

A high-speed photograph of a water droplet hitting a surface, creating a series of concentric ripples. The water is a deep blue color, and the droplet is captured mid-air, just above the surface.

# WATER UPDATE

OCTOBER 2025



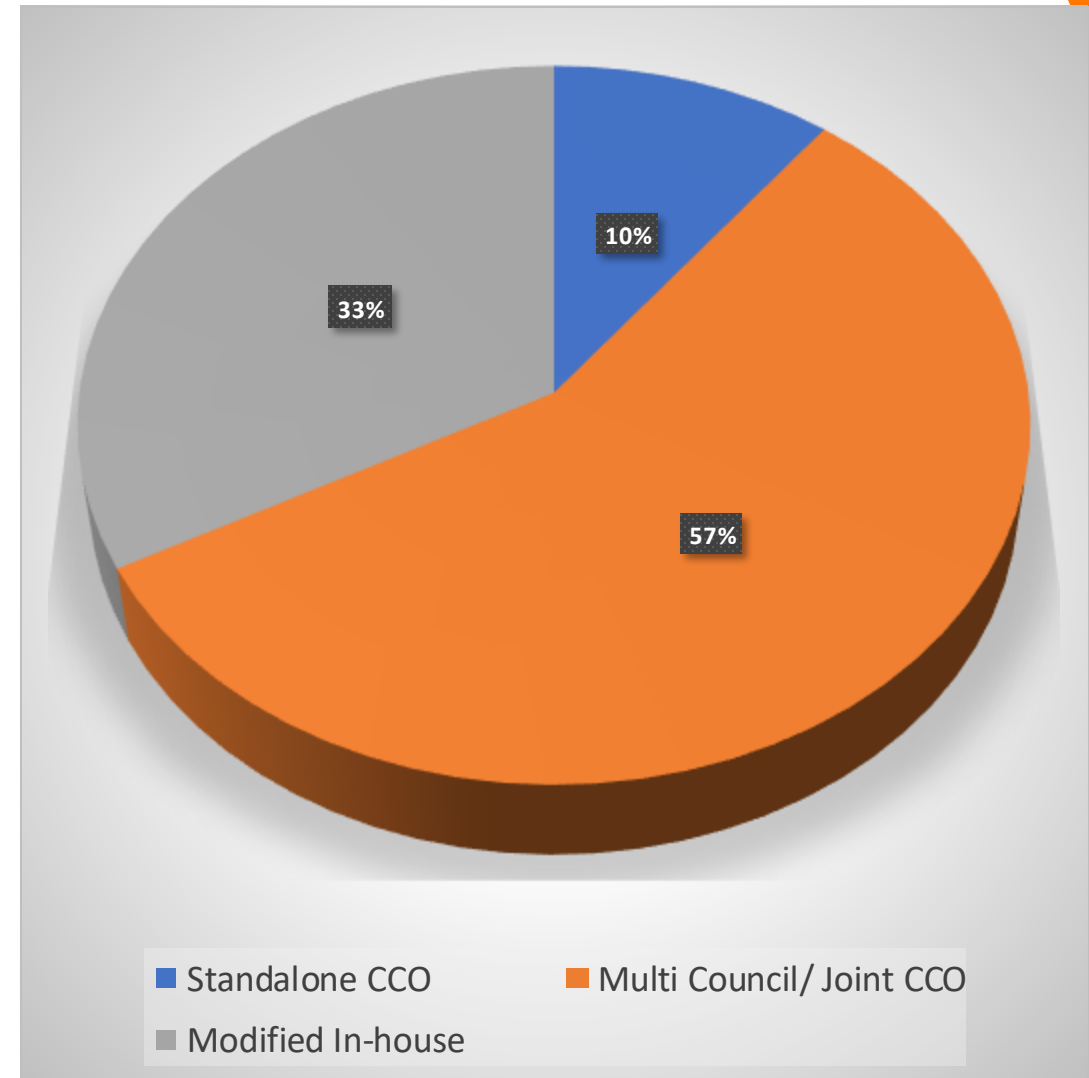
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# PROPOSED WATER SERVICE DELIVERY ARRANGEMENTS

