## Taumata Arowai-the Water Services Regulator Bill

Government Bill

#### **Explanatory note**

#### **General policy statement**

This Bill implements the Government's decision to create a new regulatory body to oversee, administer, and enforce the drinking water regulatory system. The Bill establishes Taumata Arowai—the Water Services Regulator (**Taumata Arowai**) as a new Crown agent and provides for its objectives, functions, operating principles, and governance arrangements.

The Bill is part of a broader package of reforms to the three waters regulatory system. It will be complemented by a separate Bill that will give effect to decisions to implement system-wide reforms to the regulation of drinking water and source water, and targeted reforms to improve the regulation and performance of wastewater and stormwater networks.

The approaches provided for in the Bill, and in the broader package of regulatory reforms, are intended to address issues and opportunities that were highlighted in the Government Inquiry into Havelock North Drinking Water and in the Government's Three Waters Review. These reforms are designed to—

- provide clear leadership for drinking water regulation, through a new, dedicated, centralised regulator:
- significantly strengthen compliance, monitoring, and enforcement relating to drinking water regulation, and equip the new regulator with the powers and resources needed to build capability, support suppliers of all kinds to meet their regulatory obligations, and take a tougher, more consistent approach to enforcement where needed:
- manage risks to drinking water safety and ensure that source waters are protected:

- ensure that more people can access water that is safe to drink, by requiring all suppliers (except individual domestic self-suppliers) to be part of the regulatory system, and to provide safe drinking water on a consistent basis:
- improve the environmental performance and transparency of wastewater and stormwater networks:
- improve national-level leadership, oversight, and support relating to wastewater and stormwater.

These intentions are reflected throughout the Bill, including in Taumata Arowai's objectives, functions, and operating principles.

The objectives and operating principles are designed to guide and inform how Taumata Arowai carries out its functions and duties. Many of the operating principles have an outward focus, relating to engagement and relationship-building with consumers and regulated parties, including Māori. There is also a strong focus on building and maintaining expertise and capability, both within Taumata Arowai itself and across the water services sector. This approach will help to build confidence in the safety of drinking water and in the overarching regulatory system.

Taumata Arowai will be a Crown agent. This is intended to achieve the necessary step-change from the status quo, and provide an appropriate form for a regulator that will deal with highly technical matters and have a significant emphasis on compliance and enforcement. Being a Crown agent will help Taumata Arowai to build credibility, have a dedicated, sustained focus on drinking water, and recruit highly skilled people. Taumata Arowai will have sufficient independence to protect the integrity of its decision making.

As a Crown agent, Taumata Arowai will have a governance board. It will also need to act consistently with the principles of the Treaty of Waitangi. One of the duties of the board is to ensure that Taumata Arowai maintains the systems and processes that enable it to act consistently with these principles, and to engage with Māori and understand perspectives of Māori.

The Bill provides for the establishment of a Māori Advisory Group to advise Taumata Arowai on Māori interests and knowledge, as they relate to the objectives, functions, and operating principles of Taumata Arowai, and the duties of the board. The role of the Māori Advisory Group includes providing advice on how to interpret and give effect to Te Mana o te Wai, and how to enable mātauranga Māori, tikanga Māori, and kaitiakitanga to be exercised. The intent is to ensure that Māori interests and knowledge are embedded throughout Taumata Arowai.

Te Mana o te Wai is not defined in the Bill. It is intended that the Māori Advisory Group will develop and maintain a framework that provides advice and guidance for Taumata Arowai on how to interpret and give effect to Te Mana o te Wai. This approach provides flexibility, and enables interpretations to change over time and adapt to different circumstances.

#### Departmental disclosure statement

The Department of Internal Affairs is required to prepare a disclosure statement to assist with the scrutiny of this Bill. The disclosure statement provides access to information about the policy development of the Bill and identifies any significant or unusual legislative features of the Bill.

A copy of the statement can be found at http://legislation.govt.nz/disclosure.aspx?type=bill&subtype=government&year=2019&no=202

#### Regulatory impact assessment

The Department of Internal Affairs produced a regulatory impact assessment on 30 September 2019 to help inform the main policy decisions taken by the Government relating to the contents of this Bill.

A copy of this regulatory impact assessment can be found at—

- https://www.dia.govt.nz/diawebsite.nsf/Files/Proactive-releases-Three-Waters-October-2019/\$file/Regulatory-Impact-Assessment-decision-on-the-organisational-form-of-a-new-drinking-water-regulator.pdf
- http://www.treasury.govt.nz/publications/informationreleases/ria

#### Clause by clause analysis

Clause 1 is the Title clause.

Clause 2 is the commencement clause. The Bill, other than clauses 10(b) and 11(e), comes into force on the day on which it receives the Royal assent. Clauses 10(b) and 11(e) come into force on the earlier of a date set by Order in Council, and 1 July 2021. These 2 clauses have a delayed commencement because Taumata Arowai will not take over as the actual regulator of the drinking water regulatory system until the repeal of Part 2A of the Health Act 1956 by a separate, planned, future Bill. These 2 clauses will come into force at the same time as Part 2A is repealed.

