



September 2025

## LOCAL WATER DONE WELL

### *Factsheet: Drinking water quality regulation*

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: Drinking water quality regulation* shared in August 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 changes to the drinking water quality regulatory framework. These changes affect drinking water suppliers – regulated by the Water Services Authority – Taumata Arowai (the Authority) under the Water Services Act 2021. The changes relating to Te Mana o te Wai also affect wastewater and stormwater network operators.

This factsheet covers changes that affect very small drinking water suppliers, other drinking water suppliers, and mixed-use rural water schemes. It also covers changes affecting the approach to applying Te Mana o te Wai.

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

### **What does the legislation do?**

The Repeals and Amendments Act includes a range of changes that aim to reduce the cost and burden for drinking water suppliers associated with complying with the Water Services Act 2021. The changes are designed to improve the efficiency and effectiveness of the drinking water regulatory regime, and the approach the Authority takes to regulating this regime.

### **Improving the drinking water quality regulatory regime to reduce the cost of compliance**

#### *Reducing the regulatory burden on very small 'shared domestic' supplies*

The Authority has developed a range of tools to ensure that small drinking water supplies have low-cost options to provide safe drinking water. In general, the simpler (or lower-risk) the supply is, the simpler the requirements.

The Repeals and Amendments Act reduces the regulatory burden on small suppliers, by excluding known, 'shared domestic supplies' serving 25 consumers or fewer from regulation.

This change focuses on lower risk supplies (that are known to the consumer), including those that supply neighbouring domestic properties (such as where a farm supplies drinking water to a small number of nearby properties).

This means these suppliers are no longer required to register with the Authority or to meet other requirements in the Water Services Act 2021, such as preparing a drinking water safety plan.

Higher-risk community supplies (such as community halls and marae) are not covered by this exclusion, irrespective of whether there are 25 or fewer consumers.

This approach will help ensure that regulation is proportionate to the risk profile, capacity and complexity of the supply, but does not leave consumers without protection. The Authority will continue to make practical guidance available to all suppliers, so they know how to make their water safe.

### ***Other changes to help reduce the cost of compliance***

The Repeals and Amendments Act includes other changes to reduce regulatory requirements and compliance costs for a wider range of drinking water suppliers, that would not be covered by the 'shared domestic' supply exclusion above.

These changes include:

- requiring renewals of registration with the Authority every five years instead of annually;
- extending the timeframe for currently unregistered supplies to register by an extra three years, plus an extra two years to become compliant;
- ensuring the Authority considers the cost of compliance on suppliers when performing and delivering its objectives, functions and duties;
- ensuring the regulatory framework is proportionate to the scale, complexity, and risk profile of each drinking water supply, including the consideration of cost and affordability for the users of the supplies;
- ensuring the Authority proactively engages with suppliers and network operators to ensure that there is a path to compliance that takes into account the risk profile and capacity of the supplier or network operator itself;
- requiring the Authority to issue drinking water acceptable solutions. Ensuring these templates are readily available to a greater number of suppliers will help reduce the regulatory burden and costs for suppliers, by reducing the need for suppliers to develop their own bespoke solutions<sup>1</sup>; and
- enabling the Authority to proactively issue exemptions from certain regulatory requirements, where compliance with the Water Services Act 2021 is impractical,

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<sup>1</sup> Acceptable solutions are a ready-made option (template) to help drinking water suppliers meet standards. They apply to specific supply types and remove the need to submit a drinking water safety plan, if implemented in their entirety. Currently there are three acceptable solutions: Roof Water Supplies, Spring and Bore Drinking Water Supplies, and Mixed-Use Rural Water Supplies.

inefficient, unduly costly or burdensome. For example, the Authority could exempt community drinking water suppliers serving 25 or fewer consumers from requirements to prepare a drinking water safety plan.

### ***Supporting mixed-use rural water schemes***

Mixed-use rural water schemes provide relatively small quantities of drinking water, and larger quantities of water for commercial farming purposes.

The Repeals and Amendments Act makes two key changes that reflect the unique characteristics of these suppliers, and reduce compliance costs. These are:

- Changing the operating principles of the Authority to specifically refer to mixed-use rural supplies. This means the Authority is expected to consider compliance costs for mixed-use rural water schemes in the context of their circumstances, including their scale, complexity, and risk profile.
- Requiring the Authority to include specific information on mixed-use rural water schemes in its annual drinking water regulation report and its drinking water compliance, monitoring, and enforcement strategy.

Earlier this year, the Authority established the Mixed-use Rural Suppliers and Consumers Advisory Group (the Group) to understand what can be done to improve the quality of drinking water while minimising compliance costs. The Group has a broad rural representation including several rural Mayors, industry groups such as Federated Farmers, rural health experts, the rural school association and mixed-use rural suppliers.

Based on feedback from the Group, the Authority refined the acceptable solutions to make them easier to understand and use, save suppliers and their communities time and costs, while providing safe drinking water.

Key changes included:

- Enabling the use of lower-cost unvalidated units for domestic supplies. Validated units will still be required in higher risk situations such as schools.
- Allowing up to 10 buildings (the current limit is three) to be supplied from a single treatment system.
- Reduced monitoring and reporting requirements.

The changes were widely supported during consultation. The Authority aims to publish the updated acceptable solutions close to the commencement of the Repeals and Amendments Act and engage with the rural sector to ensure there is awareness of the changes.

### **The Water Services Authority – Taumata Arowai**

In line with the Government's intention that government agencies have an English name first, the Repeals and Amendments Act amends the Water Services Act 2021 to refer to the Water Services Authority – Taumata Arowai.

## Change in approach to Te Mana o te Wai

The Repeals and Amendments Act repeals the requirements in water services legislation to give effect to Te Mana o te Wai.

As part of this change, the Repeals and Amendments Act updates the operating principles that apply to the Authority, which included a reference to Te Mana o te Wai as part of the principle to partner and engage early and meaningfully with Māori.

Under the amended operating principle, this engagement will relate to informing how the Authority can take into account any relevant national directions made under Part 5 of the Resource Management Act 1991 (RMA), and any regional plans prepared under the RMA that relate to freshwater, as part of the delivery of its objectives, functions, and duties.

## What does this mean for councils and other drinking water suppliers?

These changes support a regulatory response that is proportionate to the scale, complexity, and risk profile of each drinking water supply.

For councils and other drinking water suppliers, reduced regulatory requirements – and changes to the regulatory approach taken by the Authority – have the potential to reduce the costs of compliance. This is particularly likely for smaller, private and rural suppliers.

## Further information

The Local Government (Water Services) Act 2025 and Local Government (Water Services) (Repeals and Amendments) Act 2025 are available at [www.legislation.govt.nz](http://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](http://www.dia.govt.nz/Water-Services-Policy-and-Legislation)

**Questions?** Contact [waterservices@dia.govt.nz](mailto:waterservices@dia.govt.nz)