Part, including requirements—	10
	(a) that may require the supplier to ensure that a portion of the revenue it receives from providing 1 or more regulated water services is invested in that or those regulated water services, including in a particular asset, expense category, project, programme, or type of regulated water service, or held in reserve for any of those matters:	15
	(b) that may set limits on any dividends paid by a water organisation, to the extent necessary or desirable to ensure the organisation acts in accordance with section 16(3)(b) of the Local Government (Water Services) Act 2024 .	20
(2)	Every regulated supplier of services must comply with every section 52P determination applying to the supplier under this clause (as if the determination were made, and related to a type of regulation, under Part 4 of this Act).	
(3)	Section 87 (which relates to pecuniary penalties) and sections 87A, 87B, and 87C (which relate to compensation, an offence, and injunctions) apply to a regulated supplier on and from 1 July 2027 in respect of a contravention of subclause (2) (as if it were a contravention of a type of regulation under Part 4 of this Act that is referred to in those sections).	25
(4)	The Commission is entitled to exercise any of its powers under this Act for the purpose of monitoring compliance by regulated suppliers with a section 52P determination made under this clause.	30
Part 2		
Additional matters for information disclosure regulation		
4	Additional matters relating to information disclosure regulation under subpart 12 of Part 4	35
(1)	This Part applies to a section 52P determination relating to information disclosure regulation imposed under subpart 12 of Part 4 of this Act.	

- (2) The Commission may have regard to the scale, complexity, and risk profile of each supplier (or a class of suppliers), or the type of water services being provided by each supplier (or class of supplier), to which the determination will apply (for example, by requiring more or less information to be disclosed).
- (3) In addition to the information referred to in section 53C(2), the determination may require 1 or more of the following to be disclosed: 5
- (a) consolidated information that includes information about goods or services that are not subject to regulation under Part 4 of this Act, in which case **clause 5** applies (and this paragraph applies instead of section 53C(2)(k)): 10
 - (b) information about the financing of regulated suppliers that includes information about goods or services that are not subject to regulation under Part 4 of this Act, in which case **clause 5** applies:
 - (c) in relation to a local government water service supplier’s provision of water services, information about how the supplier is supporting and enabling planning processes, growth, and housing and urban development and, in particular, the supplier’s level of responsiveness in relation to those issues. 15
- (4) In addition to what it may do under section 53C(3), the section 52P determination may require independent audits, assurance, or other verification of disclosed information, and may impose requirements in connection with who may carry out the audit, assurance, or verification. 20
- (5) The Auditor-General is the auditor in respect of any public entity for which a section 52P determination requires independent audits, assurance, or other verification of disclosed information. 25
- (6) The Commission may gather information about regulated activities from any party holding that information (for example, a previously regulated supplier or a contracted party) for the relevant disclosure year or part of a disclosure year.
- (7) However, the Commission may not require the Auditor-General to give information under **subclause (6)**. 30
- 5 Section 52P determination may require supplier to provide additional information**
- (1) The purpose of this clause is to enable the Commission to monitor—
- (a) compliance with requirements to disclose information under Part 4 of this Act in relation to supplying water services; and 35
 - (ab) compliance with **Part 1** of this schedule (which relates to ring-fencing of revenue); and
 - (b) the ongoing capability of a supplier to raise finance with respect to its supply of water services by assessing the supplier’s overall financial position. 40

- (2) A section 52P determination may require a supplier to disclose information referred to in **subclause (3)** only to the extent required to enable the Commission to monitor 1 or more of the matters referred to in **subclause (1)**.
- (3) If a supplier supplies goods or services that are not incidental to or related to supplying water services (**other goods or services**), a section 52P determination may require the supplier to disclose— 5
- (a) consolidated financial statements, and any other information referred to in section 53C or **clause 4**, for all activities (including those related to the supply of other goods or services) undertaken by that supplier; and
 - (b) consolidated financial statements, and any other information referred to in section 53C or **clause 4**, for supplying all other goods or services in aggregate; and 10
 - (c) reconciliation of information provided under **paragraphs (a) and (b)** with information disclosed in accordance with information disclosure requirements applying to supplying water services; and 15
 - (d) information about financing all activities (including those related to supplying other goods or services) undertaken by that supplier.
- (4) If a local government water service supplier operates a split decision-making model, a section 52P determination may require the supplier to disclose consolidated information that includes— 20
- (a) information about any other regulated supplier that makes 1 or more of the other of those decisions in that split decision-making model; and
 - (b) information about other goods or services supplied by that other regulated supplier. 25
- Compare: 2023 No 54 s 36; 2024 No 31 s 45

Part 3

Revenue threshold regulation

6 Purpose of revenue threshold regulation

The purpose of revenue threshold regulation is to promote the ongoing recovery of revenue at a level that covers efficient costs, so that regulated suppliers invest in water services infrastructure to meet consumer demands. 30

7 Section 52P determination to set out revenue thresholds

- (1) A section 52P determination relating to water services that are subject to revenue threshold regulation must— 35
- (a) specify the services to which it applies; and
 - (b) specify the suppliers to which it applies; and
 - (c) specify either or both of the following (a **revenue threshold**):

	(i) the maximum revenues that should be recovered by a regulated supplier; and	
	(ii) the minimum revenues that should be recovered by a regulated supplier.	
(2)	In specifying matters under subclause (1) , the Commission may consider either or both of the following:	5
	(a) any information provided under information disclosure regulation:	
	(b) any other information it thinks fit.	
8	Effect of being subject to revenue threshold regulation	
	If a section 52P determination relating to revenue threshold regulation applies to a regulated supplier,—	10
	(a) the supplier is not required to comply with the revenue threshold (and section 52F does not apply); but	
	(b) the Commission may exercise any of its powers under this Act for the purpose of monitoring the supplier’s performance against the revenue threshold; and	15
	(c) the Commission must consider the supplier’s performance against the revenue threshold before recommending further regulation under section 57E (<i>see section 57F(1)(a)(iii)</i>).	
	Part 4	20
	Quality regulation	
9	Purpose of quality regulation	
	The purpose of quality regulation is to regulate the quality of water services supplied by regulated suppliers.	
10	Effect of being subject to quality regulation	25
	A regulated supplier to which a section 52P determination relating to quality regulation applies must apply the quality paths set by the Commission in the determination in respect of all water services that are—	
	(a) supplied by the supplier; and	
	(b) specified in the determination.	30
11	Section 52P determination to set out quality path requirements	
(1)	A section 52P determination relating to quality regulation must specify the quality paths that apply to each regulated supplier to which the determination applies.	
(2)	A quality path must specify the following:	35
	(a) the quality standards that a regulated supplier must meet:	

	(b) the date or dates on which the quality path (or any part of it) takes effect:	
	(c) the date or dates by which compliance must be demonstrated.	
(3)	In specifying a quality path, the Commission may have regard to the scale, complexity, and risk profile of each regulated supplier (or a class of regulated suppliers), or the type of water services being provided by each supplier (or class of supplier), in respect of which it will apply, for example, by doing either or both of the following:	5
	(a) undertaking a greater or lesser degree of scrutiny of a supplier (or class of suppliers) with respect to historical and forecast quality of supply:	
	(b) setting quality standards at a more or less onerous level.	10
(4)	A quality path may include incentives for a regulated supplier to maintain or improve its quality of supply, and those incentives may include (without limitation) either or both of the following:	
	(a) compensation schemes that set minimum standards of performance and require the supplier to pay prescribed amounts of compensation to consumers if it fails to meet those standards:	15
	(b) the use of schemes that rate or rank various aspects of the supplier's performance in meeting the required quality standards or any performance requirements.	20
	Compare: 2023 No 54 s 40	20
12	Other matters relating to quality path requirements	
(1)	A quality path does not apply to a regulated supplier until the date specified in the relevant section 52P determination.	
(2)	Quality standards may be prescribed in any way the Commission considers appropriate (such as targets, bands, formulas, or timetables for responsiveness to consumers).	25
12A	Reopening quality path if input methodology changes as result of appeal	
	The Commission must reopen a quality path, and make a new quality path by amending the relevant section 52P determination in accordance with section 52Q, if—	30
	(a) an input methodology changes as a result of an appeal under section 52Z; and	
	(b) had the <u>changed</u> input methodology applied at the time the quality path was set, it would have resulted in a materially different path being set.	35
	Compare: 2023 No 54 s 47(2)	35

12B No other reopening of quality path

Except as provided in **clause 12A**, the Commission must not reopen a quality path within a regulatory period on the grounds that an input methodology is made or changes.

Compare: 2023 No 54 s 47(1)

5

Part 5

Performance requirement regulation

13 Purpose of performance requirement regulation

The purpose of performance requirement regulation is to regulate the performance (other than in relation to prices) of water services supplied by regulated suppliers.

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14 Effect of being subject to performance requirement regulation

A regulated supplier to which a section 52P determination relating to performance requirement regulation applies must comply with the performance requirements set by the Commission in the determination in respect of all water services that are—

15

- (a) supplied by the supplier; and
- (b) specified in the determination.

15 Section 52P determination to set out performance requirements

(1) A section 52P determination relating to performance requirement regulation must specify the performance requirements that apply to each regulated supplier to which the determination applies.

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(2) A performance requirement must specify the following:

- (a) the performance requirement that a regulated supplier must meet;
- (b) the date or dates on which the requirement (or any part of it) takes effect;
- (c) the date or dates by which compliance must be demonstrated.

25

(3) In specifying a performance requirement, the Commission may have regard to the scale, complexity, and risk profile of each regulated supplier (or a class of regulated suppliers), or the type of water services being provided by each supplier (or class of supplier), in respect of which it will apply, for example, by doing either or both of the following:

30

- (a) undertaking a greater or lesser degree of scrutiny of a supplier (or class of suppliers) with respect to historical and forecast performance of supply;
- (b) setting performance requirements at a more or less onerous level.