## Part 1

#### **Preliminary provisions**

Clause 3 states the purpose of the Bill as being to establish Taumata Arowai—the Water Services Regulator and provide for its objectives, functions, and governance arrangements.

Clause 4 defines certain terms used in the Bill.

Clause 5 sets out how the Bill recognises and respects the Crown's responsibility to consider and provide for Māori interests.

Clause 6 provides that the transitional, savings, and related provisions set out in Schedule 1 have effect according to their terms.

Clause 7 provides that the Bill binds the Crown.

#### Part 2

## Establishment, objectives, functions, and operation of Taumata Arowai—the Water Services Regulator

Subpart 1—Establishment, objectives, and functions of Taumata Arowai *Clause 8* establishes Taumata Arowai—the Water Services Regulator (**Taumata Arowai**).

Clause 9 provides that Taumata Arowai is a Crown entity for the purposes of section 7 of the Crown Entities Act 2004. That Act applies to Taumata Arowai unless otherwise expressly provided in the Bill.

Clause 10 sets out the statutory objectives of Taumata Arowai.

Clause 11 sets out the general functions of Taumata Arowai.

#### Subpart 2—Board of Taumata Arowai, and Māori Advisory Group

#### **Board**

Clause 12 provides that the board of Taumata Arowai is to consist of not fewer than 5, and not more than 7, members. In appointing members, the responsible Minister must ensure that the members collectively have knowledge and experience of, and capability in specified matters.

Clause 13 enables the board to delegate any of its functions or powers in accordance with section 73 of the Crown Entities Act 2004, except the power to appoint or remove the chief executive.

#### Māori Advisory Group

Clause 14 establishes the Māori Advisory Group, which is to consist of not fewer than 5, and not more than 7, members.

Clause 15 sets out the process for appointing members of the Māori Advisory Group. Appointments are to be made by the responsible Minister.

Clause 16 applies certain provisions of the Crown Entities Act 2004 to members of the Māori Advisory Group, including provisions relating to their term of office and removal from office, and provides for the remuneration of members.

Clause 17 sets out the role of the Māori Advisory Group. The group's role is to advise the board and Taumata Arowai on Māori interests and knowledge, as they relate to the objectives, functions, and operating principles of Taumata Arowai and the collective duties of the board. This role includes developing and maintaining a framework that provides advice and guidance for Taumata Arowai on how to interpret and give effect to Te Mana o te Wai.

The Bill does not define Te Mana o te Wai. It is expected that the Māori Advisory Group will advise the board and Taumata Arowai on how to interpret and give effect to Te Mana o te Wai.

### Subpart 3—Operations of Taumata Arowai

Clause 18 states operating principles to guide and inform Taumata Arowai in its performance and delivery of its objectives, functions, and duties. An associated provision in *clause 19* requires the board to ensure that Taumata Arowai acts in a manner consistent with the operating principles.

Clause 19 states additional duties that are collective duties of the board.

# Part 3 Miscellaneous provisions

Clause 20 amends the Ombudsmen Act 1975 and the Crown Entities Act 2004 as indicated in *Schedule 2*. The effect of these amendments is to make Taumata Arowai an organisation for the purposes of the Official Information Act 1982 and a Crown agent (for example, like Kāinga Ora–Homes and Communities) for the purposes of the Crown Entities Act 2004.

### Hon Nanaia Mahuta

## Taumata Arowai-the Water Services Regulator Bill

#### Government Bill

## Contents

		Page
1	Title	2
2	Commencement	2
	Part 1	
	Preliminary provisions	
3	Purpose	2
4	Interpretation	2
5	Māori interests	4
6	Transitional, savings, and related provisions	5
7	Act binds the Crown	5
	Part 2	
	Establishment, objectives, functions, and operation of Taumata Arowai–the Water Services Regulator	
	Subpart 1—Establishment, objectives, and functions of Taumata Arowai	
8	Taumata Arowai-the Water Services Regulator established	5
9	Taumata Arowai is Crown entity	5
10	Objectives of Taumata Arowai	6
11	Functions of Taumata Arowai	6
	Subpart 2—Board of Taumata Arowai, and Māori Advisory Group	
	Board	
12	Board	7
13	Board's power to delegate	8

	Māori Advisory Group	
14	Māori Advisory Group established	8
15	Appointment of members of Māori Advisory Group	8
16	Further provisions relating to Māori Advisory Group	8
17	Role of Māori Advisory Group	9
	Subpart 3—Operations of Taumata Arowai	
18	Operating principles	9
19	Additional collective duties of board	10
	Part 3	
	Miscellaneous provisions	
20	Consequential amendments	10
	Schedule 1	11
	Transitional, savings, and related provisions	
	Schedule 2	13
	<b>Consequential amendments to other Acts</b>	

#### The Parliament of New Zealand enacts as follows:

#### 1 Title

This Act is the Taumata Arowai—the Water Services Regulator Act 2019.

