

LOCAL WATER DONE WELL.



Kōrero
mai
Let's talk
wai

Open for
feedback
11 April - 23 May
2025

Councils must consult
on their Water
Service Delivery
Plans and we want
your feedback on the
options.

What is Local Water Done Well?

Local Water Done Well is the Coalition Government's plan to address New Zealand's long-standing water infrastructure challenges.

Local Water Done Well covers drinking water, wastewater and stormwater and is split into three legislative parts:

1. Councils must establish a corporate structure to deliver water services with an:
 - Internal business unit OR
 - Single-Council Controlled Organisation (CCO) OR
 - Multi-Council Controlled Organisation (CCO) OR
 - Consumer trust
2. Councils must demonstrate financial sustainability with the preparation of a Water Services Delivery Plan
3. Establishes the Commerce Commission as the economic regulator of water services in New Zealand

The options

Option 1

Internal – an in-house business unit

Council's preferred option

This means we keep delivering water services with our internal (in-house) business unit. This is our preferred option.

Operationally, the most significant changes are in finance. All rates revenue from water must be “ring fenced”.

For the three waters team, the focus will remain on maintaining excellent service delivery to the community.

There will be an increased reporting requirement. Council currently reports to Taumata Arowai, but it would also need to supply data to the Commerce Commission.

Option 2

Multi-Council Controlled Organisation

Join with our neighbours Whakatāne, Ōpōtiki and Rotorua Lakes District Councils to form multi-Council Controlled Organisation (CCO) and deliver water services to our districts. **This is our alternative option.**

Pros and cons for internal vs multi-CCO

Here's how our internal business unit stacks up against the multi-council controlled organisation...

Upgrade new drinking water infrastructure faster and cheaper



Complete an \$11.5 million upgrade of wastewater network using depreciation reserves over coming nine years



Maintain better value for ratepayers



Maintain excellent service response



Meet the demand for growth in the district



Independent organisations monitor water quality and charges



Ability to sell off water assets (privatise)



Elected Members keep decision-making authority of water services delivery



Requires targeted rates for waters in 2025-2026 and beyond



YES



SOMEWHAT



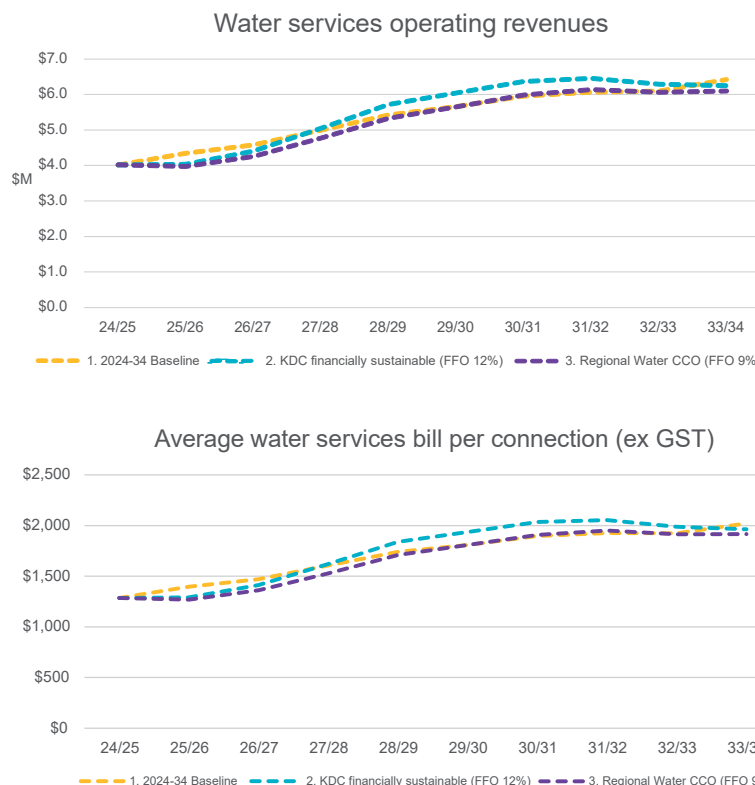
NO

Revenue and pricing requirements under proposed scenarios

The 2024-34 baseline financial projections shows water services revenue will increase from \$4.0 million in 2024/25 to \$6.4 million in 2033/34 (+60% over nine years).

This results in average charges per property increasing from \$1,285+GST in 2024/25 to \$2,020+GST in 2033/34 (+57% over nine years).

The revenue required to fund water service delivery internally (in-house) are in line with the minimum revenue requirements under a regional Multi Council Controlled Organisation (CCO). This modelling was provided by Internal Affairs.



Our Plan

By 3 September 2025, Council must submit its Water Service Delivery Plan to the government having:

- Consulted on a preferred and alternative delivery model;
- Council decision to confirm business structure to deliver water services.

The Department of Internal Affairs then assesses Council's Water Service Delivery Plan to ensure it demonstrates "financial sustainability".

The Plan must demonstrate financial sustainability by 2028, and amendments to the plan can be made before September 2027.

"Financial sustainability" means:

1. **revenue sufficiency** – can Council or the CCO raise enough money for operations;
2. **investment sufficiency** – is Council or CCO planning to invest enough; and
3. **financing sufficiency** – can Council or CCO raise enough debt for the required investment?

Internal business unit proposed plan - Council's preferred option

1. Revenue sufficiency Internal business unit: Targeted Water Rates	2. Internal business unit: sufficient investment capacity	3. Does an internal business unit have financing capacity and debt levels?
<p>Our Long Term Plan 2025-2034 models an increase in the targeted water rate over 9 years. This increase helps remove the cross-subsidization from the general rate to the targeted.</p> <p><i>See the Long Term Plan Consultation Document on our website.</i></p>	<p>Council is renewing the District's entire drinking water reticulation network. The drinking and wastewater network has capacity for a population of 10,000 people (significantly above what Infometrics predicts in population growth for Kawerau).</p> <p><i>See the Infrastructure Strategy on our website for details.</i></p>	<p>Council's debt-to-revenue ratio will remain below the maximum allowance as per the Local Government Funding Agency (the debt-to-revenue ratio for Councils without a credit rating is 175%).</p> <p><i>See the Long Term Plan Consultation Document on our website.</i></p>

Come and talk with us at one of our community engagement events

11 April 1:30pm–2.30pm	Grey Power / Public Meeting, Concert Chamber
15 April 12noon–2pm	Business Forum / Public Meeting, Concert Chamber
15 April 5.30pm–6.30pm	Public Meeting, Concert Chamber
17 April 10am–12noon	Public Meeting, Rautahi Marae
8 May 9am–1pm	Public Drop In Session, Kawerau Markets

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23 May - Last day to have your say on
Local Water Done Well (submissions close)

For more information check our
website kaweraudc.govt.nz

SUBMISSION FORM

NOTE: As part of the consultation process, Council must make all submissions available for public inspection.

Name

Organisation (if applicable)

Postal address

Telephone

Email

Signature

☐

Tick if you are a Kawerau resident.

☐

Tick if you wish to speak in support of your submission on 18 June 2025.



Submissions
close
23 May 2025



scan to make
an online
submission

Local Water Done Well

TICK YOUR PREFERRED OPTION

SUGGESTIONS OR COMMENTS

☐

Option 1

Internal – an in-house business unit to deliver water services.

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Option 2

Join a Multi-Council Controlled Organisation to deliver water services.

General Comments:

Email: submissions@kaweraudc.govt.nz **Drop off:** Council Office, isite or library.

Post: Chief Executive Officer, Kawerau District Council, Private Bag 1004, Kawerau 3169 www.kaweraudc.govt.nz