



ABOUT THE GOVERNMENT'S THREE WATERS REFORM



WHAT DO YOU THINK?

New Zealand's Government recently announced a proposal to change the way three waters services (drinking water, stormwater and wastewater) are provided across the country.

Currently, each of New Zealand's 67 councils is responsible for supplying and managing the provision of water services and infrastructure for their communities.

The Government's Three Waters Reform proposes to remove that responsibility from councils and place the provision of three waters services under four large water entities. One of those entities would cover the Ngāi Tahu takiwā, which is most of the South Island including Waimakariri.

To date the Government has not asked councils to consult with their communities about whether they should opt-in or opt-out.

In Waimakariri, we want to carefully weigh up what's best for our District, and hear the views of residents before providing feedback to the Government.



Image: Garrymere water supply treatment equipment

About the Three Waters Reform

The Three Waters Reform was originally triggered by the 2016 campylobacteriosis outbreak in Havelock North. This event led to the introduction of new legislation and a new national regulator for water services called Taumata Arowai. This organisation will have responsibility for overseeing and enforcing new drinking water regulations, and providing oversight of the environment from the impacts of wastewater and stormwater.

The objective of the reform is to provide a more efficient and consistent way of delivering three waters services across the country. It is believed that by providing these services at a larger scale, greater efficiencies and capabilities can be achieved.

Memorandum of Understanding

The Council, along with all councils nationwide, signed a Memorandum of Understanding (MOU) with the Government in August 2020, committing to the first stage of the Three Waters Reform programme.

This stated that we were willing to explore different ways of delivering water services. However, signing the MOU did not commit the Council to anything beyond stage one, or to opt-in to the reform process.

In return, the Council received an \$8 million share of a stimulus package which was used to upgrade water and wastewater services across the District.

Why is there a Three Waters Reform?

The Government has concerns around the regulation of three waters services, and the capability, capacity and efficiency of the service currently delivered by councils.

The Government's objectives:

- **Affordability** – in some areas it's becoming unaffordable for councils, especially for smaller councils with fewer ratepayers, to provide safe and reliable drinking water, and fit for purpose wastewater and stormwater services.
- **Service level consistency** – with many councils providing three water services, some communities receive a different level of service to others. The reform aims to provide a more consistent level of service across the country.
- **Underinvestment in critical infrastructure** - through stage one of the reform process, the Government concluded that there is underinvestment in three waters infrastructure across parts of the country. There may be large costs over the next 30 years as infrastructure is brought up to standard.
- **Inability to meet requirements** - with both a new water regulator and new economic regulator, there is a concern councils may not be able to meet future requirements without the reform process.
- **Climate change** - increased flooding and sea level rise will put pressure on three waters services if not adequately managed. The Government is concerned about the ability of councils to meet this challenge without reform.

More information is available on the Department of Internal Affairs website - dia.govt.nz/Three-Waters-Reform-Programme

Key considerations for Waimakariri:

We understand the importance of exploring alternatives to make sure three waters services are delivered in the best way possible, which is why we took part in the first stage of the reform.

Local Government changes

The Government is undertaking Three Waters Reforms ahead of, and in isolation of, the Resource Management Act (RMA) Reform and the Future for Local Government Review.

There is an opportunity for the Government to coordinate these proposals given they are interrelated and will have an intergenerational impact.

Ratepayer equity

Over the last 20 years we've invested over \$100m in water infrastructure and it is of a very high standard. The Government's current proposal doesn't consider compensation for three waters in areas where there has been appropriate investment.

Efficiencies

There would be some efficiencies from economies of scale, but the evidence provided by the Government regarding the level of efficiencies the new entities will achieve is limited.

Councils have already incorporated a number of improvements that would lead to efficiency gains, and New Zealand's geography and population density would limit the benefits expected - which have been based on overseas models.

Cost

We have recently released our Long Term Plan, which models our projection of rates to 2051. Three waters rates are proposed on average to decrease moderately over time, when inflation is excluded.

Our projections do not support those figures being proposed by the Government. We have laid out the difference in these projections on the following page.

Given the data we've seen so far, we're not convinced the proposed entity could provide three waters services to Waimakariri residents at a lower rate than what we currently offer.

Growth

Waimakariri District is a high growth area. Our Council has a good record of matching servicing and infrastructure delivery with zoning land for development, as well as coordination with roading, green spaces and three waters services.

Having a separate three waters entity may lead to a lack of coordination and funding prioritisation. We have benefited from growth allowing costs to be spread over a larger number of ratepayers, to ensure rates remain as affordable as possible.

