2025/89

Water Services (Levies on Water Services) Regulations 2025

Cindy Kiro, Governor-General

Order in Council

At Wellington this 19th day of May 2025

Present:
Her Excellency the Governor-General in Council

These regulations are made under section 201 of the Water Services Act 2021—

(a) on the advice and with the consent of the Executive Council; and

(b) on the recommendation of the Minister of Local Government made after complying with the requirements of section 201(2) of that Act.

Contents

Regulations

1 Title

These regulations are the Water Services (Levies on Water Services) Regulations 2025.

2 Commencement

These regulations come into force on 1 July 2025.

3 Interpretation

In these regulations, unless the context otherwise requires,—

2026 financial year means the financial year starting on 1 July 2025 and ending on 30 June 2026

2027 financial year means the financial year starting on 1 July 2026 and ending on 30 June 2027

2028 financial year means the financial year starting on 1 July 2027 and ending on 30 June 2028

census means the census of population and dwellings carried out by Statistics New Zealand under the Data and Statistics Act 2022

council-controlled organisation has the meaning given to it in section 6(1) of the Local Government Act 2002

GST means goods and services tax payable under the Goods and Services Tax Act 1985

liable entity means the territorial authority of a district or the water organisation that is the drinking water supplier, wastewater network operator, or stormwater network operator in that district

quarterly payment period means the quarterly period to which an invoice relates

water organisation means a council-controlled organisation that provides water services.

4 Transitional, savings, and related provisions

The transitional, savings, and related provisions set out in the Schedule have effect according to their terms.

Part 1
Levies on water services

5 Levies on water services

Separate annual levies are payable in respect of each of the following water services:

(a) water supply:

(b) wastewater:

(c) stormwater.

6 Apportionment of levies

(1) Taumata Arowai must apportion the total amount of levies payable in respect of water services in any given financial year between districts using the following calculation:

(a) divide the total amount of levies by the total population of New Zealand (excluding the population of the Chatham Islands) at the date of the most recent census to obtain the per-person cost of the levies; then

(b) multiply this cost by the population of each district (excluding the Chatham Islands Council district) at the date of the most recent census to obtain the total amount of levies payable for that district; then

(c) determine the annual levy payable in respect of each water service by apportioning the total amount of levies payable for that district between the 3 water services, using the prescribed percentage split for the relevant financial year.

(2) Taumata Arowai must carry out the calculation set out in subclause (1) for a financial year before the start of that financial year.

(3) An apportionment of levies applies for the entire financial year, even if new census data becomes available during that year.

7 Liability to pay levies

(1) If the territorial authority of a district is the drinking water supplier, wastewater network operator, or stormwater network operator for the district, the territorial authority is liable to pay the levies in respect of those water services delivered in that district.

(2) However, if a water organisation is the drinking water supplier, wastewater network operator, or stormwater network operator, the water organisation is liable to pay the levy in respect of the water services delivered by the water organisation in that district.

(3) Despite subclause (2), a territorial authority and a water organisation may agree that the territorial authority will pay the levy.

8 Chatham Islands Council

The Chatham Islands Council is not liable to pay levies under these regulations.

9 Levies payable to Taumata Arowai on quarterly basis in advance

(1) The liable entity must pay levies to Taumata Arowai on a quarterly basis in advance.

(2) Levies must be paid by the last day of the month preceding the quarterly payment period.

10 Invoices

(1) Taumata Arowai must issue invoices for the quarterly periods ending on the following dates each year:

(a) 31 March:

(b) 30 June:

(c) 30 September:

(d) 31 December.

(2) Taumata Arowai must issue invoices by the tenth day of the month preceding the quarterly payment period.

(3) If a territorial authority has entered into an agreement with a water organisation under regulation 7(3), the territorial authority must notify Taumata Arowai that the territorial authority will pay the levy to which the agreement relates.

(4) If Taumata Arowai receives a notification under subclause (3), invoices for the levy must be issued to the territorial authority.

11 Levies exclusive of GST

The levies are exclusive of any GST.

12 Chief executive may waive or refund levies

(1) The chief executive may grant a waiver or refund of levies, in whole or in part, in any particular case or class of case to which 1 or more of the following circumstances apply:

(a) the amount of the levies is less than the reasonable cost of recovering the levies:

(b) Taumata Arowai has made an administrative error:

(c) Taumata Arowai's audited financial statements, over a reasonable period of time, show that there has been an over-recovery of Taumata Arowai's actual costs:

(d) the chief executive is satisfied that it would be unreasonable or unfair to require payment of the levies.