35

(4) A performance requirement may include—

- (a) incentives for a regulated supplier to maintain or improve its performance, and those incentives may include (without limitation) either of the following:
- (i) compensation schemes that set minimum standards of performance and require the supplier to pay prescribed amounts of compensation to consumers if it fails to meet those standards: 5
 - (ii) the use of schemes that rate or rank various aspects of the supplier's performance in meeting the performance requirement; and
- (b) any of the following requirements:
- (i) requirements to adopt a particular approach to risk management: 10
 - (ii) requirements in relation to the condition of assets and remaining asset life:
 - (iii) requirements to make particular types of investment:
 - (iv) requirements to provide information about any investments planned for a particular period: 15
 - (v) requirements to deliver particular outputs:
 - (vi) requirements to consult the Commission about certain kinds of investments and investment decisions:
 - (vii) requirements to adopt asset management policies and practices:
 - (viii) reporting requirements, including— 20
 - (A) to whom reports must be made; and
 - (B) the timing of reports; and
 - (C) special reporting requirements in asset management plans, if the regulated supplier fails to meet the quality standards or other performance requirements; and 25
 - (D) any other matters relating to reporting, including requirements for additional information:
 - (ix) requirements that any disclosed information, or any information from which disclosed information is derived, be verified by statutory declaration or certified (in the form specified by the Commission) as true and accurate: 30
 - (x) requirements to undertake cost-benefit analysis before specified projects are begun:
 - (xi) requirements relating to consultation and engagement with consumers: 35
 - (xii) requirements based on comparative benchmarking of efficiency.

Compare: 2023 No 54 s 40

16 Other matters relating to performance requirements

- (1) A performance requirement does not apply to a regulated supplier until the date specified in the relevant section 52P determination.
- (2) Performance requirements may be prescribed in any way the Commission considers appropriate (such as targets, bands, formulas, or timetables for responsiveness to consumers).

5

Part 6
Price-quality regulation

17 Purpose of price-quality regulation

The purpose of price-quality regulation is to regulate the price, quality, and performance of water services supplied by regulated suppliers.

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18 Effect of being subject to price-quality regulation

A regulated supplier to which a section 52P determination relating to price-quality regulation applies must apply the price-quality paths set by the Commission in the determination in respect of all water services that are—

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- (a) supplied by the supplier; and
- (b) specified in the determination.

19 Section 52P determination to set out price-quality path requirements

- (1) A section 52P determination relating to price-quality regulation must specify the price-quality paths that apply to each regulated supplier to which the determination applies.
- (2) A price-quality path must specify the following:
- (a) the regulatory period to which it applies (including specifying whether the period is common to all regulated suppliers or specific to 1 or more suppliers):
- (b) in relation to prices, 1 or more of the following:
- (i) the maximum price or prices that a regulated supplier may charge:
- (ii) the minimum price or prices that a regulated supplier may charge:
- (iii) the maximum revenues that a regulated supplier may recover:
- (iv) the minimum revenues that a regulated supplier may recover:
- (c) the quality standards that a regulated supplier must meet:
- (d) the date or dates on which the price-quality path (or any part of it) takes effect:
- (e) the date or dates by which compliance must be demonstrated.

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25

30

- (3) A price-quality path may include circumstances in which the path may be reconsidered during a regulatory period.
- (4) In specifying a price-quality path, the Commission may have regard to the scale, complexity, and risk profile of each regulated supplier (or a class of regulated suppliers), or the type of water services being provided by each supplier (or class of supplier), in respect of which it will apply, for example, by doing any 1 or more of the following: 5
- (a) undertaking a greater or lesser degree of scrutiny of a supplier (or class of suppliers) with respect to historical and forecast prices, expenditure, performance, and quality of supply: 10
 - (b) setting higher or lower maximum prices or revenues:
 - (c) setting higher or lower minimum prices or revenues:
 - (d) setting quality standards or performance requirements at a more or less onerous level.
- (5) A price-quality path may include— 15
- (a) incentives for a regulated supplier to maintain or improve its quality of supply, and those incentives may include (without limitation) any of the following:
 - (i) penalties by way of a reduction in the supplier’s maximum prices or revenues based on whether, or by what amount, the supplier fails to meet the required quality standards or any performance requirements: 20
 - (ii) rewards by way of an increase in the supplier’s maximum prices or revenues based on whether, or by what amount, the supplier meets or exceeds the required quality standards or any performance requirements: 25
 - (iii) compensation schemes that set minimum standards of performance and require the supplier to pay prescribed amounts of compensation to consumers if it fails to meet those standards:
 - (iv) the use of schemes that rate or rank various aspects of the supplier’s performance in meeting the required quality standards or any performance requirements; and 30
 - (b) performance requirements, including any of the following:
 - (i) requirements to adopt a particular approach to risk management:
 - (ii) requirements in relation to the condition of assets and remaining asset life: 35
 - (iii) requirements to make particular types of investment:
 - (iv) requirements to provide information about any investments planned for a particular period:
 - (v) requirements to deliver particular outputs: 40

<ul style="list-style-type: none"> (vi) requirements to consult the Commission about certain kinds of investments and investment decisions: (vii) requirements to adopt asset management policies and practices: (viii) reporting requirements, including— <ul style="list-style-type: none"> (A) to whom reports must be made; and (B) the timing of reports; and (C) special reporting requirements in asset management plans, if the regulated supplier fails to meet the quality standards or other performance requirements; and (D) any other matters relating to reporting, including requirements for additional information: (ix) requirements that any disclosed information, or any information from which disclosed information is derived, be verified by statutory declaration or certified (in the form specified by the Commission) as true and accurate: (x) requirements to undertake cost-benefit analysis before specified projects are begun: (xi) requirements relating to consultation and engagement with consumers: (xii) requirements based on comparative benchmarking of efficiency. 	<p>5</p> <p>10</p> <p>15</p> <p>20</p>
<p>(6) A regulatory period must be at least 3 years but not more than 6 years.</p> <p>Compare: 2023 No 54 s 43</p>	
<p>20 Other matters relating to price-quality paths</p>	
<ul style="list-style-type: none"> (1) Quality standards and performance requirements may be prescribed in any way the Commission considers appropriate (such as targets, bands, formulas, or timetables for responsiveness to consumers). (2) A price-quality path does not apply to a regulated supplier until the date specified in the relevant section 52P determination. 	<p>25</p>
<p>21 Wash-up mechanism for maximum revenues specified in price-quality paths</p>	
<ul style="list-style-type: none"> (1) This clause applies when the Commission specifies, in the price-quality paths for a regulatory period, the maximum or minimum revenues that a regulated supplier may recover. (2) The Commission may, in calculating the maximum or minimum revenues, apply a wash-up mechanism that provides for any over-recovery or under-recovery of revenue by the regulated supplier during the previous regulatory period (if applicable) to be applied in a manner that is equivalent in present-value terms (as calculated in the manner that the Commission thinks fit) over 1 or more future regulatory periods. 	<p>30</p> <p>35</p>

(3)	The reference to previous regulatory period in subclause (2) includes any period that applied under the Watercare charter made under Part 4 of the Local Government (Water Services Preliminary Arrangements) Act 2024. Compare: 2023 No 54 s 44	
22	Smoothing revenues and prices	5
(1)	This clause applies when the Commission specifies maximum or minimum prices or maximum or minimum revenues for the purposes of clause 19(2)(b) .	
(2)	The Commission may calculate the maximum or minimum price or revenue in a manner that is equivalent in present-value terms (as calculated in the manner that the Commission thinks fit) over 2 or more regulatory periods (for example, by altering depreciation) if, in the Commission's opinion, it is necessary or desirable to do so for either or both of the following reasons:	10
(a)	to provide for the ability of a regulated supplier to obtain finance:	
(b)	to minimise price shocks to consumers.	
	Compare: 2023 No 54 s 45	15
23	Reopening price-quality path if input methodology changes as result of appeal	
(1)	The Commission must reopen a price-quality path, and make a new price-quality path by amending the relevant section 52P determination in accordance with section 52Q, if—	20
(a)	an input methodology changes as a result of an appeal under section 52Z; and	
(b)	had the <u>changed</u> input methodology applied at the time the price-quality path was set, it would have resulted in a materially different path being set.	25
(2)	When making a new price-quality path under subclause (1) , the Commission must apply claw-back. Compare: 2023 No 54 s 47(2)	
24	No other reopening of price-quality path Except as provided in clause 23 , the Commission must not reopen a price-quality path within a regulatory period on the grounds that an input methodology is made or changes. Compare: 2023 No 54 s 47(1)	30
Part 7		
Additional matters for input methodologies		35
25	When Commission must or may determine input methodologies	
(1)	The Commission—	

- (a) must determine input methodologies in respect of information disclosure regulation and price-quality regulation (in accordance with **clause 28** in the case of initial input methodologies); and
- (b) may determine input methodologies in respect of quality regulation.
- (2) **Subclause (1)(a)** does not limit **section 57N** (which provides an exception for periods before the relevant date). 5
- 26 How input methodologies apply**
- (1) An input methodology relating to the supply of water services must be applied—
- (a) by each relevant regulated supplier in accordance with the relevant section 52P determination; and 10
- (b) in relation to an input methodology that is not specified in a section 52P determination (*see clause 27(5)*), by each supplier to which the relevant input methodology applies; and
- (c) by the Commission in recommending, deciding, or determining— 15
- (i) how regulation under Part 4 of this Act should apply to water services; or
- (ii) the prices or quality standards applying to water services.
- (2) However, **subclause (1)(c)** does not apply to a section 52P determination for information disclosure regulation or price-quality regulation if the determination is made before the initial input methodology has been determined for that regulation in accordance with **clause 28**. 20
- (3) This clause applies instead of section 52S in relation to supplying water services.
- 27 Additional matters covered by input methodologies** 25
- (1) In addition to the matters set out in section 52T(1), the input methodologies relating to water services must include, to the extent applicable to the type of regulation under consideration, methodologies for capital expenditure proposals, including the following:
- (a) requirements that the regulated suppliers must meet, including the scope and specificity of information required, the extent of independent verification, assurance, and audit, and the extent of consultation and agreement with other parties; and 30
- (b) the criteria the Commission will use to evaluate capital expenditure proposals; and 35
- (c) time frames and processes for evaluating capital expenditure proposals, including what happens if the Commission does not comply with those time frames.
- (2) Section 52T(2)(a) applies to the additional matters in **subclause (1)**.