#### 2 Commencement

- (1) This Act (except **sections 10(b) and 11(e)**) comes into force on the day on 5 which it receives the Royal assent.
- (2) **Sections 10(b) and 11(e)** come into force on the earlier of—
  - (a) a date appointed by the Governor-General by Order in Council; and
  - (b) 1 July 2021.
- (3) One or more Orders in Council may be made under **subsection (2)(a)** 10 appointing different dates for different provisions.

# Part 1 Preliminary provisions

#### 3 Purpose

The purpose of this Act is to establish Taumata Arowai–the Water Services 15 Regulator and provide for its objectives, functions, and governance arrangements.

#### 4 Interpretation

In this Act, unless the context otherwise requires,—

board means the board of Taumata Arowai-the Water Services Regulator

council-controlled organisation has the meaning given to it by section 6 of

the Lo	ocal Go	overnment Act 2002	
		<b>If-supplier</b> means a stand-alone or single domestic dwelling that supply of water	5
Exam	ples		
A sing plier.	le rent	al property that is supplied by a rainwater tank is a domestic self-sup-	
		welling provided on a farm for farm workers that is supplied with water a own bore water supply is not a domestic self-supplier.	10
		ing building (for example, multiple separate apartments contained in a g) that has its own bore water supply is not a domestic self-supplier.	
		arekai or community hall that has its own river water supply is not a f-supplier.	
A café	buildir	ng supplied by a rainwater tank is not a domestic self-supplier.	15
drink	ing wa	nter—	
(a)	means used,	s water that is available to consumers from a point of supply, and for—	
	(i)	human consumption; or	
	(ii)	oral hygiene; or	20
	(iii)	the preparation of food, drink, or other products for human consumption; or	
	(iv)	washing utensils that are used for eating and drinking, or for pre- paring, serving, or storing food or drink for human consumption; but	25
(b)		not include bottled water that is prepared or manufactured by a business and is regulated under the Food Act 2014	
drink	ing wa	nter supplier—	
(a)		s a person who supplies drinking water to consumers through a ng water supply scheme; and	30
(b)	includand	les the owner and the operator of a drinking water supply scheme;	
(c)		les a drinking water supplier who supplies drinking water to er drinking water supplier; but	
(d)	does 1	not include a domestic self-supplier	35
_	_	arty means a drinking water supplier, a wastewater network oper- tormwater network operator	

**responsible Minister** means the Minister of the Crown who, under the authority of any warrant or with the authority of the Prime Minister, is responsible for the administration of this Act

**road controlling authority** has the meaning given to it by section 2(1) of the Land Transport Act 1998

5

10

15

20

25

30

#### stormwater network-

- (a) means the infrastructure and processes that are used to collect, treat, drain, and discharge stormwater from a built area or transport corridor; but
- (b) does not include drainage works located in a non-urban area **stormwater network operator** means a local authority, council-controlled organisation, subsidiary of a council-controlled organisation, or road controlling authority that operates a stormwater network

**Taumata Arowai** means Taumata Arowai—the Water Services Regulator established by **section 8** 

wastewater network means the infrastructure and processes that are used to collect, transmit through reticulation, treat, and discharge wastewater

wastewater network operator means a local authority, council-controlled organisation, or subsidiary of a council-controlled organisation that operates a wastewater network.

#### 5 Māori interests

In order to recognise and respect the Crown's responsibility to consider and provide for Māori interests,—

- (a) **section 10** provides that it is an objective of Taumata Arowai to give effect to Te Mana o te Wai, to the extent that Te Mana o te Wai applies to the functions and duties of Taumata Arowai:
- (b) **section 12** provides that the board must include members who, collectively, have knowledge and experience of, and capability in,—
  - (i) the Treaty of Waitangi (Te Tiriti o Waitangi) and its principles; and
  - (ii) perspectives of Māori and tikanga Māori:
- (c) **section 14** establishes the Māori Advisory Group:
- (d) **section 17(1) and (2)** provides that the role of the Māori Advisory Group is to advise on Māori interests and knowledge, which includes—
  - (i) developing and maintaining a framework on how to interpret and 35 give effect to Te Mana o te Wai; and
  - (ii) providing advice on how to enable mātauranga Māori, tikanga Māori, and kaitiakitanga to be exercised:
- (e) **section 17(3)** requires the board to—

