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LOCAL WATER DONE WELL

Factsheet: Arrangements for stormwater

This is one of a series of factsheets giving an overview of key aspects of the Local Government (Water Services) Act 2025 and the associated Local Government (Water Services) (Repeals and Amendments) Act 2025.

It updates the *Factsheet: Future arrangements for stormwater* shared in December 2024, to reflect changes made through the Parliamentary process.

Together, the Local Government (Water Services) Act 2025 (referred to as **the standalone Act** in this factsheet) and the Local Government (Water Services) (Repeals and Amendments) Act 2025 (referred to as **the Repeals and Amendments Act** in this factsheet) set out the enduring settings for the new water services system. They are the third tranche of legislation in the Government's three-stage process for implementing Local Water Done Well.

This factsheet provides an overview of arrangements for urban stormwater, and mechanisms to improve the management of overland flow paths and watercourses in urban areas.

It should be read alongside other Local Water Done Well factsheets.

What does the legislation do?

Arrangements for delivery of urban stormwater services

The standalone Act enables councils to choose the delivery arrangements for stormwater services that best suit their circumstances. These arrangements may differ from the approach to drinking water and wastewater services, and may include:

- continuing to deliver stormwater services directly (in-house);
- transferring all or some aspects of stormwater service provision to a water organisation; and
- contracting a water organisation (or potentially another third-party arrangement) to provide all or some aspects of stormwater service delivery.

Councils choosing to either deliver stormwater services in-house, or contract others to do so on their behalf, must comply with all requirements related to water service providers in relation to stormwater services.

Councils that choose to transfer the provision of all or some aspects of stormwater services must do that in accordance with a transfer agreement (provided for in the standalone Act). Transfer agreements may set out which responsibilities and infrastructure would be transferred to the water organisation, and which would remain with the council.

Management of stormwater networks, including overland flow paths and watercourses in urban areas

The standalone Act makes changes to improve the management of stormwater networks, including overland flow paths and urban watercourses. The key changes are:

- Clarifying that the definition of the urban stormwater network includes network infrastructure and related green stormwater infrastructure, overland flow paths, and urban watercourses.
- Providing for stormwater network risk management plans to provide a strategic framework for the delivery of stormwater services that is focused on the management of risk and hazards to critical infrastructure that could adversely impact on the operation of the stormwater network.
- Enabling stormwater bylaws to be made to provide a regulatory tool to impose requirements to protect the operation of critical infrastructure and the management of overland flow paths and watercourses on private land.
- Specifying territorial authority and private landowner statutory roles and responsibilities in relation to the management of overland flow paths and urban watercourses.
- Enabling service agreements for stormwater networks to enable a water service provider to enter into an agreement with other parties to support integrated management of the stormwater network.

These provisions apply to all stormwater management obligations that are contained within the stormwater service zone identified in a transfer agreement or water services strategy. A stormwater service zone can include urban areas and any other land within the district(s) that provides stormwater services to, or receives stormwater services from, the stormwater network. Councils may identify zones in transfer agreements or water services strategies and can recover stormwater charges for services that are located in a stormwater service zone.

Why are these changes needed?

Urban intensification and climate change are increasing pressure on the delivery of stormwater services. Extreme weather events have highlighted the importance of stormwater management, and the potential risks to people and property when stormwater networks do not perform effectively.

In addition, councils' management of stormwater has been impacted by the uncertainty around legal responsibilities, limited regulatory tools, and information gaps. Collectively, these issues have made it challenging to effectively manage stormwater networks, particularly overland flow paths and watercourses (an urban area's natural drainage system). This can expose people and property to significant flood risks.

Councils need a range of tools to be able to adopt new approaches to the management of the stormwater network to meet current and future challenges. However, it is important that councils continue to have choices about how best to deliver stormwater services, given the interrelationship with land use planning and other areas of councils' responsibilities including roads, parks and reserves that impact on stormwater outcomes.

What does this mean for councils?

As discussed above, councils can choose the arrangements for the management of stormwater services that best suit their circumstances.

The standalone Act gives them flexibility to contract or transfer responsibility for the delivery of a range of services (for example, maintenance and operation of the network, and/or technical and specialist advice) to leverage the capability and capacity of the new water organisations.