- (3) In determining an input methodology, the Commission may have regard to the scale, complexity, and risk profile of each regulated supplier (or a class of regulated supplier), or the type of water services being provided by each supplier (or class of supplier), in respect of which the methodology will apply (for example, by specifying the matters referred to in section 52T(1) and **subclause (1)** in a greater or lesser level of detail). 5
- (4) An input methodology may relate to all regulated suppliers or to a class of regulated suppliers or to 1 or more regulated suppliers.
- (5) If the Commission determines an input methodology that is not specified in a 52P determination, the Commission must ensure that the input methodology— 10
- (a) states clearly that it is an input methodology of the sort referred to in **clause 26(1)(b)**; and
- (b) specifies the suppliers to which it applies; and
- (c) specifies the water services in respect of which it applies; and
- (d) sets out any time frames that must be complied with or that apply; and 15
- (e) is consistent with Part 4 of this Act.
- (6) Section 52T(3) does not apply to water services.
- 28 Timing of initial input methodologies for information disclosure and price-quality regulation**
- (1) The Commission must determine initial input methodologies relating to information disclosure regulation under **subpart 12** of Part 4 of this Act before the relevant date. 20
- (2) If 1 or more suppliers become subject to price-quality regulation under **subpart 12** of Part 4 of this Act before the tenth anniversary of the commencement of this clause, the Commission must determine initial input methodologies relating to that regulation before the relevant date. 25
- (3) In this clause, **relevant date** means—
- (a) the tenth anniversary of the commencement of this clause;
- (b) an earlier or a later date specified in the *Gazette* under **subclause (4)**.
- (4) The following apply for the purposes of **subclause (3)(b)**: 30
- (a) the Minister may specify a date by notice in the *Gazette* if the Commission agrees to the date;
- (b) the Minister and the Commission may agree to different dates for different types of regulation and for different regulated suppliers or groups of regulated suppliers. 35
- (5) **Clause 25(1)(a)** is subject to this clause.

29	Commission may determine initial input methodologies relating to quality regulation after other methodologies	
	The Commission may, in respect of a regulated supplier (or a class of regulated suppliers), determine initial input methodologies relating to quality regulation of water services, at any time after the initial input methodologies relating to information disclosure regulation or price-quality regulation of that supplier (or those suppliers) are determined under clause 28 .	5
30	Commission may seek court order for contravention of input methodology set outside of determination	
	Sections 87 to 87C apply to a regulated supplier in respect of a contravention of an input methodology of the sort referred to in clause 26(1)(b) as if it were a contravention of a type of regulation under Part 4 of this Act that is referred to in those sections.	10
Part 8		
Miscellaneous		15
32	Consultation on section 52P determination	
(1)	The Commission must consult interested parties before making a section 52P determination relating to water services.	
(2)	However, section 52Q applies to an amendment of a section 52P determination relating to water services (in particular, the determination may be amended in a non-material way without prior consultation).	20
33	Monitoring compliance with certain requirements	
(1)	Subclause (2) applies for the purpose of monitoring compliance with any requirement imposed by this schedule or by a section 52P determination made for the purposes of subpart 12 of Part 4 of this Act.	25
(2)	The Commission may, in addition to exercising its powers under section 98, issue a written notice to a regulated supplier requiring it to provide any or all of the following:	
(a)	a written statement as to whether the supplier has complied with the requirement:	30
(b)	a report on the written statement that is signed by a person that the Commission considers to be a suitably qualified and experienced independent expert in accordance with any form specified by the Commission:	
(c)	sufficient information to enable the Commission to properly determine whether all applicable requirements have been complied with:	35
(d)	a certificate, in the form specified by the Commission and signed by at least 1 board member of the supplier, or, if there is no board, the person	

- who operates the supplier, confirming the truth and accuracy of any information provided under this clause.
- (3) **Subclause (4)** applies for the purpose of monitoring a regulated supplier's performance against a revenue threshold.
- (4) The Commission may, in addition to exercising its powers under section 98, issue a written notice to a regulated supplier requiring it to provide a written statement as to whether the supplier has recovered revenues in accordance with a revenue threshold (and, if not, a statement of reasons why it has not recovered revenues within the threshold). 5
- (5) The supplier must comply with a notice issued under **subclause (2) or (4)** within the time frame, and in the manner, specified in the notice. 10
Compare: 2023 No 54 ss 39(2), 42(2)
- 34 Information sharing with regulatory agencies in relation to water services**
- (1) The Commission may provide a regulatory agency with any information, or a copy of any document, that it— 15
- (a) holds in relation to performing or exercising its functions, duties, or powers under this Act; and
- (b) considers may assist the regulatory agency in performing or exercising the regulatory agency's functions, duties, or powers in relation to water services. 20
- (2) A regulatory agency may provide the Commission with any information, or a copy of any document, that it—
- (a) holds in relation to performing or exercising its functions, duties, or powers under or in relation to any legislation; and
- (b) considers may assist the Commission in performing or exercising its functions, duties, or powers under this Act in relation to water services. 25
- (3) If **subclause (1) or (2)** applies, the Commission or the regulatory agency (as the case may be) may impose conditions that it thinks fit relating to providing the information or document, including conditions relating to— 30
- (a) the storage and use of, or access to, anything provided:
- (b) the copying, returning, or disposing of copies of any documents provided.
- (4) This clause applies— 35
- (a) despite anything to the contrary in any contract, deed, or document; but
- (b) subject to any legislation.
- (5) In this clause, **regulatory agency** means any of the following:
- (a) the Water Services Authority—Taumata Arowai:

(b)	the Department of Internal Affairs, including any statutory officer who carries out work for that Department:	
(c)	the Ministry for the Environment, including any statutory officer who carries out work for that Ministry:	
(d)	the Ministry of Business, Innovation, and Employment, including any statutory officer who carries out work for that Ministry:	5
(da)	the Auditor-General:	
(e)	a regional council or a unitary authority (within the meaning of section 5 of the Local Government Act 2002).	
35	Commission may use or respond to information	10
(1)	In performing its functions under this Act in relation to water services, the Commission may do any of the following:	
(a)	consider, summarise, analyse, or use any information that it considers relevant:	
(ab)	provide information to the public about any of its activities under paragraph (a) :	15
(b)	make comments on any information provided publicly by regulated suppliers or the Water Services Authority—Taumata Arowai under any legislation dealing with water services.	
(2)	This clause does not limit other powers in this or any other Act.	20
	Compare: 2023 No 54 s 4(3), (4)	

Schedule 7
New Part 10 inserted into Schedule 1AA of Local Government Act
2002

s 254

Part 10	5
Provisions relating to Local Government (Water Services) Act 2024	
58A Interpretation	
In this Part,—	
(a) 2024 Act means the Local Government (Water Services) Act 2024 ; and	
(b) the following terms have the same meanings as in section 4 of the 2024 Act :	10
(i) group of water services activities :	
(ii) water organisation :	
(iia) water service provider :	
(iii) water services :	15
(iv) water services annual report :	
(v) water service provider :	
(vi) water services strategy .	
59 Transitional provision relating to financial statements	
(1) This clause applies to a territorial authority's annual report adopted under section 98 for the financial year ending on 30 June 2027.	20
(2) In addition to the information required by Part 3 of Schedule 10, the annual report must include—	
(a) a statement of comprehensive revenue and expense; and	
(b) a statement of cash flows; and	25
(c) a statement of financial position.	
(3) The statements required under subclause (2) must be included—	
(a) separately for each group of water services activities provided by the territorial authority; and	
(b) aggregated for all water services provided by the territorial authority.	30
(3A) However, this clause does not apply if a territorial authority prepares a water services annual report for the financial year period ending on 30 June 2027 under clause 6(2) of Schedule 1 of the 2024 Act .	

- 60 Information to be included in planning documents ~~long-term plan~~**
- (1) The amendments made by the **Local Government (Water Services) Act 2024** ~~Act~~ to sections 93 and 101B and clause 2 of Schedule 10 of this Act do not apply to a territorial authority that is a water service provider until the territorial authority is preparing ~~adopts~~ its first water services strategy under the **2024** Act. 5
- (2) The amendments made by the **Local Government (Water Services) Act 2024** to section 95 of this Act do not apply to a territorial authority that is a water service provider until the territorial authority adopts its first water services strategy under the 2024 Act. 10
- 61 Planning and reporting documents of council-controlled organisations**
- (1) This clause applies to a council-controlled organisation (CCO) that—
- (a) is—
- (i) a CCO to which **clause 8 of Schedule 1** of the **2024** Act applies; or 15
- (ii) an Auckland water organisation under the Local Government (Auckland Council) Act 2009; and
- (b) becomes a water organisation under the **2024** Act when that Act comes into force.
- (2) Despite **section 71B(2)**,— 20
- (a) the most recent statement of intent prepared under section 64 of this Act in relation to the CCO continues in force until the first water services strategy adopted by the water organisation comes into force under **section 190** of the **2024** Act:
- (b) a statement of expectations prepared under section 64B of this Act in relation to the CCO continues in force until the first statement of expectations is provided to the water organisation under **section 184** of the **2024** Act: 25
- (c) the requirements for a half-yearly report under section 66 of this Act continue to apply until the water organisation adopts its first half-yearly report under **section 208** of the **2024** Act: 30
- (d) the requirements for an annual report under section 67 of this Act continue to apply until the water organisation adopts its first water services annual report under **section 203** of the **2024** Act.