(B) understand, support, and enable the exercise of mātauranga Māori and tikanga Māori and kaitiakitanga:  (g) section 19 requires the board to maintain systems and processes to ensure that, for the purposes of carrying out its functions under this Act, Taumata Arowai has the capability and capacity—  (i) to uphold the Treaty of Waitangi (Te Tiriti o Waitangi) and its principles; and  (ii) to engage with Māori and to understand perspectives of Māori.  6 Transitional, savings, and related provisions  The transitional, savings, and related provisions set out in Schedule 1 have effect according to their terms.  7 Act binds the Crown  This Act binds the Crown.  Part 2  Establishment, objectives, functions, and operation of Taumata Arowai—the Water Services Regulator  Subpart 1—Establishment, objectives, and functions of Taumata Arowai  8 Taumata Arowai—the Water Services Regulator established  This section establishes Taumata Arowai—the Water Services Regulator.			(i)	have regard to the advice of the Māori Advisory Group; and	
include—  (i) building and maintaining credibility and integrity, so that Taumata Arowai is trusted by Māori (among others); and  (ii) partnering and engaging early and meaningfully with Māori, including to inform how Taumata Arowai can—  (A) give effect to Te Mana o te Wai; and  (B) understand, support, and enable the exercise of mātauranga Māori and tikanga Māori and kaitiakitanga:  (g) section 19 requires the board to maintain systems and processes to ensure that, for the purposes of carrying out its functions under this Act, Taumata Arowai has the capability and capacity—  (i) to uphold the Treaty of Waitangi (Te Tiriti o Waitangi) and its principles; and  (ii) to engage with Māori and to understand perspectives of Māori.  6 Transitional, savings, and related provisions  The transitional, savings, and related provisions set out in Schedule 1 have effect according to their terms.  7 Act binds the Crown  This Act binds the Crown.  Part 2  Establishment, objectives, functions, and operation of Taumata Arowai—the Water Services Regulator  Subpart 1—Establishment, objectives, and functions of Taumata Arowai  8 Taumata Arowai—the Water Services Regulator established  This section establishes Taumata Arowai—the Water Services Regulator.  9 Taumata Arowai is Crown entity  (1) Taumata Arowai is a Crown entity for the purposes of section 7 of the Crown Entities Act 2004.			(ii)	1	
Arowai is trusted by Māori (among others); and  (ii) partnering and engaging early and meaningfully with Māori, including to inform how Taumata Arowai can—  (A) give effect to Te Mana o te Wai; and  (B) understand, support, and enable the exercise of mātauranga Māori and tikanga Māori and kaitiakitanga:  (g) section 19 requires the board to maintain systems and processes to ensure that, for the purposes of carrying out its functions under this Act, Taumata Arowai has the capability and capacity—  (i) to uphold the Treaty of Waitangi (Te Tiriti o Waitangi) and its principles; and  (ii) to engage with Māori and to understand perspectives of Māori.  6 Transitional, savings, and related provisions  The transitional, savings, and related provisions set out in Schedule 1 have effect according to their terms.  7 Act binds the Crown  This Act binds the Crown.  Part 2  Establishment, objectives, functions, and operation of Taumata Arowai—the Water Services Regulator  Subpart 1—Establishment, objectives, and functions of Taumata Arowai  8 Taumata Arowai—the Water Services Regulator established  This section establishes Taumata Arowai—the Water Services Regulator.  9 Taumata Arowai is Crown entity  (1) Taumata Arowai is a Crown entity for the purposes of section 7 of the Crown Entities Act 2004.  (2) The Crown Entities Act 2004 applies to Taumata Arowai except to the extent		(f)			
including to inform how Taumata Arowai can—  (A) give effect to Te Mana o te Wai; and  (B) understand, support, and enable the exercise of mātauranga Māori and tikanga Māori and kaitiakitanga:  (g) section 19 requires the board to maintain systems and processes to ensure that, for the purposes of carrying out its functions under this Act, Taumata Arowai has the capability and capacity—  (i) to uphold the Treaty of Waitangi (Te Tiriti o Waitangi) and its principles; and  (ii) to engage with Māori and to understand perspectives of Māori.  6 Transitional, savings, and related provisions  The transitional, savings, and related provisions set out in Schedule 1 have effect according to their terms.  7 Act binds the Crown  This Act binds the Crown.  Part 2  Establishment, objectives, functions, and operation of Taumata Arowai—the Water Services Regulator  Subpart 1—Establishment, objectives, and functions of Taumata Arowai  8 Taumata Arowai—the Water Services Regulator established  This section establishes Taumata Arowai—the Water Services Regulator.  9 Taumata Arowai is Crown entity  (1) Taumata Arowai is a Crown entity for the purposes of section 7 of the Crown Entities Act 2004.  (2) The Crown Entities Act 2004 applies to Taumata Arowai except to the extent			(i)		
(B) understand, support, and enable the exercise of mātauranga Māori and tikanga Māori and kaitiakitanga:  (g) section 19 requires the board to maintain systems and processes to ensure that, for the purposes of carrying out its functions under this Act, Taumata Arowai has the capability and capacity—  (i) to uphold the Treaty of Waitangi (Te Tiriti o Waitangi) and its principles; and  (ii) to engage with Māori and to understand perspectives of Māori.  6 Transitional, savings, and related provisions  The transitional, savings, and related provisions set out in Schedule 1 have effect according to their terms.  7 Act binds the Crown  This Act binds the Crown.  Part 2  Establishment, objectives, functions, and operation of Taumata Arowai—the Water Services Regulator  Subpart 1—Establishment, objectives, and functions of Taumata Arowai  8 Taumata Arowai—the Water Services Regulator established  This section establishes Taumata Arowai—the Water Services Regulator.  9 Taumata Arowai is Crown entity  (1) Taumata Arowai is a Crown entity for the purposes of section 7 of the Crown Entities Act 2004.  (2) The Crown Entities Act 2004 applies to Taumata Arowai except to the extent			(ii)		
Māori and tikanga Māori and kaitiakitanga:  (g) section 19 requires the board to maintain systems and processes to ensure that, for the purposes of carrying out its functions under this Act, Taumata Arowai has the capability and capacity—  (i) to uphold the Treaty of Waitangi (Te Tiriti o Waitangi) and its principles; and  (ii) to engage with Māori and to understand perspectives of Māori.  6 Transitional, savings, and related provisions  The transitional, savings, and related provisions set out in Schedule 1 have effect according to their terms.  7 Act binds the Crown  This Act binds the Crown.  Part 2  Establishment, objectives, functions, and operation of Taumata Arowai—the Water Services Regulator  Subpart 1—Establishment, objectives, and functions of Taumata Arowai  8 Taumata Arowai—the Water Services Regulator established  This section establishes Taumata Arowai—the Water Services Regulator.  9 Taumata Arowai is Crown entity  (1) Taumata Arowai is a Crown entity for the purposes of section 7 of the Crown Entities Act 2004.  (2) The Crown Entities Act 2004 applies to Taumata Arowai except to the extent				(A) give effect to Te Mana o te Wai; and	10