## Of the 67 councils:

- 38 are joining forces to establish a joint or multi-council CCO
- 7 will be setting up a standalone CCO
- 22 will be keeping water service in-house in a 'ring-fenced' business unit or similar

CCO = Council Controlled Organisation



# DEEPER DIVE

If the Minister of Local Government approves the councils' plans there will be:

- 12 new water organisations in the North Island
  - 3 standalone CCOs
  - 3 joint CCOs
  - 6 multi council CCOs ranging in size from 3 to 6 council shareholders
- 7 new water organisations in the South Island
  - 4 standalone CCOs
  - 1 joint CCOs
  - 2 multi council CCOs both with 3 council shareholders
- Waikato Waters Limited (WWL) has the largest number of shareholder councils (7 shareholders – 6 committed to transitioning to WWL & 1 which may transition at a later date)
- A number of councils have also indicated that they may consider joining a water organisation with other councils at a future date.

# WHO'S WORKING WITH WHO

## NORTH ISLAND

| In-House Business Unit                                                                                                                                                                                                                                                     | Standalone CCO                                                                                                          | Joint CCO                                                                                                                                                             | Multi Council CCO                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Thames Coromandel*</li> <li>Rotorua Lakes*</li> <li>Whakatāne*</li> <li>Kawerau*</li> <li>Ōpōtiki*</li> <li>Taupō*</li> <li>Gisborne*</li> <li>Stratford</li> <li>South Taranaki</li> <li>Manawatū</li> <li>Kāpiti Coast</li> </ul> | <ul style="list-style-type: none"> <li><b>Watercare:</b> Auckland City</li> <li>Wairoa</li> <li>New Plymouth</li> </ul> | <ul style="list-style-type: none"> <li><b>IAWAI Flowing Waters:</b> Hamilton City, Waikato</li> <li>Tauranga City, Western BoP</li> <li>Ruapehu, Whanganui</li> </ul> | <ul style="list-style-type: none"> <li>Far North, Whangarei, Kaipara</li> <li><b>Waikato Waters Ltd:</b> Hauraki, Matamata-Piako, Ōtorohanga, Waipā, Waitomo, South Waikato</li> <li>Napier City, Hastings, Central Hawke's Bay</li> <li>Rangitīkei, Palmerston North, Horowhenua</li> <li><b>Wairarapa Tararua Water Services</b> Masterton, Carterton, South Wairarapa, Tararua</li> <li><b>Metro Water</b> Greater Wellington , Hutt City, Porirua, Upper Hutt City, Wellington City</li> </ul> |