Schedule 8
**New Part 2 inserted into Schedule 1 of Local Government (Water
Services Preliminary Arrangements) Act 2024**

s 257

	Part 2	5
	Provision relating to Local Government (Water Services) Act 2024	
1	Transitional provision relating to expenses of Crown monitor	
	The amendment made to section 89(1)(a) by section 256 of the Local Government (Water Services) Act 2024 applies to all expenses described in that section that the Crown monitor incurs from 3 September 2024.	10

Schedule 9
**New Part 8 inserted into Schedule 12 of Resource Management Act
1991**

s 286

Part 8	5
Provisions relating to Local Government (Water Services) Act 2024	
49 Applicant may operate under section 124	
(1) A holder of a consent that is operating under section 124 may—	
(a) withdraw their application for a new consent; and	
(b) prepare a new application that complies with—	10
(i) a wastewater environmental performance standard; or	
(ii) a stormwater environmental performance standard; or	
(iii) an infrastructure design solution.	
(2) Despite the holder of the consent withdrawing their application under sub-clause (1)(a) ,—	15
(a) they may continue to operate under section 124 for a period of up to 6 months starting on the date of the withdrawal ; but	
(b) they must submit the new application within 6 months after the date of the withdrawal.	
50 Wastewater or stormwater environmental performance standard does not apply if applicant proceeds with unamended application	20
A wastewater or stormwater environmental performance standard does not apply to an application for a resource consent <u>for an activity associated with constructing or operating all or any part of a wastewater network or stormwater network to renew an authorisation for wastewater or stormwater infrastructure</u> if, before the date on which the wastewater or stormwater environmental performance standard comes into force,—	25
(a) <u>before the date on which the wastewater or stormwater environmental performance standard comes into force,</u> the consent authority has decided under section 95 whether to give public or limited notification of the application; and	30
(b) the applicant has determined to proceed with the application without amending it to comply with the wastewater or stormwater environmental performance standard.	

Schedule 10
**Consequential amendments relating to Water Services Authority—
Taumata Arowai**

s 297

Part 1	5
Amendments to Taumata Arowai—the Water Services Regulator Act 2020	
Taumata Arowai—the Water Services Regulator Act 2020 (2020 No 52)	
In section 3, replace “Taumata Arowai—the Water Services Regulator” with “the Water Services Authority—Taumata Arowai”.	10
In section 4, definition of board , replace “Taumata Arowai—the Water Services Regulator” with “the Water Services Authority—Taumata Arowai”.	
In section 5(f), replace “of Taumata Arowai” with “of the Water Services Authority”.	
In section 5(f)(i), replace “that Taumata Arowai” with “that the Water Services Authority”.	15
In section 5(g), replace “Taumata Arowai” with “the Water Services Authority”.	
In the Part 2 heading, replace “ Taumata Arowai—the Water Services Regulator ” with “ the Water Services Authority—Taumata Arowai ”.	
In Part 2, in the subpart 1 heading, replace “Taumata Arowai” with “Water Services Authority”.	20
Replace section 8 with:	
8 Water Services Authority—Taumata Arowai established	
This section establishes the Water Services Authority—Taumata Arowai.	
In the heading to section 9, replace “ Taumata Arowai ” with “ Water Services Authority ”.	25
In section 9(1), replace “Taumata Arowai is” with “The Water Services Authority is”.	
In section 9(2), replace “Taumata Arowai” with “the Water Services Authority”.	
In the heading to section 10, replace “ Taumata Arowai ” with “ Water Services Authority ”.	
In section 10, replace “Taumata Arowai’s” with “The Water Services Authority’s”.	30
In the heading to section 11, replace “ Taumata Arowai ” with “ Water Services Authority ”.	
In section 11(1), replace “Taumata Arowai’s” with “The Water Services Authority’s”.	
In section 11(1)(k), replace “Taumata Arowai” with “the Water Services Authority”.	
In section 11(2)(a), replace “Taumata Arowai” with “the Water Services Authority”.	35

Taumata Arowai—the Water Services Regulator Act 2020 (2020 No 52)—*con-
tinued*

In Part 2, in the subpart 2 heading, replace “Taumata Arowai” with “Water Services Authority”.

In section 17(1), replace “Taumata Arowai” with “the Water Services Authority” in each place.

In section 17(3)(c), replace “Taumata Arowai’s” with “the Water Services Authority’s”. 5

In section 17(3)(c), replace “to Taumata Arowai” with “to the Water Services Authority”.

Replace section 17(5) with:

(5) The Water Services Authority must publish the memorandum of understanding and the terms of reference on its internet site. 10

In Part 2, in the subpart 3 heading, replace “Taumata Arowai” with “Water Services Authority”.

In section 19(1), replace “Taumata Arowai” with “the Water Services Authority” in each place. 15

In the heading to section 20, replace “**Taumata Arowai**” with “**Water Services Authority**”.

In section 20(1), replace “Taumata Arowai may” with “The Water Services Authority may”.

In section 20(1), replace “to Taumata Arowai” with “to the Water Services Authority”. 20

In section 20(2) to (4), replace “Taumata Arowai” with “the Water Services Authority” in each place.

In section 20(6), replace “Taumata Arowai” with “The Water Services Authority”.

Part 2 25

Amendments to other Acts

Civil Defence Emergency Management Act 2002 (2002 No 33)

In section 4, definition of **emergency services**, delete “Taumata Arowai,”.

In section 4, repeal the definition of **Taumata Arowai**.

Crown Entities Act 2004 (2004 No 115) 30

In Schedule 1, Part 1, repeal the item relating to Taumata Arowai—the Water Services Regulator.

In Schedule 1, Part 1, insert in its appropriate alphabetical order:

Crown Entities Act 2004 (2004 No 115)—*continued*

Name	Exemption from acquisition of financial products, borrowing, guarantee, and derivative rules				Exemption from section 165 (net surplus payable to Crown)
	s 161	s 162	s 163	s 164	
Water Services Authority— Taumata Arowai					

Gore District Council (Otama Rural Water Supply) Act 2019 (2019 No 1 (L))

In section 4, repeal the definition of **Taumata Arowai**.

In section 4, insert in its appropriate alphabetical order:

Water Services Authority means the Water Services Authority—Taumata Arowai established by section 8 of the **Water Services Authority—Taumata Arowai Act 2020**

5

In section 8(3), replace “Taumata Arowai” with “the Water Services Authority”.

Health Act 1956 (1956 No 65)

In section 2(1), repeal the definition of **Taumata Arowai**.

In section 2(1), insert in its appropriate alphabetical order:

10

Water Services Authority means the Water Services Authority—Taumata Arowai established by section 8 of the **Water Services Authority—Taumata Arowai Act 2020**

In section 25(6A), replace “Taumata Arowai” with “the Water Services Authority”.

Local Government Official Information and Meetings Act 1987 (1987 No 174)

15

In section 44A(2)(bb)(iv), replace “Taumata Arowai” with “the Water Services Authority”.

Local Government (Water Services Preliminary Arrangements) Act 2024 (2024 No 31)

In section 4(5), replace “Taumata Arowai” with “the Water Services Authority”.

20

In section 5, repeal the definition of **Taumata Arowai**.

In section 5, insert in its appropriate alphabetical order:

Water Services Authority means the Water Services Authority—Taumata Arowai established by section 8 of the **Water Services Authority—Taumata Arowai Act 2020**

25

Replace section 20(2)(c) with:

(c) the Water Services Authority:

Replace section 21(b)(ii) with:

(ii) the Water Services Authority.

In section 90(3)(a), replace “Taumata Arowai” with “the Water Services Authority”.

30

**Ngati Tuwharetoa, Raukawa, and Te Arawa River Iwi Waikato River Act 2010
(2010 No 119)**

Replace section 18(10)(a) with:

(a) the **Water Services Authority—Taumata Arowai Act 2020**; and

Ombudsmen Act 1975 (1975 No 9)

5

In Schedule 1, Part 2, repeal the item relating to Taumata Arowai—the Water Services Regulator.

In Schedule 1, Part 2, insert in its appropriate alphabetical order:

Water Services Authority—Taumata Arowai

Te Awa Tupua (Whanganui River Claims Settlement) Act 2017 (2017 No 7)

10

In Schedule 2, repeal clause 1(ua).

In Schedule 2, after clause 1(wa), insert:

(wb) **Water Services Authority—Taumata Arowai Act 2020**:

Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010 (2010 No 24)

15

Replace section 17(10)(a) with:

(a) **Water Services Authority—Taumata Arowai Act 2020**; and

Water Services Act 2021 (2021 No 36)

In section 5, definition of **approved form**, replace “Taumata Arowai” with “the Water Services Authority”.

20

In section 5, definition of **chief executive**, replace “Taumata Arowai” with “the Water Services Authority”.

In section 5, repeal the definition of **Taumata Arowai**.

In section 5, insert in its appropriate alphabetical order:

Water Services Authority means the Water Services Authority—Taumata Arowai established by **section 8** of the **Water Services Authority—Taumata Arowai Act 2020**

25

In section 21(2)(b) and (f), replace “Taumata Arowai” with “the Water Services Authority”.

In section 22(2)(b) and (f), replace “Taumata Arowai” with “the Water Services Authority”.

30

In section 24, replace “Taumata Arowai” with “the Water Services Authority”.

In section 25(4)(a)(i) and (5)(a), replace “Taumata Arowai” with “the Water Services Authority”.

In section 26(1)(a) and (2), replace “Taumata Arowai” with “the Water Services Authority”.