ensure that, for the purposes of carrying out its functions under this Act, Taumata Arowai has the capability and capacity—  (i) to uphold the Treaty of Waitangi (Te Tiriti o Waitangi) and its principles; and  (ii) to engage with Māori and to understand perspectives of Māori.  6 Transitional, savings, and related provisions The transitional, savings, and related provisions set out in Schedule 1 have effect according to their terms.  7 Act binds the Crown This Act binds the Crown.  Part 2  Establishment, objectives, functions, and operation of Taumata Arowai—the Water Services Regulator  Subpart 1—Establishment, objectives, and functions of Taumata Arowai  8 Taumata Arowai—the Water Services Regulator established This section establishes Taumata Arowai—the Water Services Regulator.  9 Taumata Arowai is Crown entity (1) Taumata Arowai is a Crown entity for the purposes of section 7 of the Crown Entities Act 2004. (2) The Crown Entities Act 2004 applies to Taumata Arowai except to the extent					
principles; and (ii) to engage with Māori and to understand perspectives of Māori.  6 Transitional, savings, and related provisions The transitional, savings, and related provisions set out in Schedule 1 have effect according to their terms.  7 Act binds the Crown This Act binds the Crown.  Part 2  Establishment, objectives, functions, and operation of Taumata Arowai—the Water Services Regulator  Subpart 1—Establishment, objectives, and functions of Taumata Arowai  8 Taumata Arowai—the Water Services Regulator established This section establishes Taumata Arowai—the Water Services Regulator.  9 Taumata Arowai is Crown entity (1) Taumata Arowai is a Crown entity for the purposes of section 7 of the Crown Entities Act 2004. (2) The Crown Entities Act 2004 applies to Taumata Arowai except to the extent		(g)	ensu	are that, for the purposes of carrying out its functions under this Act,	
6 Transitional, savings, and related provisions The transitional, savings, and related provisions set out in Schedule 1 have effect according to their terms.  7 Act binds the Crown This Act binds the Crown.  Part 2  Establishment, objectives, functions, and operation of Taumata Arowai—the Water Services Regulator  Subpart 1—Establishment, objectives, and functions of Taumata Arowai  8 Taumata Arowai—the Water Services Regulator established This section establishes Taumata Arowai—the Water Services Regulator.  9 Taumata Arowai is Crown entity (1) Taumata Arowai is a Crown entity for the purposes of section 7 of the Crown Entities Act 2004. (2) The Crown Entities Act 2004 applies to Taumata Arowai except to the extent			(i)		
The transitional, savings, and related provisions set out in Schedule 1 have effect according to their terms.  7 Act binds the Crown This Act binds the Crown.  Part 2  Establishment, objectives, functions, and operation of Taumata Arowai—the Water Services Regulator  Subpart 1—Establishment, objectives, and functions of Taumata Arowai  8 Taumata Arowai—the Water Services Regulator established This section establishes Taumata Arowai—the Water Services Regulator.  9 Taumata Arowai is Crown entity  (1) Taumata Arowai is a Crown entity for the purposes of section 7 of the Crown Entities Act 2004.  (2) The Crown Entities Act 2004 applies to Taumata Arowai except to the extent			(ii)	to engage with Māori and to understand perspectives of Māori.	
The transitional, savings, and related provisions set out in Schedule 1 have effect according to their terms.  7 Act binds the Crown This Act binds the Crown.  Part 2  Establishment, objectives, functions, and operation of Taumata Arowai—the Water Services Regulator  Subpart 1—Establishment, objectives, and functions of Taumata Arowai  8 Taumata Arowai—the Water Services Regulator established This section establishes Taumata Arowai—the Water Services Regulator.  9 Taumata Arowai is Crown entity  (1) Taumata Arowai is a Crown entity for the purposes of section 7 of the Crown Entities Act 2004.  (2) The Crown Entities Act 2004 applies to Taumata Arowai except to the extent	6	Tran	sition	nal, savings, and related provisions	
Part 2  Establishment, objectives, functions, and operation of Taumata Arowai—the Water Services Regulator  Subpart 1—Establishment, objectives, and functions of Taumata Arowai  Taumata Arowai—the Water Services Regulator established This section establishes Taumata Arowai—the Water Services Regulator.  Taumata Arowai is Crown entity  Taumata Arowai is a Crown entity for the purposes of section 7 of the Crown Entities Act 2004.  The Crown Entities Act 2004 applies to Taumata Arowai except to the extent		The	transit	tional, savings, and related provisions set out in <b>Schedule 1</b> have	20
Part 2  Establishment, objectives, functions, and operation of Taumata Arowai—the Water Services Regulator  Subpart 1—Establishment, objectives, and functions of Taumata Arowai  8 Taumata Arowai—the Water Services Regulator established This section establishes Taumata Arowai—the Water Services Regulator.  9 Taumata Arowai is Crown entity  (1) Taumata Arowai is a Crown entity for the purposes of section 7 of the Crown Entities Act 2004.  (2) The Crown Entities Act 2004 applies to Taumata Arowai except to the extent	7	Act l	oinds 1	the Crown	
Establishment, objectives, functions, and operation of Taumata Arowai—the Water Services Regulator  Subpart 1—Establishment, objectives, and functions of Taumata Arowai  Taumata Arowai—the Water Services Regulator established This section establishes Taumata Arowai—the Water Services Regulator.  Taumata Arowai is Crown entity  Taumata Arowai is a Crown entity for the purposes of section 7 of the Crown Entities Act 2004.  The Crown Entities Act 2004 applies to Taumata Arowai except to the extent		This	Act bi	inds the Crown.	
Arowai–the Water Services Regulator  Subpart 1—Establishment, objectives, and functions of Taumata Arowai  8 Taumata Arowai–the Water Services Regulator established     This section establishes Taumata Arowai–the Water Services Regulator.  9 Taumata Arowai is Crown entity  (1) Taumata Arowai is a Crown entity for the purposes of section 7 of the Crown Entities Act 2004.  (2) The Crown Entities Act 2004 applies to Taumata Arowai except to the extent				Part 2	
<ul> <li>8 Taumata Arowai-the Water Services Regulator established</li></ul>	F	Establ	ishm	· · · · · · · · · · · · · · · · · · ·	25
This section establishes Taumata Arowai—the Water Services Regulator.  9 Taumata Arowai is Crown entity 30 (1) Taumata Arowai is a Crown entity for the purposes of section 7 of the Crown Entities Act 2004. (2) The Crown Entities Act 2004 applies to Taumata Arowai except to the extent	Sub	part 1	—Es	stablishment, objectives, and functions of Taumata Arowai	
<ol> <li>Taumata Arowai is a Crown entity for the purposes of section 7 of the Crown Entities Act 2004.</li> <li>The Crown Entities Act 2004 applies to Taumata Arowai except to the extent</li> </ol>	8			3	
<ol> <li>Taumata Arowai is a Crown entity for the purposes of section 7 of the Crown Entities Act 2004.</li> <li>The Crown Entities Act 2004 applies to Taumata Arowai except to the extent</li> </ol>	9	Taur	nata A	Arowai is Crown entity	30
		Taun	nata A	arowai is a Crown entity for the purposes of section 7 of the Crown	
	(2)				