Connection with the local community

Currently, ratepayers have a direct link through elected members who are available to hear community views. The proposed reform could result in less connection to local decision makers and mean our community has less of a say in how three waters services are provided.

Responding to natural hazards

As recent weather events have shown, our District can be prone to flooding. Our Council has a solid track record of preparing for and quickly responding to these events to minimise the impact on our community.

A large entity could lack the proximity and agility to respond quickly to local issues during such events.

Timing

The eight week timeframe for the councils to make an informed decision on such a significant change is very short. It is difficult to give this important issue the level of scrutiny, analysis, and engagement with the community that it deserves.

What we are presenting is the best information we currently know.

KEY STATS FOR WAIMAKARIRI

\$602m

Total value of Waimakariri three waters infrastructure assets managed by Waimakariri District Council

\$22m

Government support package proposed for reform transition

\$35m

Current Waimakariri District Council three waters annual revenue*

Waimakariri Projections:

\$1225

Current average annual three waters rates*

\$908

Council's projected 2051 average annual three waters rates* (Lowered due to population growth)

Government Projections:

\$1640

Projected 2051 average annual three waters cost per household under the Government reform*

\$3000

Projected 2051 average annual three waters cost per household if Council opts-out of reform*

11 Drinking Water Standard compliant treatment supplies



52000

People on a Council drinking-water supply

4 Wastewater plants



45000

People on a Council wastewater scheme

12 stormwater systems that help prevent flooding



52000

People receiving stormwater services

How Waimakariri District Council maintains and measures success

AA Rated
by LGNZ Excellence Programme

AA+ Rated
by Standard & Poor's

FULLY AUDITED
and compliant Long Term Plan

30 YEAR
Infrastructure Strategy detailing excellent quality

PARTICIPATED
in Water NZ National Performance Review since 2014



Long term modeling
up to 150 years

90% Drinking-water Community Satisfaction**

85% Wastewater Community Satisfaction**

76% Stormwater Community Satisfaction**

*All figures are GST exclusive and exclude inflation.
** Statistics taken from WDC Customer Satisfaction survey 2020.



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What are the options?

There is the possibility that even if the Council opts out of the reform, the Government may decide to pass legislation that removes these services from local councils by law. While this is a possibility, we still think it is important to hear the views of our community before making a decision.

Your choices

Opt-in

If Council decides to opt-in to the reform process, it means that by 1 July 2024, three waters services would be removed from the Council and would be provided by a new three waters entity covering the majority of the South Island.

The Council would receive a one-off payment of \$22 million as a support package for the transfer of three waters assets.

Opt-out

If Council decides to opt-out of the reform process, provision of three waters services would remain with the Council. How this fits in with the Government direction if it still proceeds with the national reforms is yet to be determined.

Tell us what you think

We welcome your feedback about the Three Waters Reform - based on the information available to date. Most importantly, we want to know the reasons for your decision. If you think we should opt-out, tell us what you like, or what your concerns are about the proposal.

Alternatively, if you think we should opt-in, tell us what you don't like, or what you think the opportunities are for the proposed reforms. Either way, we want feedback on what you think needs to be considered if the reform goes ahead.

Visit waimakariri.govt.nz/letstalk to share your feedback online or to find out more, or complete the attached form to let us know your thoughts before 5pm, Sunday 5 September.

Next steps

The Council will consider feedback from the community, and make a decision on what response to give the Government at a special meeting on Tuesday 28 September.

After this we'll be back in touch when we know the next steps from the Government.

Drop-in sessions

We understand that the Three Waters Reform is complex and you may have questions, or want to talk to us to get more information before giving us your feedback. We're holding a series of community meetings to provide more information.

Kaiapoi

Monday 23 August | 4.30pm-7.30pm
Meeting Room 1, Ruataniwha Kaiapoi Civic Centre

Oxford

Wednesday 25 August | 6-9pm
A&P Room, Oxford Town Hall

Loburn

Thursday 26 August | 4-7pm
Loburn Domain Pavillion

Rangiora

Monday 30 August | 4.30-7.30pm
Function Room, Rangiora Town Hall

Cust

Tuesday 31 August | 4-7pm
Cust Community Centre

Mandeville

Wednesday 1 September | 4.30-7.30pm
Mandeville Sports Centre

Woodend

Thursday 2 September | 4-7pm
Woodend Community Centre

Find out more

More information about the Three Waters Reform as well as supporting links are available online at waimakariri.govt.nz/letstalk

Complete the survey online
waimakariri.govt.nz/letstalk
by Sunday 5 September

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