35

Water Services Act 2021 (2021 No 36)—*continued*

- In section 30(2), replace “Taumata Arowai” with “the Water Services Authority”.
- In section 31(2), replace “Taumata Arowai” with “the Water Services Authority”.
- In the heading to section 32, replace “**Taumata Arowai**” with “**Water Services Authority**”.
- In section 32(1) and (2), replace “Taumata Arowai” with “The Water Services Authority”. 5
- In section 33(2)(b), replace “Taumata Arowai” with “the Water Services Authority”.
- In section 33(4), replace “Taumata Arowai” with “The Water Services Authority”.
- In section 33(5)(b), replace “Taumata Arowai” with “the Water Services Authority”.
- In section 34(3)(b), replace “Taumata Arowai” with “the Water Services Authority”. 10
- In the heading to section 35, replace “**Taumata Arowai**” with “**Water Services Authority**”.
- In section 35(1), replace “Taumata Arowai” with “The Water Services Authority”.
- In section 35(2)(b) and (e), replace “Taumata Arowai” with “the Water Services Authority”. 15
- In section 35(3), replace “Taumata Arowai” with “The Water Services Authority”.
- In section 36(1), (3), and (3)(b), replace “Taumata Arowai” with “the Water Services Authority” in each place.
- In section 37(2), replace “Taumata Arowai may” with “The Water Services Authority may”. 20
- In section 37(2), replace “to Taumata Arowai” with “to the Water Services Authority”.
- In section 38(1)(c), replace “Taumata Arowai” with “the Water Services Authority”.
- In the heading to section 39, replace “**Taumata Arowai**” with “**Water Services Authority**”. 25
- In section 39(1), replace “Taumata Arowai” with “the Water Services Authority”.
- In section 39(2), replace “Taumata Arowai must” with “The Water Services Authority must”.
- In section 39(2)(b), replace “that Taumata Arowai” with “that the Water Services Authority”. 30
- In section 39(2)(b), replace “Taumata Arowai’s” with “the Water Services Authority’s”.
- In section 39(3) and (4), replace “Taumata Arowai may” with “The Water Services Authority may”.
- In section 39(4), replace “of Taumata Arowai” with “of the Water Services Authority”. 35

Water Services Act 2021 (2021 No 36)—continued

In the heading to section 40, replace “**Taumata Arowai**” with “**Water Services Authority**”.

In section 40, replace “Taumata Arowai” with “The Water Services Authority”.

In section 44(3), replace “Taumata Arowai” with “the Water Services Authority” in each place. 5

In the heading above section 45(1), replace “*Taumata Arowai*” with “*Water Services Authority*”.

In section 45(1), replace “Taumata Arowai” with “The Water Services Authority”.

In section 45(2), replace “Taumata Arowai” with “the Water Services Authority”.

In section 46(1), replace “Taumata Arowai” with “the Water Services Authority”. 10

In section 46(3), replace “Taumata Arowai” with “The Water Services Authority”.

In section 48(1), replace “Taumata Arowai” with “The Water Services Authority”.

In section 49(1), replace “Taumata Arowai” with “The Water Services Authority”.

In section 50(3), replace “Taumata Arowai” with “The Water Services Authority”.

In section 52(1), replace “Taumata Arowai” with “The Water Services Authority”. 15

In the heading to section 53, replace “**Taumata Arowai**” with “**Water Services Authority**”.

In section 53(1), replace “Taumata Arowai” with “The Water Services Authority”.

In section 53(3), replace “Taumata Arowai” with “the Water Services Authority” in each place. 20

In section 54(2)(h) and (3), replace “Taumata Arowai” with “the Water Services Authority”.

In section 54(5), replace “Taumata Arowai must” with “The Water Services Authority must”.

In section 54(5), replace “unless Taumata Arowai” with “unless the Water Services Authority”. 25

In section 55(1), replace “Taumata Arowai” with “The Water Services Authority”.

In section 55(2), replace “Taumata Arowai must” with “The Water Services Authority must”.

In section 55(2)(b), replace “Taumata Arowai” with “the Water Services Authority”. 30

In section 55(3) and (4), replace “Taumata Arowai” with “The Water Services Authority”.

In section 56(1), (2), and (3), replace “Taumata Arowai” with “the Water Services Authority” in each place.

In section 57(6)(e), replace “Taumata Arowai” with “the Water Services Authority”. 35

In section 58(6), replace “Taumata Arowai” with “the Water Services Authority”.

Water Services Act 2021 (2021 No 36)—continued

In the heading to section 59, replace “**Taumata Arowai**” with “**Water Services Authority**”.

In section 59(1) and (5), replace “Taumata Arowai” with “The Water Services Authority”.

In section 59(6) and (7), replace “Taumata Arowai” with “the Water Services Authority”. 5

In section 61(2) and (2)(b) and (c), replace “Taumata Arowai” with “the Water Services Authority”.

In the heading to section 62, replace “**Taumata Arowai**” with “**Water Services Authority**”. 10

In section 62(1) and (2)(a), (b), and (k), replace “Taumata Arowai” with “the Water Services Authority”.

In section 62(3), replace “Taumata Arowai” with “The Water Services Authority”.

In section 62(4), replace “Taumata Arowai” with “the Water Services Authority”.

In section 62(5), replace “Taumata Arowai” with “The Water Services Authority”. 15

In section 63(1), replace “Taumata Arowai” with “the Water Services Authority”.

In section 63(2), replace “Taumata Arowai may” with “The Water Services Authority may”.

In section 63(2), replace “that Taumata Arowai” with “that the Water Services Authority”. 20

In section 64(1), replace “if Taumata Arowai” with “if the Water Services Authority”.

In section 64(1), replace “Taumata Arowai’s” with “the Water Services Authority’s”.

In section 64(2), replace “Taumata Arowai” with “the Water Services Authority”.

In section 64(4), replace “Taumata Arowai may” with “The Water Services Authority may”. 25

In section 64(4), replace “Taumata Arowai for all or part of any compensation paid by Taumata Arowai” with “the Water Services Authority for all or part of any compensation paid by the Water Services Authority”.

In section 64(5)(a), replace “Taumata Arowai’s” with “the Water Services Authority’s”. 30

In section 64(5)(c), replace “Taumata Arowai” with “the Water Services Authority”.

In section 65(1), (2), (2)(b), and (4), replace “Taumata Arowai” with “the Water Services Authority”.

In section 66(1), (1)(a), (2), and (2)(a), replace “Taumata Arowai” with “the Water Services Authority”. 35

In section 72(e), replace “Taumata Arowai” with “the Water Services Authority”.

In section 73(2), replace “Taumata Arowai” with “the Water Services Authority”.

Water Services Act 2021 (2021 No 36)—*continued*

- In the heading to section 74, replace “**Taumata Arowai**” with “**Water Services Authority**”.
- In section 74(1), replace “Taumata Arowai” with “The Water Services Authority”.
- In section 74(2)(b), replace “Taumata Arowai” with “the Water Services Authority”.
- In section 75(1), replace “Taumata Arowai” with “The Water Services Authority”. 5
- In section 75(1)(b) and (h), replace “Taumata Arowai” with “the Water Services Authority”.
- In section 78, replace “Taumata Arowai” with “the Water Services Authority”.
- In section 80(3), replace “Taumata Arowai” with “the Water Services Authority”.
- In the heading to section 81, replace “**Taumata Arowai**” with “**Water Services Authority**”. 10
- In section 81(1) and (2)(a), replace “Taumata Arowai” with “the Water Services Authority”.
- In section 81(3), replace “Taumata Arowai” with “The Water Services Authority”.
- In section 82, replace “Taumata Arowai” with “The Water Services Authority”. 15
- In section 86(1)(a) and (2), replace “Taumata Arowai” with “the Water Services Authority”.
- In section 88(2)(d), replace “Taumata Arowai” with “the Water Services Authority”.
- In section 89(1), (1)(b), (2)(a) and (b), and (3), replace “Taumata Arowai” with “the Water Services Authority”. 20
- In the heading to section 90, replace “**Taumata Arowai**” with “**Water Services Authority**”.
- In section 90(1), replace “Taumata Arowai” with “The Water Services Authority”.
- In section 90(3), replace “Taumata Arowai’s decision” with “The Water Services Authority’s decision”. 25
- In section 90(3)(c), replace “Taumata Arowai” with “the Water Services Authority”.
- In section 90(4), replace “Taumata Arowai may” with “The Water Services Authority may”.
- In section 90(4)(a) and (b), (5), and (6), replace “Taumata Arowai” with “the Water Services Authority” in each place. 30
- In section 91, replace “Taumata Arowai” with “the Water Services Authority”.
- In section 92(1), replace “Taumata Arowai” with “the Water Services Authority”.
- In section 92(2), replace “Taumata Arowai may” with “The Water Services Authority may”.
- In section 92(2)(a), replace “Taumata Arowai’s” with “the Water Services Authority’s”. 35

Water Services Act 2021 (2021 No 36)—*continued*

In section 92(3), replace “Taumata Arowai must” with “The Water Services Authority must”.

In section 92(3), replace “after Taumata Arowai” with “after the Water Services Authority”.

In section 92(4), replace “Taumata Arowai” with “the Water Services Authority” in each place. 5

In section 93(1)(b), replace “Taumata Arowai’s” with “the Water Services Authority’s”.

In section 94(3), replace “Taumata Arowai” with “the Water Services Authority”.

In section 98(1), replace “Taumata Arowai may” with “The Water Services Authority may”. 10

In section 98(1)(a) and (d), replace “Taumata Arowai” with “the Water Services Authority”.

In section 99(1), replace “Taumata Arowai” with “The Water Services Authority”.

In section 99(3), replace “Taumata Arowai” with “the Water Services Authority”. 15

In section 100(1), replace “Taumata Arowai” with “The Water Services Authority”.

In the heading to section 101, replace “**Taumata Arowai’s**” with “**Water Services Authority’s**”.

In section 101(1), replace “Taumata Arowai” with “the Water Services Authority”.

In section 105(3)(b), replace “Taumata Arowai” with “the Water Services Authority”. 20

In section 106(1)(b) and (3), replace “Taumata Arowai” with “the Water Services Authority”.

In section 111(6), replace “Taumata Arowai” with “the Water Services Authority”.

In section 112(7), replace “Taumata Arowai” with “the Water Services Authority”.

In the heading to section 114, replace “**Taumata Arowai**” with “**Water Services Authority**”. 25

In section 114(1), replace “Taumata Arowai may” with “The Water Services Authority may”.

In section 114(1), replace “if Taumata Arowai” with “if the Water Services Authority”. 30

In section 114(4)(b) and (c) and (5), replace “Taumata Arowai” with “the Water Services Authority”.

In section 119(1)(d), replace “Taumata Arowai” with “the Water Services Authority”.

In section 125(1)(b), replace “Taumata Arowai” with “the Water Services Authority”.

In section 128, replace “Taumata Arowai may” with “The Water Services Authority may”. 35

In section 128, replace “to Taumata Arowai” with “to the Water Services Authority”.

Water Services Act 2021 (2021 No 36)—continued

In section 131(2), replace “Taumata Arowai must” with “The Water Services Authority must”.