#### 10 Objectives of Taumata Arowai

Taumata Arowai's objectives are to—

- (a) protect and promote drinking water safety and public health outcomes; and
- (b) effectively administer the drinking water regulatory system; and

5

- (c) build and maintain capability among drinking water suppliers and across the wider industry; and
- (d) give effect to Te Mana o te Wai, to the extent that Te Mana o te Wai applies to the functions and duties of Taumata Arowai; and
- (e) provide oversight of, and advice on, the regulation, management, and environmental performance of wastewater and stormwater networks; and
- (f) promote public understanding of the environmental performance of wastewater and stormwater networks.

#### 11 Functions of Taumata Arowai

Taumata Arowai's general functions are to—

- (a) provide national-level oversight, leadership, communication, and coordination in relation to—
  - (i) drinking water safety and regulation, including the management of risks to sources of drinking water; and
  - (ii) the environmental performance, management, and regulation of 20 wastewater and stormwater networks; and
- (b) identify and monitor matters that affect the safety of drinking water, and the environmental performance of wastewater and stormwater networks, including current and emerging contaminants; and
- (c) develop standards that relate to drinking water composition and develop 25 other regulatory requirements and measures necessary to fulfil its responsibilities under this or any other enactment; and
- (d) provide oversight of, and information to central and local government in relation to,—
  - (i) the development, operation, and effectiveness of standards, regulations, and other statutory requirements for wastewater and stormwater; and
  - (ii) compliance with, monitoring of, and enforcement of standards, regulations, and other statutory requirements affecting wastewater networks, stormwater networks, wastewater network operators, and
     35 and stormwater network operators; and
- (e) monitor and enforce compliance with relevant drinking water legislation and standards, and other regulatory requirements for which Taumata Arowai has responsibility; and

