



September 2025

LOCAL WATER DONE WELL

Factsheet: Water services regulatory powers – bylaws, offences and compliance

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.

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:

- regulatory plans for managing connections, trade waste discharges, stormwater, and drinking water catchments;
- bylaws for water services, based on regulatory plans and as otherwise needed, such as for water conservation; and
- offence provisions, including infringements.

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

Regulatory powers for water services – what does the legislation say?

Territorial authorities continue to have overall responsibility for bylaws to ensure local democratic accountability for law-making, given that water organisations may operate independently from councils, and may be owned by multiple councils or consumer trusts. Territorial authorities can choose to delegate the administration and enforcement of some or all water service bylaws to water organisations, as well as other roles such as consultation.

The standalone Act clarifies the roles and responsibilities of water organisations and councils in making and administering of bylaws, and the process and timeline for review of existing water-related bylaws. A sequence of deadlines for review of existing water services bylaws gives some flexibility to allow territorial authorities and water organisations to prioritise their local needs and when they will be addressed.

New bylaw provisions, including management plans

The standalone Act enables water service providers to manage water supply and wastewater services with locally relevant bylaws, offence provisions and infringement tools, rather than the current bylaws provisions in the LGA02. For several key areas, mandatory regulatory management plans will guide bylaw development and public understanding of necessary rules.

In future, all water service bylaws must be made under section 258 of the standalone Act, and detailed provisions for certain aspects are found in relevant sections of the standalone Act, as set out in the table below.

Area	Regulatory requirements (alternative or replacement of current bylaws)
<p>Connections approvals</p>	<p>Territorial authorities may choose to make a bylaw to establish an approvals process to regulate connections to water services networks (s 147). Bylaws for connections must include three steps:</p> <ul style="list-style-type: none"> • approval of concept plans; • approval of engineering plans; and • sign-off. <p>More than one step at the same time may be approved, and applications may be amended during the approval process or resubmitted in an amended form after an initial decision. Written approval for the purposes of the Resource Management Act 1991 may be issued after approval under step 1 or step 2 of the approval process. Applicants can seek a review of a decision not to grant a permit, beginning with an internal review and proceeding with appeals to the District Court through to the Supreme Court if necessary (ss 151 – 157).</p> <p>Connections approval processes, whether by bylaws or existing processes, will be supported by a requirement for water service providers to publish network maps and capacity utilisation and asset details within four years (by August 2029 – see section 158).</p>
<p>Managing trade waste¹</p>	<p>Territorial authorities (or if delegated, water organisations) are required to manage trade waste discharges by developing and publishing trade waste plans, in consultation with interested parties, within two years (by August 2027 – see sections 185 to 188). Bylaws to improve compliance and enforcement may be recommended in these plans, including a system of permits, certification and registration for trade waste customers (commercial and industrial organisations).</p>

¹ “Trade waste” is commercial and industrial liquid waste that is discharged into the wastewater system, rather than being discharged directly onto land or water.

Area	Regulatory requirements (alternative or replacement of current bylaws)
	<p>Permits issued based on trade waste plans can set any necessary conditions on the quality, quantity and timing of discharges, as well as testing requirements. The standalone Act also provides for a regime whereby customers can seek a review of a decision not to grant a permit, beginning with an internal review and proceeding with appeals to the District Court through to the Supreme Court if necessary (ss 191 – 197).</p>
Stormwater	<p>Water service providers must prepare stormwater network risk management plans, following public and targeted consultation, within three years of enactment (by August 2028 – see sections 201 to 204). The possible scope of supporting stormwater bylaws (which may be made under section 258) is detailed in section 206, and includes:</p> <ul style="list-style-type: none"> • Identifying the requirements on private landowners in relation to managing overland flow paths and watercourses including notifying any impairments or activities that could affect stormwater capacity on their land. • Providing for the management and operation of a stormwater network including obstructions and diversions of stormwater, ground soakage systems, alterations to the network, and damage to the network. <p>Stormwater bylaws cannot apply to transport corridors. Interactions with transport corridors must be managed through service agreements (these are mandatory for local roads – see section 211).</p> <p>See separate Factsheet Future arrangements for stormwater for greater detail.</p>
Controlling drinking water catchments (such as reservoirs)	<p>All suppliers of drinking water have been required to prepare source water risk management plans under section 43 of the Water Services Act 2021 (WSA), since that Act came into force in 2021.</p> <p>These requirements will cover all water service providers. These plans must be based on the scale, complexity, and risks to the drinking water supply, including identifying how those risks will be managed, controlled, monitored, or eliminated as part of a drinking water safety plan.</p> <p>The WSA has been amended by section 43A to additionally require water service providers to describe the land around the drinking water supply or that is a groundwater catchment and whether bylaws to control access to and activities in the catchment area are needed. Bylaws for these purposes can be proposed under standalone Act section 260.</p>

Process and timeline for reviewing existing water-related bylaws

The standalone Act requires all territorial authorities to review all their bylaws relating to water services within two years of enactment. This requirement gives territorial authorities flexibility to sequence their work within that two-year period and replaces any reviews due under LGA02 sections 158 and 159 (see section 263 (8)). Any changes or new bylaws identified as required through the review must be made within five years of enactment.