In section 131(2), replace “of Taumata Arowai” with “of the Water Services Authority”.

In section 131(3), replace “Taumata Arowai” with “the Water Services Authority”. 5

In section 133(3) and (3)(b), replace “Taumata Arowai” with “the Water Services Authority”.

In section 134(3), replace “Taumata Arowai must” with “The Water Services Authority must”.

In section 134(3), replace “of Taumata Arowai” with “of the Water Services Authority”. 10

In section 134(4), replace “Taumata Arowai” with “the Water Services Authority”.

In Part 3, in the subpart 6 heading, replace “Taumata Arowai” with “Water Services Authority”.

In section 136(1), replace “Taumata Arowai” with “the Water Services Authority”. 15

In section 136(5)(a), replace “Taumata Arowai’s” with “the Water Services Authority’s”.

In section 136(5)(b), replace “Taumata Arowai” with “the Water Services Authority”.

In section 136(6), replace “Taumata Arowai’s” with “the Water Services Authority’s”.

In section 136(6)(b), replace “Taumata Arowai” with “the Water Services Authority”. 20

In section 136(8), replace “Taumata Arowai” with “The Water Services Authority”.

In the heading to section 137, replace “**Taumata Arowai**” with “**Water Services Authority**”.

In section 137(1), replace “Taumata Arowai must” with “The Water Services Authority must”. 25

In section 137(1)(f), replace “Taumata Arowai’s” with “the Water Services Authority’s” in each place.

In section 137(2) and (3), replace “Taumata Arowai” with “The Water Services Authority”.

In section 139(2)(d), (3)(a), (b), and (c), and (4)(b), replace “Taumata Arowai” with “the Water Services Authority” in each place. 30

In section 141, replace “Taumata Arowai” with “The Water Services Authority”.

In section 142(1), replace “Taumata Arowai” with “The Water Services Authority”.

In section 143(1), replace “Taumata Arowai” with “The Water Services Authority”.

In section 143(3), replace “Taumata Arowai” with “the Water Services Authority”. 35

In section 144(2) and (3), replace “Taumata Arowai” with “The Water Services Authority”.

Water Services Act 2021 (2021 No 36)—*continued*

- In section 144(4), replace “Taumata Arowai must” with “The Water Services Authority must”.
- In section 144(4), replace “of Taumata Arowai” with “of the Water Services Authority”.
- In section 145(1), replace “Taumata Arowai” with “The Water Services Authority”. 5
- In section 145(4), replace “Taumata Arowai” with “the Water Services Authority”.
- In section 146(1), replace “Taumata Arowai” with “The Water Services Authority”.
- In section 146(2)(b), replace “Taumata Arowai” with “the Water Services Authority”.
- In section 147(1) and (2), replace “Taumata Arowai” with “The Water Services Authority”. 10
- In section 148(2), replace “Taumata Arowai must” with “The Water Services Authority must”.
- In section 148(2)(a), replace “Taumata Arowai’s” with “the Water Services Authority’s”.
- In section 160(1)(b), replace “Taumata Arowai” with “the Water Services Authority”. 15
- In section 165(1), item relating to section 176, replace “Taumata Arowai” with “Water Services Authority”.
- In the heading to section 176, replace “**Taumata Arowai**” with “**Water Services Authority**”.
- In section 176(1)(a), replace “Taumata Arowai” with “the Water Services Authority”. 20
- In section 180(1)(a), replace “Taumata Arowai” with “the Water Services Authority”.
- In section 185(1)(a) and (b), replace “Taumata Arowai” with “the Water Services Authority”.
- In section 187(1)(b) and (c), replace “Taumata Arowai” with “the Water Services Authority”. 25
- In section 188(1)(a)(iii), replace “Taumata Arowai” with “the Water Services Authority”.
- In the heading to section 189, replace “**Taumata Arowai**” with “**Water Services Authority**”.
- In section 189(1), replace “Taumata Arowai” with “the Water Services Authority”. 30
- In the heading to section 190, replace “**Taumata Arowai**” with “**Water Services Authority**”.
- In section 190(1), replace “Taumata Arowai” with “the Water Services Authority”.
- In the heading to section 191, replace “**Taumata Arowai**” with “**Water Services Authority**”. 35
- In section 191(1)(a), replace “Taumata Arowai” with “the Water Services Authority”.

Water Services Act 2021 (2021 No 36)—continued

- In section 196(6), replace “Taumata Arowai must” with “The Water Services Authority must”.
- In section 196(6), replace “of Taumata Arowai” with “of the Water Services Authority”.
- In section 199(2)(c), replace “Taumata Arowai” with “the Water Services Authority”. 5
- In section 200(1)(c) and (e), replace “Taumata Arowai” with “the Water Services Authority”.
- In section 201(1) and (2)(a) and (b), replace “Taumata Arowai” with “the Water Services Authority”.
- In section 201(5), replace “Taumata Arowai” with “The Water Services Authority”. 10
- In section 202, replace “Taumata Arowai may recover any fee or levy payable to Taumata Arowai” with “The Water Services Authority may recover any fee or levy payable to the Water Services Authority”.
- In section 203(1), replace “Taumata Arowai” with “the Water Services Authority”.
- In section 204(1)(a) and (b) and (2), replace “Taumata Arowai” with “the Water Services Authority” in each place. 15
- In section 204(5), definition of **regulatory agency**, paragraph (m), replace “Taumata Arowai” with “the Water Services Authority”.
- In section 205(1), replace “Taumata Arowai” with “The Water Services Authority”.
- In section 205(2)(a) and (b), replace “Taumata Arowai” with “the Water Services Authority”. 20

Part 3

Amendments to secondary legislation

- Resource Management (National Environmental Standards for Sources of Human Drinking Water) Regulations 2007 (SR 2007/396)** 25
- In regulation 3(1), definition of **registered drinking-water supply**, replace “Taumata Arowai” with “the Water Services Authority—Taumata Arowai”.
- Water Services (Fees and Charges) Regulations 2021 (SL 2021/371)**
- In regulation 5(1), replace “Taumata Arowai” with “the Water Services Authority”.
- In regulation 8(1)(b), replace “Taumata Arowai” with “the Water Services Authority”. 30
- In regulation 8(2)(a)(i), replace “Taumata Arowai” with “the Water Services Authority”.
- In regulation 9(1)(b), replace “Taumata Arowai’s” with “the Water Services Authority’s”.
- In regulation 9(2), replace “Taumata Arowai” with “the Water Services Authority”. 35

Water Services (Fees and Charges) Regulations 2021 (SL 2021/371)—*continued*

In regulation 11(2)(b), replace “Taumata Arowai’s” with “the Water Services Authority’s”.

Schedule 11

New Part 3 inserted into Schedule 1 of Water Services Act 2021

s 343

Part 3

Provisions relating to Local Government (Water Services) Act 2024 5

19 Interpretation

In this Part, unless the context otherwise requires, **commencement date** means the day on which this Part comes into force.

National Engineering Design Standards (NEDS)

19A Infrastructure that is compliant before NEDS in force 10

Despite **subpart 1AA** of Part 3 and **section 200(1)(ca)**, the National Engineering Design Standards contained in regulations made under that section do not apply to the design, construction, and operational performance of water services infrastructure and services if the work on design, construction, and operational performance is completed in accordance with all requirements of, and approvals under, this Act before those regulations come into force. 15

Consultation under section 138 or 139A

20 Consultation undertaken before commencement date

(1) Any consultation undertaken under section 138(1) or 139A(1) before the commencement date may be considered to have been undertaken for the purposes of making regulations under those sections after the commencement date. 20

(2) To avoid doubt, **subclause (1)** applies despite—

(a) the consultation being undertaken about proposed environmental performance standards under section 138(1) or 139A(1) as those sections appeared immediately before the commencement date; and 25

(b) the changes made, on and from the commencement date, by the **Local Government (Water Services) Act 2024** to—

(i) the process for making an environmental performance standard under those sections; and

(ii) the application of an environmental performance standard made under those sections. 30

Schedule 12

Consequential amendments

s-432s 343A

Part 1

Amendments to Acts

5

Local Government Act 1974 (1974 No 66)

Repeal sections 647 and 648.

Local Government Act 2002 (2002 No 84)

In section 5(1), insert in their appropriate alphabetical order:

consumer trust has the meaning set out in **section 4** of the Local Government (Water Services) Act **2024** 10

water organisation has the meaning set out in **section 4** of the Local Government (Water Services) Act **2024**

water service provider has the same meaning as in **section 4** of the Local Government (Water Services) Act **2024** 15

In section 39, insert as subsection (2):

- (2) In **subsection (1)(d)**, **good employer** has the same meaning as in clause 36 of Schedule 7.

After section 71A, insert:

71B Application of Part to water organisations 20

(1) This section applies to a council-controlled organisation that is a water organisation (*see* **section 6(1AAB)**) and to its shareholders.

(2) The board and shareholders of the water organisation—

(a) must comply with **Part 4** of the Local Government (Water Services) Act **2024**; but 25

(b) must not comply with sections 64 to 69 and Schedule 8 of this Act.

After section 76AA(6), insert:

Water services

(7) Consultation under subsection (5) is not required to amend a policy to the extent that the amendment is made when a territorial authority— 30

(a) has established a water organisation under the Local Government (Water Services) Act **2024**; and

(b) is working with that organisation in relation to the organisation's significance and engagement policy under **section 30E(4)** of that Act.

(8) This section applies subject to **sections 30B and 30E(4)** of that Act. 35

Local Government Act 2002 (2002 No 84)—continued

After section 79(4), insert:

Water services

- (5) In subsection (1)(a), the reference to section 77 must be read as a reference to **section 26** of the Local Government (Water Services) Act **2024** if the identification and assessment of options relates to a change proposal under **section 25** of that Act. 5

After section 93(10), insert:

- ~~(11) However, this section does not apply to information relating to water services if the information is included in a water services strategy adopted under **section 190** of the Local Government (Water Services) Act **2024**.~~ 10

(11) However, this section—

- (a) does not apply to information relating to water services if the information is included in a water services strategy adopted under **section 190** of the Local Government (Water Services) Act **2024**; but
- (b) despite **paragraph (a)**, applies to information described in **paragraph (a)** that relates to— 15
- (i) an infrastructure strategy (see **section 101B(5A)**); or
- (ii) a revenue and financing policy (see section 103); or
- (iii) a funding impact statement (see clause 15 of Schedule 10).