	Tuni 2 vi i 2	
(f)	facilitate, promote, or support research, education, and training, to support drinking water safety and regulation, the management of risks to sources of drinking water, and the environmental performance, management, and regulation of wastewater and stormwater networks; and	
(g)	build and maintain the capability of drinking water suppliers to fulfil their regulatory responsibilities; and	5
(h)	provide guidance, advice, or information on matters that relate to drinking water safety and regulation, the management of risks to sources of drinking water, and the environmental performance, management, and regulation of wastewater and stormwater networks; and	10
(i)	identify, prepare, or promote national guidelines and good practices that relate to—	
	(i) drinking water; and	
	(ii) wastewater networks, stormwater networks, wastewater network operators, and stormwater network operators; and	15
(j)	perform or exercise the functions, duties, and powers conferred or imposed on it by this Act or any other enactment; and	
(k)	perform any other functions or activities that are consistent with its objectives and that Taumata Arowai considers are necessary or desirable to enable the achievement of those objectives, except functions or activities performed by any central government agency or another regulator; and	20
(1)	perform any other functions relevant to its objectives that the responsible Minister directs in accordance with section 112 of the Crown Entities Act 2004.	25
Subpa	rt 2—Board of Taumata Arowai, and Māori Advisory Group	
	Board	
Boa	rd	
The	board consists of not fewer than 5, and not more than 7, members.	
	responsible Minister must appoint members to the board who, collectively, knowledge and experience of, and capability in,—	30

- (1)
- (2) 0
  - the compliance, monitoring, and enforcement activities of regulatory (a) agencies; and
  - public health, particularly in relation to the objectives and functions of (b) 35 Taumata Arowai; and
  - the Treaty of Waitangi (Te Tiriti o Waitangi) and its principles; and (c)
  - perspectives of Māori and tikanga Māori; and (d)
  - performance monitoring and governance. (e)

	13	Board's	power	to	delegat
--	----	---------	-------	----	---------

The board may delegate any of its functions or powers in accordance with section 73 of the Crown Entities Act 2004, except the power to appoint or remove the chief executive.

1/-		11.	$\sim$
Maa	VI /	ได้งารดห	v Group
WIGO	' L Z	(avisor)	v (IIOu

5

#### 14 Māori Advisory Group established

- (1) This section establishes the Māori Advisory Group.
- (2) The Māori Advisory Group consists of not fewer than 5, and not more than 7, members.

#### 15 Appointment of members of Māori Advisory Group

10

- (1) The responsible Minister must appoint members to the Māori Advisory Group.
- (2) The responsible Minister must consult the Ministers with portfolio responsibilities that relate to Māori Development and Māori Crown Relations before making any appointments.
- (3) The responsible Minister must appoint 1 of the members as chairperson of the 15 Māori Advisory Group.
- (4) The responsible Minister must appoint only persons who, in the responsible Minister's opinion, have the appropriate knowledge, skills, and experience to assist the Māori Advisory Group to perform its role (see section 17).
- (5) No member of the board may be appointed to the Māori Advisory Group.

20

#### 16 Further provisions relating to Māori Advisory Group

- (1) The following provisions of the Crown Entities Act 2004 apply to members of the Māori Advisory Group as if they were members of the board of a Crown agent:
  - (a) section 28 (method of appointment of members):

25

- (b) section 30 (qualifications of members):
- (c) section 31 (requirements before appointment):
- (d) section 32 (term of office of members):
- (e) section 35 (validity of appointments):
- (f) section 36 (removal of members of Crown agents):

30

- (g) section 41 (process for removal):
- (h) section 43 (no compensation for loss of office):
- (i) section 44 (resignation of members):
- (j) section 45 (members ceasing to hold office).
- (2) The members are entitled to—

receive remuneration, in accordance with the fees framework; and

(a)

	(b)	be reimbursed for actual and reasonable travelling expenses incurred in carrying out their roles as members.	
17	Role	of Māori Advisory Group	
(1)	wai tions	role of the Māori Advisory Group is to advise the board and Taumata Aro- on Māori interests and knowledge, as they relate to the objectives, func- , and operating principles of Taumata Arowai and the collective duties of oard.	5
(2)	That	role includes—	
	(a)	developing and maintaining a framework that provides advice and guidance for Taumata Arowai on how to interpret and give effect to Te Mana o te Wai; and	10
	(b)	providing advice on how to enable mātauranga Māori, tikanga Māori, and kaitiakitanga to be exercised; and	
	(c)	any other matters requested by the board.	15
(3)	The	board must—	
	(a)	have regard to the advice of the Māori Advisory Group; and	
	(b)	demonstrate how it has had regard to that advice in Taumata Arowai's annual report, prepared under section 150 of the Crown Entities Act 2004.	20
(4)	The	board and the Māori Advisory Group, acting jointly, must—	
	(a)	prepare a memorandum of understanding, setting out how they will work together; and	
	(b)	prepare and agree the terms of reference for the Māori Advisory Group.	
(5)		nata Arowai must publish the memorandum of understanding and the s of reference on Taumata Arowai's website.	25
(6)	mem	board and the Māori Advisory Group, acting jointly, must review both the orandum of understanding and the terms of reference at intervals of not e than 3 years.	
		Subpart 3—Operations of Taumata Arowai	30
18	Ope	rating principles	
(1)	ives,	nata Arowai must ensure that its performance and delivery of its object- functions, and duties are guided and informed by the operating principles ut in <b>subsection (2)</b> .	
(2)	The	operating principles are—	35
	(a)	building and maintaining credibility and integrity, so that Taumata Arowai is trusted by consumers, regulated parties, Māori, and government:	

