



January 2026

LOCAL WATER DONE WELL

Outline of templates and guidance for establishing new water organisations

This document provides an outline of templates and guidance materials to support councils that are considering the establishment of a new water organisation to delivery water services (such as a single or multi-council owned council-controlled organisation or consumer trust).

These templates were developed in conjunction with external counsel and comply with the relevant statutory requirements of the:

- Local Government (Water Services) Act 2025;
- Local Government (Water Services Preliminary Arrangements) Act 2024;
- Property Law Act 2007;
- Companies Act 1993; and
- Trusts Act 2019.

The templates have been updated following the enactment of the Local Government (Water Services) Act 2025 to reflect amendments made to the Bill during the legislative process.

How to use these templates

These templates are generic and do not constitute legal advice to any council.

Each council should consider whether the templates are sufficient in their particular circumstances, or whether specific advice (including legal) should be sought.

For the avoidance of doubt, these templates cannot be considered a recommendation or inducement by the Department for the use of any particular water services delivery arrangement to any particular council.

The templates include comments that provide instructions for how to complete the templates.

| Single-council water organisation model | |
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| Template & Guidance | Description |
| A1 Transfer Agreement | <p>This template provides for the transfer of the council's water assets and liabilities from the sole council shareholder to the new water organisation and will specify:</p> <ul style="list-style-type: none">• matters being transferred;• matters not being transferred;• the transfer terms, including warranties;• matters of shared interest;• arrangements relating to whether the council or water organisation will undertake charging and revenue collection. |
| A2 Water Organisation (single council) Constitution - | <ul style="list-style-type: none">• This Constitution sets out how the water organisation will be run by its board of directors and how decisions will be made, including to prescribe processes relating to the management of share issues, meetings and resolutions, the appointment and removal of directors, directors' powers, and board proceedings. |

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| A3 Directors and officers deed of indemnity and insurance for water organisation | This template provides for the water organisation to indemnify and insure its directors and officers from personal liability that may arise in their capacity as directors and officers of the water organisation. The indemnity will not, for example, cover liability arising from a breach of the director's duties. |
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| Multi-council water organisation model | |
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| Template & Guidance | Description |
| B1 Councils' Commitment Agreement | A Commitment Agreement sets out how councils work together to develop and establish the water organisation, including a list of the key activities and programme, allocation of roles and sharing of resources, accountability measures and the governance structure during the period leading up to the establishment of the water organisation. |
| B2 Shareholders' Agreement (multi-council) | The Shareholders' Agreement sets out the rights and obligations of each shareholding council of the water organisation in relation to governance and decision making, and other rights and obligations that shareholders will owe to each other. This template also provides for the formation of a shareholder council that will be responsible for jointly setting shareholder expectations, appointing the board and overseeing its performance, with terms of reference set out in a shareholder charter. |
| B3 Transfer Agreement | This template provides for the transfer of the councils' water assets and liabilities from each council shareholder to the new water organisation and will specify: <ul style="list-style-type: none"> • matters being transferred; • matters not being transferred; • the transfer terms, including warranties; • matters of shared interest; • arrangements relating to whether the council or water organisation will undertake charging and revenue collection. |
| B4 Water Organisation (multi-council) Constitution | <ul style="list-style-type: none"> • This Constitution sets out how the water organisation will be run by its board of directors and how decisions will be made, including to prescribe processes relating to the management of share issues, meetings and resolutions, the appointment and removal of directors, directors' powers, and board proceedings. |
| B5 Directors and officers deed of indemnity and insurance for water organisation | This template provides for the water organisation to indemnify and insure its directors and officers from personal liability that may arise in their capacity as directors and officers of the water organisation. The indemnity will not, for example, cover liability arising from a breach of the director's duties. |

| Consumer trust model (applicable both where water organisation is wholly owned by a consumer trust, or co-owned between a consumer trust and council(s)) | |
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| Template & Guidance | Description |
| C1 Consumer Trust Deed | The Consumer Trust Deed sets out the purpose, structure and governance of the consumer trust and establishes the rights of beneficiaries and obligations of the trustees |
| C2 Trustee resolution | The Trustee Resolution will provide for the first formal decisions made by the trustees following the establishment of the trust including the acceptance of trustees' roles |
| * See also: - Transfer agreement - Shareholders Agreement - Water Organisation Constitution - Directors and officers deed of indemnity and insurance | <p>These templates are relevant to the incorporation of the water company which will be owned by the consumer trust. Where the water organisation is wholly owned by the consumer trust, use the templates for the single-council water organisation model (A1, A2, A3)</p> <p>Where the water organisation is co-owned by a consumer trust and council(s), use the templates for the multi-council water organisation model (B2, B3, B4, B5)</p> |

These templates are available at: www.dia.govt.nz/Water-Services-Information-and-guidance-for-councils