After section 95(7), insert: 20

- ~~(8) However, this section does not apply to information relating to water services for a local authority that is a water service provider under the Local Government (Water Services) Act **2024**.~~

(8) However, this section—

- (a) does not apply to information relating to water services if the information is included in a water services annual budget adopted under **section 200** of the Local Government (Water Services) Act **2024**; but 25
- (b) despite **paragraph (a)**, applies to information described in **paragraph (a)** that relates to a funding impact statement (see clause 20 of Schedule 10). 30

After section 97(3)(c), insert:

- ~~(d) in relation to strategic water services assets or levels of service to which **section 30A** of the Local Government (Water Services) Act **2024** applies.~~

After section 97(3)(c), insert: 35

- (d) relating to a strategic water services asset or level of service for a water service under the Local Government (Water Services) Act **2024**; or

Local Government Act 2002 (2002 No 84)—*continued*

(e) relating to a water services delivery plan under the Local Government (Water Services Preliminary Arrangements) Act 2024.

After section 98(6), insert:

(7) However, if a local authority is a water service provider under the Local Government (Water Services) Act **2024**, this section is subject to **section 205** of that Act. 5

After section 101B(5), insert:

(5A) Despite subsection (6)(b), an infrastructure strategy—

(a) may include information on water services infrastructure under the Local Government (Water Services) Act **2024** if that information is part of, or desirable to support, an integrated approach to infrastructure planning in the local authority’s district; but 10

(b) must not include the detailed information on water services infrastructure that is required to be included in a water services strategy adopted by a water service provider under **section 190** of the Local Government (Water Services) Act **2024**. 15

(5B) In subsections **(5A)** and (6), **water service provider** and **water services infrastructure** have the same meanings as in **section 4** of the Local Government (Water Services) Act **2024**. 20

Repeal section 101B(6)(a)(i) to (iii). 20

In section 101B(6)(b), after “the strategy”, insert “, other than water services infrastructure that relates to providing water services under the Local Government (Water Services) Act **2024**”.

Replace section 123(a) with:

(a) the obligation to assess certain sanitary services and the purpose of that assessment: 25

Repeal section 123(b).

In Part 7, in the subpart 2 heading, replace “obligations to make assessments of drinking water, wastewater, and sanitary services and to ensure communities have access to safe drinking water” with “obligation to assess certain sanitary services”. 30

Repeal sections 124 to 127.

Replace section 128 with:

128 Requirement to assess certain sanitary services

(1) A territorial authority must assess the provision of the following services within its district: 35

(a) public toilets:

(b) crematoria:

Local Government Act 2002 (2002 No 84)—continued

(c) cemeteries.	
(2) The purpose of an assessment is to assess, from a public health perspective, the adequacy of the services referred to in subsection (1) available to communities throughout the territorial authority’s district, taking into consideration—	
(a) the health risks to communities arising from any absence of, or deficiency in, the services; and	5
(b) the quality of the services currently available to communities within the district; and	
(c) the current and estimated future demands for any of those services.	
(3) One type of service may be assessed in conjunction with another.	10
(4) An assessment may be undertaken on behalf of the territorial authority (whether in whole or in part) by another appropriate organisation.	
Repeal subpart 2 of Part 7.	
Repeal section 143(d).	
In section 143, insert as subsection (2):	15
(2) However, if a territorial authority is authorised to make a bylaw under the Local Government (Water Services) Act 2024 , it must make the bylaw under that Act, and not under this Act.	
Repeal section 146(1)(a)(i) and (iii) and (b)(ii) and (iii).	
Repeal section 146(2) to(4).	20
Repeal section 148.	
Repeal section 153(1)(a), (c), and (d).	
After section 171(5), insert:	
(6) However, this section and sections 172 and 173 do not apply to a local authority that is a water service provider exercising powers under subpart 4 of Part 3 of the Local Government (Water Services) Act 2024 .	25
Repeal section 181(1)(a) and (c).	
After section 181(6), insert:	
(7) This section does not apply to a local authority that is a water service provider exercising powers under subpart 4 of Part 3 of the Local Government (Water Services) Act 2024 .	30
In section 182(1)(a), delete “waterworks or”.	
Repeal sections 192 and 193 and the cross-heading above section 192.	
Repeal sections 195 and 196 and the cross-heading above section 195.	
Repeal sections 224 to 227 and the cross-headings above sections 224 and 227.	35
In Schedule 1AA, repeal Part 5.	

Local Government Act 2002 (2002 No 84)—continued

In Schedule 10, repeal clause 2(2)(a) to (c).

In Schedule 10, clause 2(3), after “group of activities”, insert “, other than activities related to providing water services under the Local Government (Water Services) Act **2024**”.

In Schedule 10, after clause 2(3), insert:

- (4) To avoid doubt, a territorial authority may include information about targeted rates for activities, or a group of activities, relating to water services in a funding impact statement that is included in—
- (a) a long-term plan under clause 15; or
 - (b) an annual plan under clause 20.

In Schedule 10, replace clause 6(a) with:

- (a) assessment of certain sanitary services under **section 128**:

In Schedule 10, after clause 15(4)(d), insert:

- (da) specify whether the targeted rate is set to collect revenue that—
- (i) relates to 1 or more groups of water services activities; and
 - (ii) is being collected as an agent of a water organisation, as provided in a transfer agreement under **clause 6 of Schedule 2** of the Local Government (Water Services) Act **2024**; and

In Schedule 10, after clause 15(6), insert:

- (7) In **subclause (4)(da), group of water services activities, water organisation, and transfer agreement** and **transfer agreement** have the meanings given in **section 4** of the Local Government (Water Services) Act **2024**.

In Schedule 10, after clause 20(4)(d), insert:

- (da) specify whether the targeted rate is set to collect revenue that—
- (i) relates to 1 or more groups of water services activities; and
 - (ii) is being collected as an agent of a water organisation, as provided in a transfer agreement under **clause 6 of Schedule 2** of the Local Government (Water Services) Act **2024**; and

In Schedule 10, after clause 20(5), insert:

- (6) In **subclause (4)(da), group of water services activities, water organisation, and transfer agreement** have the meanings given in **section 4** of the Local Government (Water Services) Act **2024**.

Local Government Borrowing Act 2011 (2011 No 77)

In section 15(2), replace “10 years after the commencement of this Act” with “30 June 2037”.

Local Government Borrowing Act 2011 (2011 No 77)—continued

In section 15(2), delete “as long as the lending occurs not later than 10 years after the commencement of this Act”.

Local Government Official Information and Meetings Act 1987 (1987 No 174)

In the heading to section 44D, replace “**and regional council**” with “**, regional council, and water organisation**”.

5

In section 44D, replace “or regional council” with “, regional council, or water organisation”.

After section 44D(b), insert:

- (c) in the case of a water organisation, information provided to a territorial authority under **section 75A** of the Local Government (Water Services) Act **2024**.

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In section 44D, insert as subsection (2):

- (2) In this section, **water organisation** has the meaning given in **section 4** of the Local Government (Water Services) Act **2024**.

After section 45(1A), insert:

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- (1B) Despite paragraph (b) of the definition of meeting in subsection (1), **meeting**, in relation to a water organisation within the meaning of the Local Government (Water Services) Act **2024**, means a meeting of the board of the organisation and does not include a meeting of a committee or subcommittee of the board.

In Schedule 1, Part 1, insert in its appropriate alphabetical order:

20

Water organisations within the meaning of the Local Government (Water Services) Act **2024**

Local Government (Auckland Council) Act 2009 (2009 No 32)

In section 60A(1)(a), replace “charge or charging regime revenue” with “water services charge or the revenue from water services charges”.

25

~~In section 60A(2), replace “a charge” with “a water services charge”.~~

~~In section 60A(2)(b), replace “the charge” with “the water services charge”.~~

Replace section 60A(4) with:

- (4) A ~~water services charge~~ under this section must be assessed as an amount that is a uniform percentage (which percentage may exceed 100%) of the total water services charge payable in relation to a property during the 12-month period ending on the last day of the calendar month immediately before the month in which the charge is assessed under this section.

30

~~In section 60A(5), replace “A charge” with “A water services charge”.~~

In section 60A(5), delete “section 40D(5) and (6) of”.

35

After section 60A(5), insert:

Local Government (Auckland Council) Act 2009 (2009 No 32)—continued

(5A) A ~~water services~~ charge under this section must not be limited by a Watercare charter made under section 77 of the Local Government (Water Services Preliminary Arrangements) Act 2024.

(5B) A ~~water services~~ charge imposed under this section is—

- (a) a debt due to the Auckland water organisation; and 5
- (b) recoverable as a debt by the Auckland water organisation in any court of competent jurisdiction.

Replace section 60A(6) with:

(6) In this section,—

Crown monitor means a Crown monitor appointed under section 72 of the Local Government (Water Services Preliminary Arrangements) Act 2024 10

incidental arrangement has the same meaning as in section 112 of the Local Government Act 2002

loan has the same meaning as in section 112 of the Local Government Act 2002 15

property means a street address that, at any point in a 12-month period ending on the last day of the calendar month immediately before the month during which a charge is assessed under this section, is (or has been) connected to 1 or more of an Auckland water organisation's—

- (a) water supply services: 20
- (b) wastewater services:
- (c) stormwater services (if responsibility for stormwater services has been transferred to an Auckland water organisation under a transfer agreement under **section 11** of the Local Government (Water Services) Act **2024**)

stormwater services has the same meaning as in **section 4** of the Local Government (Water Services) Act **2024** 25

water services charges means any charges set by an Auckland water organisation (including charges under **section 60** of the Local Government (Water Services) Act **2024**) for providing—

- (a) water supply services: 30
- (b) wastewater services:
- (c) stormwater services (if responsibility for stormwater services has been transferred to an Auckland water organisation under a transfer agreement under **section 11** of the Local Government (Water Services) Act **2024**). 35

Repeal sections 61 and 62 and the cross-heading above section 61.