These reviews must consider the consistency of existing bylaws with the new legislation and conclude with a plan for any required changes. In the case of multi-council arrangements, the review must be a joint one but resulting bylaws may differ for different councils.

The implementation of plans, and any new/changed bylaws must take place within the five years following enactment. Thereafter, reviews of bylaws are required every ten years.

This approach enables greater efficiency and local flexibility in the timeline and sequencing for the review of existing water-related bylaws.

Bylaw-making powers remain with territorial authorities and cannot be delegated, ensuring democratic accountability

Only territorial authorities have the power to make, amend or revoke bylaws, but new or amended water services bylaws may be initiated by territorial authorities or water organisations (see section 258). Before making a water services bylaw, a territorial authority must consult with and consider any comments from any water organisation in their district, as well as following the consultation requirements of LGA02 section 156.

Water organisations can propose new bylaws or amendments which territorial authorities must consider (see sections 258 to 260), based on the current process for Watercare and Auckland Council.²

Outline of process:

- A water organisation proposes a new bylaw or amendment or revocation of existing bylaw to council.
- The territorial authority must decide whether public consultation is undertaken by the territory authority under section 156 of LGA02 or by the water organisation.
- Following the consultation, depending on who it has been undertaken by, either:
 - the territorial authority decides to confirm, amend or decline the proposal (for which reasons must be given) OR
 - the water organisation decides to confirm, amend or withdraw the proposal.
- The territorial authority must then assess the final proposal against specified criteria and make the bylaw as long as it meets those criteria.

² See Local Government (Auckland Council) 2009, sections 61 to 62.

Why have these changes been made?

The intention of these provisions in the standalone Act is to increase consistency, providing greater clarity and promoting best practice.

There is a need to modernise and streamline current provisions relating to bylaws to enable greater consistency in how they are applied across different areas and to ensure they enable appropriate and effective compliance and enforcement.

Preparation and publication of plans addressing key elements of water services (network capacity for connections, stormwater, and trade waste discharge) will ensure that all parties are aware of risks and requirements. Basing bylaws on publicly consulted plans (e.g. trade waste plans) or clear, understood frameworks (e.g. connections) will support a proactive approach to encouraging voluntary compliance, not just responding to breaches.

Breaches of bylaws and offences – what does the legislation say?

Breaches of bylaws and offences will be able to be met with a proportionate response including education and support, compliance orders, infringement fines, or prosecution – which can result in fines or imprisonment.

A wide range of offences are specified in Part 5, subpart 3, with penalties reflecting the seriousness of the offence, including the conduct and harm caused.

Infringement fines are available if provided for in a bylaw (up to \$1,000 for individuals and \$3,000 for corporate bodies) for certain less serious offences specified in Part 5, where an immediate response is appropriate, and court action would be disproportionate.

Enforcement action can be undertaken by compliance officers, warranted either by territorial authorities or water organisations, who have wide range of powers to allow for proportionate responses for various situations (see Part 5, subpart 2).

Why have these changes been made?

The current regime does not allow for graduated enforcement (including infringements), which means the options available to councils in instances of noncompliance are limited, and may be disproportionate.

What does this mean for councils and council-controlled organisations (CCOs)?

Modernised provisions for bylaws will give water service providers greater flexibility to choose methods of compliance and enforcement that best suit their local circumstances and needs.

For example, locally developed trade waste plans will enable water service providers to control the thresholds and conditions for discharges to meet local conditions, such as the capacity or vulnerability of local environments and systems, balanced with the needs of local businesses.

Provisions allow for multi-council arrangements to take different approaches to bylaws where there are good reasons to but also require joint reviews to promote consistency.

Next steps: timeframes for transitional and ongoing arrangements

The standalone Act sets out the process and timeline for reviewing existing bylaws and transitioning to new ones. As noted above, there is a sequence of deadlines for these changes which will allow territorial authorities to prioritise the work according to local needs.

Action	Details	Deadline
Status Quo	Current bylaws remain in effect, and LGA02 section 158 and 159 review requirements do not apply. Any new water services bylaws must be made under section 258 - LGA02 can no longer be used. ³	
Initial bylaws review	However, territorial authorities must review all water services bylaws to ensure they are consistent with the requirements of the standalone Act. Local water organisations must be invited to propose new or amended bylaws. Territorial authorities will need to consider whether to replace each bylaw with a new water services bylaw. (See section 263)	August 2027
Preparation and publication of management plans	Source water risk management plans	Current requirement
	Trade waste discharge plan	August 2027
	Stormwater risk management plan	August 2028
	Network maps and capacity utilisation and assets details	August 2029, then ongoing

³ Repeals and Amendments Act Schedule 8.

Transition to new bylaw provisions	For any bylaws not confirmed as consistent with the standalone Act, territorial authorities must develop plans, including timing of any necessary steps, so that the necessary amendments, revocations, or replacements will be done within five years of commencement (section 263).	August 2030
Ongoing review	Thereafter, water services bylaws must be reviewed every 10 years, and any bylaws not reviewed or updated within the relevant time limit will be automatically revoked (sections 264 and 266).	Revocation may occur from August 2032 if initial review and actions have not happened

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