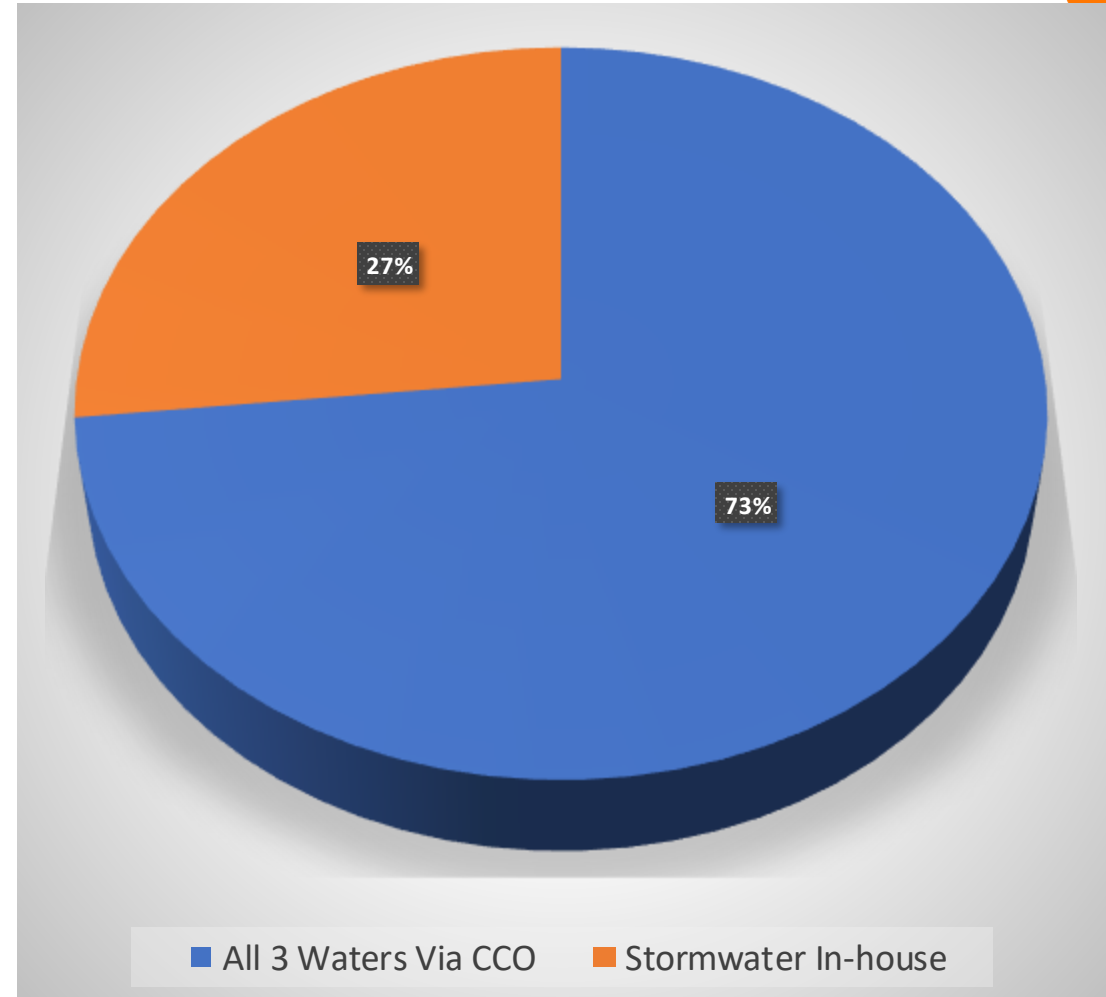
# WHO'S WORKING WITH WHO

SOUTH ISLAND

| In-House Business Unit                                                                                                                                                                                                                              | Standalone CCO                                                                                                                                       | Joint CCO                                                         | Multi Council CCO                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>Nelson City</li><li>Tasman</li><li>Waimakariri</li><li>Christchurch</li><li>Ashburton</li><li>Mackenzie</li><li>Waimate</li><li>Waitaki</li><li>Dunedin</li><li>Southland</li><li>Invercargill City</li></ul> | <ul style="list-style-type: none"><li>Marlborough</li><li><b>Selwyn Water Limited:</b><br/>Selwyn</li><li>Timaru*</li><li>Queenstown Lakes</li></ul> | <ul style="list-style-type: none"><li>Kaikōura, Hurunui</li></ul> | <ul style="list-style-type: none"><li>Buller, Grey, Westland</li><li><b>Southern Waters:</b><br/>Central Otago, Clutha, Gore</li></ul> |
| <div>* Councils that have indicated that they will continue to explore options/or review arrangements in the future</div>                                                                                                                           |                                                                                                                                                      |                                                                   |                                                                                                                                        |

# STORMWATER – A MIXED BAG

- Of those shifting their services to a standalone CCO or joint/multi council CCO:
  - 27% will be retaining stormwater in-house
  - 73% will transfer or contract the CCO to provide stormwater services
- Several councils are still deciding or may change their decision at a later date.
- Stormwater services provided in-house will need to be separated on the council's balance sheet



# WHERE ARE WE UP TO NOW?

As at 21 October 2025:

- All councils had meet the legislative deadline of 3 September 2025 for submitting their water service delivery plans (WSDP)
- WSDPs for 21 councils (31%) had been approved
- 1 council's WSDP had been rejected. The council has until 30 June 2026 to submit a revised plan.
- Most councils will transition to their new water service arrangements between July 2026 & June 2028

# WHAT MIGHT THIS MEAN FOR CONSTRUCTION?

- Industry practitioners will need to know who is providing water services in their area & it may mean dealing with more than one organisation for all 3 waters.
- With increased borrowing power, some water infrastructure projects may be able to be progressed more quickly opening up growth opportunities.
- Short term uncertainty (2-3 years) as councils transition to the new water organisations & develop their first water strategies.
- Water charges will likely rise due to the increased compliance requirements placed on water organisations under the new legislation