

**Meeting:** Extraordinary Council

**Meeting Date:** 18 June 2025

**Subject:** **Receipt of Submissions and deliberations for the Local Water Done Well consultation and confirmation of preferred structure for the Draft Water Services Delivery Plan**

**File No.:** 110555

## **1 Purpose**

The purpose of this report is for Council to receive the report and submissions to the Local Water Done Well consultation and engagement process undertaken by Council from 11 April to 23 May 2025, and provide the opportunity for submitters to present their submissions to the Council.

## **2 Background**

The coalition government's legislative changes in February 2024, enacting the Water Services Acts Repeal Act 2024, gave Council the option to progress an enhanced Annual Plan in 2024-2025. Therefore, Council is progressing a Long Term Plan for a nine year period from 1 July 2025 to 30 June 2034.

Following several Council workshops on 27 November, 4 December and 18 December 2024, the adoption of the preferred and alternative structure models for the delivery of three waters services to consult with the Kawerau community was formally adopted by Council on 26 February 2025. Council adopted the Local Water Done Well comprehensive consultation document on 14 May 2025.

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

- a). Councils must establish a corporate structure to deliver water services with an:
  - Internal (in-house) business unit OR
  - Single-Council Controlled Organisation (CCO) OR
  - Multi-Council Controlled Organisation (CCO) OR
  - Council and Consumer Owned Organisation
  - Consumer trust
- b). Councils must demonstrate financial sustainability with the preparation of a Water Services Delivery Plan

c). The third part establishes the Commerce Commission as the economic regulator of water services in New Zealand

The consultation and engagement process for Local Water Done Well was run concurrently with the Mahere Iwa Tau | Long Term Plan 2025-2034 which addresses operational changes required as part of the Local Water Done Well legislation. This comprised asking the community for feedback about the period to transition to targeted water and wastewater rates as required under the legislation.

The consultation and engagement process with the Kawerau community regarding the Local Water Done Well proposals commenced on 11 April and closed at 5pm on Friday, 23 May 2025.

In total, 107 submissions were received: with three submitters indicating they would present their submissions to the Mayor and Elected Members on Wednesday, 18 June 2025.

The Council's Water Services Delivery Plan must be submitted in draft in July, and formally adopted and submitted to the Department of Internal Affairs by 3 September 2025.

Under the LGA 2002, territorial authorities must adopt their Long Term Plans before the end of the financial year on 30 June. Kawerau District Council plans to adopt the Long Term Plan 2025-2034 at the Council Meeting on 25 June 2025.

### **3 Significance and Engagement**

Council completed a comprehensive consultation and engagement process utilising mixed modes of communications, a variety of Council communication channels and regional and local media.

Council provided a number of opportunities for face-to-face, kanohi-ki-te-kanohi engagement with the community at stakeholder, organisation and public meetings. Council wishes to thank Grey Power Kawerau and Districts for allowing Council to present to its members, and for opening the doors for the public to attend; Industrial Symbiosis Kawerau (ISK) for hosting an industry-forum, and Rautahi Marae for hosting a public hui.

Council sincerely thanks and acknowledges the representatives who attended the Council-led and ISK-led business forums, and members of the community who attended public meetings. Thank you all for your support and your time to attend, ask questions, give feedback, and to discuss your concerns.

Council also provided a drop-in session at a Kawerau Market, which despite the wet weather, attracted a number of residents who came specifically to ask questions or discuss areas within the Local Water Done Well consultation document.

Council prepared two documents for Local Water Done Well comprising:

- Summary Consultation Document
- Comprehensive Consultation Document

Supplementary information, including the comprehensive consultation document has been made available via the website and provided via regular updates on social media (Facebook and Instagram) and in the Council Pānui, in advertisements in the Beacon newspaper, the Echo and Eastern Bay radio stations.