Councils can continue to have a strong influence on stormwater outcomes in their city or district

While councils can contract or transfer the delivery of stormwater services to a water organisation, they can use those agreements and future planning documents provided for in the standalone Act (statement of expectations and water services strategies) to set directions and priorities for water organisations.

These changes maintain the incentives on councils to consider how they will align land use planning, stormwater services and investment to support the management of stormwater services and continue to leverage councils' existing networks with the communities.

The standalone Act also provides an enabling framework for the development of service agreements, which can be used by councils, water organisations and other agencies to support the integrated management of the stormwater network.

Supporting the management of the stormwater network

The standalone Act clarifies responsibilities for the management and operation of the stormwater network. The standalone Act's provisions are intended to provide a planning and regulatory framework to support water services providers to manage stormwater services. Environmental regulation of the network continues to be provided for under the Resource Management Act 1991.

The standalone Act defines stormwater network so that it includes the reticulated network infrastructure and includes green water services infrastructure, overland flow paths and watercourses that receive stormwater from, or discharge to, the reticulated network. The reticulated network relies on the conveyance capacity of those overland flow paths and urban watercourses and managing all these components is critical to the performance of the stormwater network.

The standalone Act also specifies water service providers' and private landowners' statutory roles, responsibilities and obligations in relation to the management of private stormwater infrastructure, overland flow paths and urban watercourses. As part of this approach, councils will be required to:

- develop a stormwater network risk management plan to identify how risks and hazards related to critical stormwater network infrastructure, including those on private land will be managed;

- work with private landowners (as required) in relation to privately owned reticulated network infrastructure where it is connected to the stormwater network, or to protect and maintain the conveyance capacity of overland flow paths and urban watercourses; and
- develop (as required) stormwater bylaws that would provide direction to private landowners on their responsibilities for maintenance and protection of the conveyance capacity of overland flow paths and urban watercourses on their land.

The intention is that these new provisions will provide clarity to water service providers and landowners on their respective obligations and duties. It means that water service providers will need to identify network risks and hazards and target operational activities to protect critical stormwater network assets.

The stormwater network risk management plans (plans) provide a risk-based framework for the operation of the stormwater network to ensure that risks and hazards that adversely impact on the operation of critical infrastructure are identified and managed. While the plans are expected to inform the development of the water services strategy and any related activity/asset management planning, they also provide a framework for stormwater bylaws that may apply to stormwater network. The first plan must be prepared within three years of the standalone Act commencing so by 27 August 2028.

Stormwater management has a range of interfaces and overlapping jurisdictions that require different parties to work together to manage their respective statutory roles and functions to support the integrated management of the stormwater network. Many councils already use service level agreements to identify and set out roles and responsibilities to manage the interactions between different parts of council, or between councils and other agencies. The standalone Act adopts this approach and provides for service agreements that can be used by those parties to support these working relationships. While these agreements are generally voluntary, they are mandatory in relation to transport corridors that are local roads.

Transport corridors

The standalone Act also includes specific provisions that apply to stormwater infrastructure in transport corridors. Councils must ensure that any agreement, contract, or arrangement does not transfer the ownership or control of any transport corridor stormwater infrastructure. This is intended to protect the primary transport function of transport corridors, by ensuring that councils (as transport corridor managers) retain control or the ability to make decisions or veto activities that impact on that transport function.

However, this does not prevent councils from allocating some or all the operational responsibilities for managing the transport corridor stormwater infrastructure to support integrated management of the stormwater network and/or leverage the increased capacity and capability from the establishment of a water organisation. As discussed above, service agreements provide a mechanism to set out set out roles and responsibilities, including any funding arrangements.

Rural drainage

These provisions do not generally apply to rural drainage schemes developed and operated under the Land Drainage Act 1908. However, water races and drainage work may be located within a stormwater services zone. Within those zones, council responsibilities for those schemes may be transferred to a water organisation and/or service agreements may be used to manage the interaction between rural water and drainage schemes and the urban stormwater network.

Further information

The Local Government (Water Services) Act 2025 and the Local Government (Water Services) (Repeals and Amendments) Act 2025 are available at www.legislation.govt.nz.

For further information about Local Water Done Well, including guidance and information for councils, visit www.dia.govt.nz/Water-Services-Policy-and-Legislation

Questions? Contact waterservices@dia.govt.nz