Repeal the cross-heading above section 63.

Local Government (Auckland Council) Act 2009 (2009 No 32)—continued

Repeal sections 64 to 71 and the cross-heading above section 63.

Repeal sections 74 to 77 and the cross-heading above section 74.

Replace section 78 with:

- 78 Council must consult Auckland water organisations when assessing water services** 5
- (1) **Subsection (2)** applies to the Council when carrying out its duty under **sections 58B to 58D** of the Local Government (Water Services) Act **2024** to assess the following within Auckland:
- (a) access to drinking water:
 - (b) the provision of wastewater services and stormwater services. 10
- (2) The Council must consult each Auckland water organisation in making its assessment.

Replace section 90(2)(c) and (d) with:

- (c) specify any reporting requirements that each substantive council-controlled organisation must undertake in addition to those required under the following: 15
 - (i) Part 5 of the Local Government Act 2002:
 - (ii) in the case of Watercare Services Limited, **Part 4** of the Local Government (Water Services) Act **2024**:
 - (iii) this Act: 20
- (d) specify any planning requirements that each substantive council-controlled organisation must undertake in addition to those required under the following:
 - (i) Part 5 of the Local Government Act 2002:
 - (ii) in the case of Watercare Services Limited, **Part 4** of the Local Government (Water Services) Act **2024**: 25
 - (iii) this Act:

In section 91(1), after “substantive council-controlled organisation”, insert “(except Watercare Services Limited)”.

In section 96(1), after “Auckland Council”, insert “(except Watercare Services Limited)”.

Local Government (Rating) Act 2002 (2002 No 6)

After section 16(1), insert:

- (1A) For the purposes of subsection (1), a group of activities may include a group of water services activities under the Local Government (Water Services) Act **2024**. 35

Local Government (Rating) Act 2002 (2002 No 6)—continued

After section 19, insert:

19AA Targeted rate for wastewater

- (1) A local authority may set a targeted rate in accordance with its funding impact statement for the wastewater services provided by the local authority.
- (2) A targeted rate under **subsection (1)** may be calculated as a fixed charge per unit of wastewater. 5
- (3) In this section, **wastewater services** has the meaning given in **section 4** of the Local Government (Water Services) Act **2024**.

Local Government (Water Services Preliminary Arrangements) Act 2024 (2024 No 31) 10

Replace section 14(1)(d)(ii) with:

- (ii) a joint water service provider arrangement under **section 24** of the Local Government (Water Services) Act **2024**; or

Repeal subpart 3 of Part 2—(which relates to foundational information disclosure requirements). 15

In section 58(a)(i)(B), replace “a joint local government arrangement under section 137 of the LGA2002” with “a joint water service provider arrangement under **section 24** of the Local Government (Water Services) Act **2024**”.

Replace section 61(1)(a)(ii) with:

- (ii) a joint water service provider arrangement under **section 24** of the Local Government (Water Services) Act **2024**; or 20

Replace section 62(1)(a)(ii) with:

- (ii) a joint water service provider arrangement under **section 24** of the Local Government (Water Services) Act **2024**; or

In section 63(1)(b), replace “joint local government arrangement under section 137 of the LGA2002” with “joint water service provider arrangement under **section 24** of the Local Government (Water Services) Act **2024**”. 25

Replace section 64(1)(a)(ii) with:

- (ii) a joint water service provider arrangement under **section 24** of the Local Government (Water Services) Act **2024**; or 30

In section 65, replace “joint local government arrangement under section 137 of the LGA2002” with “joint water service provider arrangement under **section 24** of the Local Government (Water Services) Act **2024**”.

In section 66(1), replace “joint local government arrangement under section 137 of the LGA2002” with “joint water service provider arrangement under **section 24** of the Local Government (Water Services) Act **2024**”. 35

Local Government (Water Services Preliminary Arrangements) Act 2024 (2024 No 31)—continued

In section 67(1), replace “joint local government arrangement under section 137 of the LGA2002” with “joint water service provider arrangement under **section 24** of the Local Government (Water Services) Act **2024**”.

In section 68(1)(b), replace “joint local government arrangement under section 137 of the LGA2002” with “joint water service provider arrangement under **section 24** of the Local Government (Water Services) Act **2024**”. 5

Ngāti Rangī Claims Settlement Act 2019 (2019 No 40)

In Schedule 5, after clause 1(d), insert:

(da) Local Government (Water Services) Act **2024**:

In Schedule 5, after clause 1(k), insert: 10

(l) Water Services Act 2021:

(m) Water Services Authority—Taumata Arowai Act 2020.

Ombudsmen Act 1975 (1975 No 9)

In Schedule 1, Part 3, insert in its appropriate alphabetical order:

Water organisations within the meaning of the Local Government (Water Services) Act **2024** 15

Public Audit Act 2001 (2001 No 10)

In Schedule 1, insert in their appropriate alphabetical order:

Consumer trusts as defined in **section 4** of the Local Government (Water Services) Act **2024**. 20

Water organisations as defined in **section 4** of the Local Government (Water Services) Act **2024**.

Public Works Act 1981 (1981 No 35)

In section 2, definition of **local authority**, paragraph (a), after “harbour board”, insert “, water service provider”. 25

In section 2, insert in its appropriate alphabetical order:

water service provider has the same meaning as in **section 4** of the Local Government (Water Services) Act **2024**

Rates Rebate Act 1973 (1973 No 5)

In section 2(1), replace the definition of **rates** with: 30

rates, in relation to a residential property, means—

(a) a general rate or targeted rate or uniform annual general charge that is assessed on the property, but does not include—

Rates Rebate Act 1973 (1973 No 5)—continued

- (i) the amount of a discount that is allowed under section 55(3) or 56(4) of the Local Government (Rating) Act 2002, whether or not the discount has been allowed to the ratepayer in question; or
- (ii) the amount of a penalty added under section 57 of the Local Government (Rating) Act 2002; or 5
- (iii) rates for which judgment has been entered in a court; and
- (b) charges set and collected under **section 60, 61, or 62** of the Local Government (Water Services) Act **2024**; and
- (c) charges set and collected by Watercare Services Limited for providing water supply services and wastewater services under the Local Government (Water Services) Act **2024**. 10

Resource Management Act 1991 (1991 No 69)

In section 166, definition of **requiring authority**, after paragraph (b), insert:

- (ba) a water service provider as defined in **section 4** of the Local Government (Water Services) Act **2024**; or 15

In Schedule 1, after clause 3(1)(c), insert:

- (ca) water organisations under the Local Government (Water Services) Act **2024** who may be so affected; and

Summary Proceedings Act 1957 (1957 No 87)

In section 2(1), definition of **infringement notice**, after paragraph (jl), insert: 20

- (jm) section 359 of the Local Government (Water Services) Act 2024; or

Taumata Arowai—the Water Services Regulator Act 2020 (2020 No 52)

In section 4, definition of **stormwater network**, paragraph (a)(ii)(A), replace “council-controlled organisation” with “water organisation” in each place.

In section 4, definition of **stormwater network operator**, paragraph (a)(i), replace “council-controlled organisation” with “water organisation” in each place. 25

In section 4, definition of **wastewater network**, paragraph (b)(i), replace “council-controlled organisation” with “water organisation” in each place.

In section 4, definition of **wastewater network operator**, paragraph (a)(i), replace “council-controlled organisation” with “water organisation” in each place. 30

In section 4, insert in its appropriate alphabetical order:

water organisation has the meaning given by **section 4** of the Local Government (Water Services) Act **2024**

Utilities Access Act 2010 (2010 No 98)

In section 4, definition of **utility operator**, after paragraph (d)(ii), insert: 35

Utilities Access Act 2010 (2010 No 98)—continued

- (iia) a water service provider as defined in **section 4** of the Local Government (Water Services) Act **2024**; or

Part 2

Amendments to secondary legislation

Water Services (Levies on Water Services) Regulations 2025 (SL 2025/89) 5

In regulation 3, replace the definition of **water organisation** with:

water organisation has the meaning given to it in **section 4** of the Local Government (Water Services) Act **2024**.

In regulation 6(1) and (2), replace “Taumata Arowai” with “The Water Services Authority”. 10

In the heading to regulation 9, replace “**Taumata Arowai**” with “**Water Services Authority**”.

In regulation 9(1), replace “Taumata Arowai” with “the Water Services Authority”.

In regulation 10(1) and (2), replace “Taumata Arowai” with “The Water Services Authority”. 15

In regulation 10(3) and (4), replace “Taumata Arowai” with “the Water Services Authority”.

In regulation 12(1)(b), replace “Taumata Arowai” with “the Water Services Authority”.

In regulation 12(1)(c), replace “Taumata Arowai’s” with “the Water Services Authority’s” in each place. 20

Replace regulation 12(2) with:

- (2) If the Water Services Authority decides to waive levies, in whole or in part, it must publish the decision, and its reasons for the decision (including why the waiver is appropriate), on an internet site maintained by or on behalf of the Water Services Authority. 25

After regulation 12, insert:

12A Penalty for late payment of levies

(1) The chief executive must impose a penalty on any levy, or any portion of a levy, that is not paid on or before the date specified in regulation 9(2). 30

(2) However, **subclause (1)** is subject to regulation 12.

(3) The amount of a penalty imposed under **subclause (1)** is 5% of the amount that is late.

(4) A penalty under this regulation is added to the levy that is late, and must be treated as if it were a part of the levy. 35

Water Services (Levies on Water Services) Regulations 2025 (SL 2025/89)—*con-*
tinued

In regulation 13(1), replace “Taumata Arowai” with “the Water Services Authority”.

In the Schedule, clauses 1 and 2, replace “Taumata Arowai” with “the Water Services Authority” in each place.

Legislative history

13 August 2025

Divided from Local Government (Water Services) Bill
(Bill 108–2) as Bill 108–3A