### **Process for engagement and availability of consultation material**

Communication regarding the upcoming consultation and engagement events for the Local Water Done Well proposals were completed via:

- Engagement meeting dates advertised in the Council Pānui on 20 March;
- Engagement meeting dates were advertised in the Echo and Beacon in late March and April 2025;
- Summary consultation document delivered to all residential households in the district during the first week of the consultation period from 11 May;
- Local Water Done Well Comprehensive Consultation Document was printed and available at meetings, in the Council office, district library and isite;
- Website pages developed and relevant documents available to view, and the submission form;
- Council's Pānui 17 April (online) contained a summary of the Local Water Done Well proposals
- Council received submissions via all mediums;

Engagement meetings and events comprised a number of internal (staff) briefings, followed by external events with Council's valued stakeholders and community:

- 1 April, 2 April and 3 April – Council staff engagement meetings with the Three Waters team, Council office staff and the Operations team;
- 11 April - Grey Power Kawerau and Districts Meeting (attended by approx. 50 people).
- 14 April – Industrial Symbiosis Kawerau (ISK) hosted hui with industry and business leaders at Mainstream Engineering Limited (MEL).
- 15 April – Kawerau business forum hosted by Council at the Concert Chamber (approx. 30 people attended).
- 15 April – 5:15pm evening meeting for the public at Concert Chamber (approx. 4 attendees).
- 17 April – Morning meeting for the public at Rautahi Marae (approx. 6 attendees).
- 8 May – Drop in session at the Kawerau Market, Circus Paddock.

Council wishes to acknowledge the interest and support of Council Iwi Liaison and Cultural Advisor Te Haukakawa Te Rire, the community and organisations who attended the meetings and the support of the Mayor and Councillors, Chief Executive, Senior Leadership team and staff.

The number of submissions at 107, shows a considerable interest by the Kawerau community. The last time Council sought feedback from the Kawerau community about the delivery of Three Waters in three weeks during September 2021, we received 231 submissions of which 228 opposed Kawerau joining the government's reform model, and 3 submissions in favour.

## **4 Consideration of Submission Topics**

The special consultative and engagement process focused on explaining the Local Water Done Well legislation enacted by the coalition government and the ensuing requirements for territorial authorities.

After investigating and considering a number of options for the delivery of water services to the Kawerau community, Council resolved to adopt a preferred and alternative water services delivery structure. These are summarised below (with further details available in the Local Water Done Well comprehensive consultation document attached):

### **Option 1: Internal - An in-house business unit**

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 (Council's alternative option)**

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 would provide a greater debt ceiling for each of the respective Councils to borrow and upgrade or renew three waters infrastructure.



## Pros and cons for internal vs multi-CCO

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

	In-house business unit	Multi Council company (CCO)
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 and accountability authority of water services delivery	✓	✗
Requires targeted rates for waters in 2025-2026 and beyond	✓	✓

✓ YES — SOMEWHAT ✗ NO

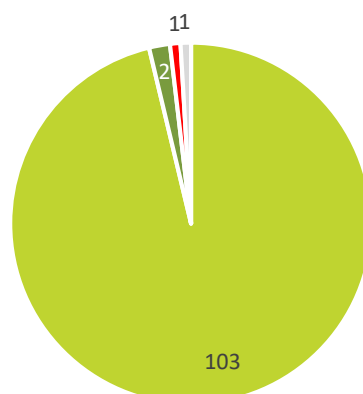
## 5 Overview of Submissions Received

Council ensured that the community had a number of methods to have their say about Local Water Done Well, including printed submission forms and online mediums. The submissions were received as follows:

Submission Channels	Number	Percentage
Email	2	1.87%
Hardcopy	57	53.27%
Survey Monkey	48	44.86%
• Social Media	• 19	• 17.76%
• QR Code	• 17	• 15.89%
• Website	• 12	• 11.21%
TOTAL	107	

The submissions received from the community were overwhelmingly in favour of an in-house business unit delivering three waters services to the Kawerau community. 105 of the 107 submitters selected option one, the internal (in-house) business unit as their preferred delivery structure of three waters.

