

HortNZ Affordable Water Reforms Update

National | April 2023

What is happening to Three Waters?

On April 13th, Minister Kieran McAnulty announced changes to the water services reform programme, commonly known as Three Waters but now rebranded as the Affordable Water Reforms. The aim of the reforms are to make it affordable to upgrade degrading water infrastructure by consolidating water management and governance into “water services entities.”

How has HortNZ been involved?

HortNZ wrote three submissions in the best interests of growers on the Water Services Act 2021, the Water Services Entities Act 2022, and the Water Services Legislation Bill 2022 (which was a series of amendments to the previous legislation).

Our key points were that:

- The legislation must protect primary production in peri-urban catchments from water abstractions and discharges to urban areas, which would essentially redirect water from highly productive land to subsidise urban growth.
- The responsibilities given to rural “drinking water suppliers” - irrigation schemes that also provide limited drinking water to workers or neighbours - must be workable, common sense and proportional to the scale of drinking water supplied. If the regulatory burden is unreasonable, there are social welfare risks to rural communities who could become cut-off from their drinking water supply.
- Water service entities must engage and cooperate with both urban and rural communities as a core part of their operating principles.

Key changes /provisions

The government’s recent announcement proposed the following changes to the reforms:

- **The government’s new proposal calls for ten water services entities closely based around existing regions rather than the four entities originally proposed.** Every council will be represented on the entities’ regional representative groups.
- **The 10 new entities will ‘go live’ in a staged approach, from early 2025 to 1 July 2026, rather than the original start date of 1 July 2024 for all entities.** The Department of Internal Affairs will develop a schedule of go-live dates, in consultation with councils and other groups.
- **There are no significant changes to how the legislation will impact rural communities from the original proposal.** The transfer of Council-owned Mixed-

Use Rural Water Schemes to the new water service entities, with an option for users to seek ownership, is still being considered.

- The Government intends to introduce and pass legislation to allow for these changes before this year's election. This will be subject to the Parliamentary timetable and processes, including the opportunity for public feedback.
- The Finance and Expenditure Committee is due to report back on potential changes on 8 June 2023.

WHERE TO GO FOR MORE INFORMATION

- Further information about the changes, including a map of the new entity areas, is available at <https://www.waterservicesreform.govt.nz/>.
- [Read HortNZ's previous submissions](#) on Three Waters and other freshwater policy.