**19** (1)

(2)

20

		Miscellaneous provisions	
		Part 3	
(b)		ollective duties owed to the responsible Minister for the purposes of on 58 of the Crown Entities Act 2004.	25
(a)		in addition to the duties of the board in sections 49 to 52 of the n Entities Act 2004; and	
The d	luties i	n subsection (1)—	
	(ii)	to engage with Māori and to understand perspectives of Māori.	
	(i)	to uphold the Treaty of Waitangi (Te Tiriti o Waitangi) and its principles; and	20
(b)	carry	tains systems and processes to ensure that, for the purposes of ing out its functions under this Act, Taumata Arowai has the capy and capacity—	
(a)	acts i	n a manner consistent with the operating principles in <b>section 18</b> ;	15
The b	oard n	nust ensure that Taumata Arowai—	
Addi	tional	collective duties of board	
	(ii)	understand, support, and enable the exercise of mātauranga Māori and tikanga Māori and kaitiakitanga.	10
	(i)	give effect to Te Mana o te Wai; and	
(e)		ering and engaging early and meaningfully with Māori, including to m how Taumata Arowai can—	
(d)	partn tions:	ering and engaging meaningfully with other people and organisa-	5
(c)	devel traini	oping sector capability, by promoting collaboration, education, and ng:	
(b)		ring that Taumata Arowai has suitable expertise to build and main- confidence in its capability as a regulator:	

## **Consequential amendments**

Amend the Acts specified in **Schedule 2** as set out in that schedule.

## Schedule 1 Transitional, savings, and related provisions

_	•

## Part 1 Provisions relating to this Act as enacted

#### 5

#### Transfer of contracts

#### Transfer of contracts to Taumata Arowai 1

- (1) This clause applies to a contract (other than an employment agreement) that
  - was made between the Department of Internal Affairs (the DIA) and another person before the commencement of this clause; and

10

- is identified by the DIA as relating principally or solely to the operation (b) of Taumata Arowai, or to a matter for which Taumata Arowai assumes responsibility, on the commencement of this clause.
- (2) On and after the commencement of this clause,—
  - 15 the contract must be treated as if Taumata Arowai were the party to the (a) contract instead of the DIA; and

unless the context otherwise requires, every reference in the contract to (b) the DIA must be read as a reference to Taumata Arowai.

#### 2 Consequences of transfer of contracts to Taumata Arowai

This clause applies only in relation to a contract transferred to Taumata Arowai (1) under clause 1.

20

- On and from the commencement of clause 1,— (2)
  - all rights, liabilities, and entitlements of the DIA under the contract become the rights, liabilities, and entitlements of Taumata Arowai; and
  - (b) anything done, or omitted to be done, or that is to be done, by, or in relation to, the DIA is to be treated as having been done, or omitted to be done, or to be done, by, or in relation to, Taumata Arowai; and
  - (c) the commencement, continuation, or enforcement of proceedings by or against the DIA may instead be carried out by or against Taumata Arowai without amendment to the proceedings.

30

25

#### Sharing or transfer of information

#### 3 Sharing or transfer of information relating to Part 2A of Health Act 1956

(1) Despite anything in any other Act, a transferor may, at any time on or after the commencement of this clause, share with, or transfer to, Taumata Arowai any information held by the transferor immediately before the commencement of

- this clause that relates to the performance or exercise of functions, duties, or powers under Part 2A of the Health Act 1956.
- (2) Sharing, or a transfer of, information under **subclause (1)** is not an action that is an interference with the privacy of an individual under section 66 of the Privacy Act 1993.

- (3) In this clause, **transferor** means—
  - (a) the Ministry of Health:
  - (b) the Director-General of Health:
  - (c) designated officers (as defined in section 69G of the Health Act 1956):
  - (d) drinking-water assessors appointed under section 69ZK of the Health 10 Act 1956:
  - (e) employers of designated officers and drinking-water assessors.

# Schedule 2 Consequential amendments to other Acts

s 20

5

#### **Crown Entities Act 2004 (2004 No 115)**

In Schedule 1, Part 1, insert in its appropriate alphabetical order:

Exemption from section 165 (net surplus payable

Name

Exemption from acquisition of financial products, borrowing, guarantee, and derivative rules s 161 s 162 s 163 s 164

to Crown)

Taumata Arowai-the Water Services Regulator

## Ombudsmen Act 1975 (1975 No 9)

In Schedule 1, Part 2, insert in its appropriate alphabetical order:

Taumata Arowai-the Water Services Regulator