(2) If Taumata Arowai decides to waive levies, in whole or in part, Taumata Arowai must publish the decision, and Taumata Arowai's reasons for the decision (including why the waiver is appropriate), on an internet site maintained by or on behalf of Taumata Arowai.

13 Minister must review levies

(1) The Minister must, on the advice of Taumata Arowai, review the levies payable under these regulations.

(2) The Minister must consider the following at each review:

(a) whether it is appropriate to increase, decrease, or maintain—

(i) the total amount of levies; and

(ii) the prescribed percentage split of the levies across the water services; and

(b) whether it is appropriate to make any changes to the design of the levies.

(3) Before making any changes to the total amount of levies, the prescribed percentage split, or the design of the levies, the Minister must consult with any territorial authorities and water organisations who may be affected by the proposed changes.

(4) Once the review is complete, the levies may be fixed for the following 1, 2, or 3 financial years.

14 Timing of ministerial reviews

(1) The Minister must complete the first review by 30 June 2028.

(2) The Minister must start subsequent reviews—

(a) no earlier than 1 year after the start of the previous review; and

(b) no later than 3 years after the start of the previous review.

(3) However, the frequency of subsequent reviews must match the period for which levies are fixed under regulation 13(4).

Part 2
Levies for 2026, 2027, and 2028 financial years

15 Levies for 2026, 2027, and 2028 financial years

For the purposes of regulation 6(1)(a), the total amount of levies payable in respect of water services is $20,658,000 per annum for each of the following financial years:

(a) the 2026 financial year:

(b) the 2027 financial year:

(c) the 2028 financial year.

16 Percentage split of levies across water services for 2026, 2027, and 2028 financial years

For the purposes of regulation 6(1)(c), the percentage split of the levies across the water services for the 2026, 2027, and 2028 financial years is as follows:

(a) for the 2026 and 2027 financial years,—

  (i) for water supply, 75%:

  (ii) for wastewater, 21%:

  (iii) for stormwater, 4%; and

(b) for the 2028 financial year,—

  (i) for water supply, 74%:

  (ii) for wastewater, 21%:

  (iii) for stormwater, 5%.

Schedule
Transitional, savings, and related provisions

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Part 1
Provisions relating to these regulations as made

1 Levies for period 1 July 2025 to 30 September 2025 payable in arrears

(1) Despite regulation 9, a liable entity must pay levies to Taumata Arowai in respect of the period beginning on 1 July 2025 and ending on 30 September 2025 in arrears.

(2) A liable entity must pay the levies referred to in subclause (1) within 3 weeks of receipt by the liable entity of an invoice for the levies from Taumata Arowai.

2 Invoices for period 1 July 2025 to 30 September 2025

Despite regulation 10, Taumata Arowai must issue invoices in respect of the period beginning on 1 July 2025 and ending on 30 September 2025—

(a) no earlier than 1 July 2025; and

(b) no later than 21 July 2025.

Nicola Purvis,
Acting Clerk of the Executive Council.

Explanatory note

This note is not part of the regulations but is intended to indicate their general effect.

These regulations, which come into force on 1 July 2025, impose separate annual levies on the following water services:

- water supply:
- wastewater:
- stormwater.

The total amount of levies payable in respect of water services for the 3 financial years beginning on 1 July 2025 and ending on 30 June 2028 is $20,658,000 per annum.

Separate annual levies are payable in respect of water services delivered in a district. The levies are payable by drinking water suppliers, wastewater network operators, and stormwater operators in that district. However, if a water organisation is the drinking water supplier, wastewater network operator, or stormwater operator, the territorial authority for the district and the water organisation may agree that the territorial authority will pay the levy.

Taumata Arowai must apportion the total amount of levies payable in respect of water services in any given financial year between districts using the specified calculation.

The Chatham Islands Council is not liable to pay levies.

The levies are payable to Taumata Arowai on a quarterly basis in advance.

The chief executive of Taumata Arowai may grant a waiver or refund of levies in the specified circumstances, which include if Taumata Arowai's audited financial statements, over a reasonable period of time, show that there has been an over-recovery of Taumata Arowai's actual costs.

The Minister of Local Government must regularly review the levies, including considering whether it is appropriate to increase, decrease, or maintain the total amount of levies. Once a review is complete, the levies may be fixed for 1, 2, or 3 financial years.

Regulatory impact statement

The Department of Internal Affairs produced a cost recovery impact statement on 25 March 2025 to help inform the decisions taken by the Government relating to the contents of this instrument.

A copy of this cost recovery impact statement can be found at—

- https://www.dia.govt.nz/resource-material-regulatory-impact-statements-index#five
- https://www.regulation.govt.nz/our-work/regulatory-impact-statements/

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Wellington, New Zealand:

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