

## Hon Simeon Brown

Minister for Energy  
Minister of Local Government  
Minister of Transport  
Minister for Auckland  
Deputy Leader of the House



To: All Council Mayors + GWRC Chair

Dear Mayor

### **Implementing Local Water Done Well**

Following my previous (December) letter, I'm pleased to provide you with an update on progress with implementing our plan for addressing New Zealand's long-standing water infrastructure challenges, Local Water Done Well (LWDW).

Last week the Prime Minister and I outlined the Government's plan for the next 12-18 months to implement LWDW. This included the repeal of the previous Government's three waters legislation, which was passed through Parliament last week.

This is a significant milestone, and I am energised about the work ahead of us. The Government is committed to enabling councils to determine water services infrastructure arrangements that work for them and their communities, while ensuring rules for water quality and long-term investment in infrastructure are met.

I understand that following my announcement last week the Department of Internal Affairs shared some detailed repeal bill information with council chief executives. I wanted to contact you directly to provide further information about:

- Our plan to implement LWDW through a three-stage legislative approach
- The establishment of a Technical Advisory Group to support the detailed design of LWDW policy.

I also wanted to provide a contact at the Department of Internal Affairs should you wish to have any early discussions about possible future water service delivery arrangements.

### **Our plan to implement LWDW**

I am pleased we have been able to make good progress in our first 100 days in Government, with the repeal of the previous Government's legislation now complete.

Further legislation to implement LWDW will progress in two further stages. The first bill, which will establish the framework and transitional arrangements for the new water services system, will be passed by the middle of 2024. A second bill to provide for the long-term replacement regime will be introduced in December 2024.

Set out below is our three-stage legislative approach, and the different components expected to be included in each bill.

**1****REPEAL LEGISLATION: LAY FOUNDATION FOR NEW SYSTEM**

INTRODUCED AND ENACTED FEB 2024



- Restore continued council ownership and control of water services, and responsibility for service delivery.
- Provide support options to help councils complete and include water services in their 2024-34 long-term plans.

**2****ESTABLISH FRAMEWORK AND TRANSITIONAL ARRANGEMENTS**

INTRODUCED AND ENACTED MID-2024

- Provide a framework for councils to self-determine future service delivery arrangements via a water services delivery plan (to be submitted within 12 months).
- Establish foundational information disclosure requirements (as first step towards economic regulation).
- Streamline requirements for establishing council-controlled organisations under the Local Government Act to enable councils to start shifting the delivery of water services into more financially sustainable configurations, should they wish to do so.
- Provide technical and advisory support to Auckland Council to determine how they wish to create a financially sustainable model for Watercare.

**3****ESTABLISH ENDURING SETTINGS AND BEGIN TRANSITION**

INTRODUCED DECEMBER 2024 AND ENACTED MID-2025

- Set long-term requirements for financial sustainability.
- Provide for a range of structural and financing tools, including a new class of financially independent council controlled organisations.
- Consider the water regulator's empowering legislation to ensure the regulatory regime is efficient, effective, and fit-for-purpose, and standards are proportionate for different types of drinking water suppliers.
- Provide for a complete economic regulation regime.
- Establish regulatory backstop powers, to be used when required to ensure effective delivery of financially sustainable or safe water services.
- Refine water service delivery system settings to support the new system, such as consistent industry standards.

## **Technical Advisory Group establishment**

Last week I also announced the establishment of a Technical Advisory Group (TAG) to contribute specialist and technical expertise to myself and the Department as we develop policy and legislation to implement LWDW.

Leading experts in finance, infrastructure and local government will take on key roles as members of the TAG.

One of the key areas of focus for the TAG is providing advice and assurance on policy and legislative settings that will enable local councils to appropriately recover costs and access the long-term debt needed to fund the required investment in water infrastructure.

You can find more information about the TAG, including membership and Terms of Reference on the Department website, at: [www.dia.govt.nz/Water-Services-Policy-and-Legislation](http://www.dia.govt.nz/Water-Services-Policy-and-Legislation)

## **Enabling councils to determine future water services arrangements**

I recognise that councils will be at different stages in their thinking and readiness in determining their preferred future water services delivery model.

I also recognise that many councils are wanting to move quickly to put new arrangements in place and lead the way in developing local solutions to their water services challenges.

While our legislative plan provides certainty about our direction of travel, there are details to be worked through in the months ahead. We need to work together to ensure councils have the tools and information they need to support a smooth transition.

To this end, I have instructed officials at the Department to be available to assist with early discussions that councils may be having about their possible future service delivery arrangements.

Please contact Hamiora Bowkett, Executive Director, Water Services Policy, Legislation and Stewardship, by emailing [waterservices@dia.govt.nz](mailto:waterservices@dia.govt.nz), should your council wish to set up initial discussions with Department officials.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Simeon Brown', with a long horizontal flourish extending to the right.

Hon Simeon Brown  
**Minister of Local Government**