### What is your preferred option for Water Services Delivery for Kawerau?



- Option 1: Internal – an in-house business unit to deliver water services
- Option 2: Join a Multi-Council Controlled Organisation to deliver water services
- Neither Option 1 or Option 2
- Blank

#### Submission Results Overview:

Option 1: 103 or 92.26%

Option 2: 2 or 1.87%

Neither Option 1 or 2: 1 or 0.93%

Blank: 1 or 0.93%

In addition to the 107 submissions on how Council should deliver water services, submitters also provided 72 free text comments. These have been captured and grouped as follows:

Submitters' Comments - Local Water Done Well	Number
<i>Retain water services in-house (option 1)</i>	
<i>Retain autonomy</i> <ul style="list-style-type: none"> <li>• <i>Maintain responsibility and accountability of water services</i></li> <li>• <i>Retain the 'mana of the wai in the rohe'</i></li> </ul>	24
<i>Invest in Our District –</i> <ul style="list-style-type: none"> <li>• <i>Kawerau infrastructure renewals underway (drinking water for example)</i></li> <li>• <i>Introduction of targeted rates positive</i></li> <li>• <i>Local control and responsibility will keep costs down</i></li> <li>• <i>Agree with investing in the manganese removal plant</i></li> <li>• <i>Do not burden Kawerau with other council's water problems</i></li> </ul>	20
<i>Continue Delivering Excellent Services</i> <ul style="list-style-type: none"> <li>• <i>Organised and efficient service</i></li> <li>• <i>'Proactive and efficient water management'</i></li> <li>• <i>'Great job delivering water to community'</i></li> <li>• <i>Continue cooperation with other councils</i></li> </ul>	16
<i>Join Multi-Council Controlled Organisation (option 2)</i>	
<i>Joining a Multi-Council Controlled Organisation has positives</i> <ul style="list-style-type: none"> <li>• <i>Shared governance, pooled experience and greater resilience (albeit need safeguards to protect Kawerau's autonomy)</i></li> </ul>	1
<i>Neither option 1 or option 2</i>	
<ul style="list-style-type: none"> <li>• <i>'Leave our council to sort out the problem they created. They have the ability to manage water inside our district.'</i></li> <li>• <i>Government and private enterprise stay in their lane</i></li> </ul>	1
<i>General Comments</i>	
• <i>Remove fluoride (5) and/or chlorine from water</i>	7
• <i>Appreciate no water meters</i>	1
• <i>Ongoing communications about water</i>	1
• <i>Post renewals, find pathways to manage rainwater more efficiently for use</i>	1
<i>Free text comments from submitters</i>	72

## 6 Summary

The community has been provided with robust financial data audited by Audit New Zealand (via the Long Term Plan 2025-2034) which shows Council is in a good financial position currently and has achievable and deliverable future plans.

Importantly, this includes the Council being able to continue to maintain and renew three waters infrastructure via depreciation funds and borrowing via Local Government Funding Agency (LGFA) as required to complete the drinking water renewals. Prudent depreciation funding plans will enable Council to replace the wastewater reticulation (pipes) in the coming nine years with funds put aside via depreciation. A 30-year infrastructure plan provides further assurance of Council's ongoing focus on maintaining and renewing three waters infrastructure, including reservoir replacement.

Through the formal submission process, the Kawerau community has shown confidence in the ability of Council to continue delivering water services into the future. The reasons provided by the community for this confidence and for the selection of an in-house business unit, is largely that the Council is enacting a plan from 2021 to renew the three waters infrastructure to replace the entire drinking water network (now 50 percent completed) and remain well under the maximum debt levels allowable. The community has provided positive feedback about the financial modelling, service delivery and current and future plans for infrastructure renewals. Additionally, the community has noted the excellent service delivery of the three waters operational team.

In summary, as demonstrated via the submission process, Council has the backing and full confidence of the community to continue to provide quality provision of three waters service delivery.

## **7 RECOMMENDATIONS**

1. That the report "Receipt of Submissions and deliberations for the Local Water Done Well consultation and confirmation of preferred structure for the Draft Water Services Delivery Plan" be received.
2. That Council resolve to hear submitters who have indicated they wish to be heard and deliberate on the submissions.
3. That Council resolve to confirm the preferred structure to deliver water services to the Kawerau community via:
  - a) Option 1 – an internal or in-house business unit in the Draft Water Services Delivery PlanOR
  - b). Option 2 - Joining a Multi-Council Controlled Organisation in the Draft Water Services Delivery Plan



Morgan Godfery  
**Chief Executive Officer**