



Local Government Minister Nanaia Mahuta is publishing local-level data for all 67 city and district councils, in an attempt to persuade ratepayers that all will benefit from the Three Waters reforms. Photo montage: Vanita Prasad

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INFRASTRUCTURE

Fifty mayors speak out on water reforms

From the Far North to Invercargill, the country's leaders give their verdicts on what the \$120b-plus water reforms mean for ratepayers.

Hamilton and Porirua city councils are leading a push to ensure the entire country's water networks are included in the massive \$120b-plus Three Waters reforms, with no council allowed to opt out for parochial reasons.

Local Government Minister Nanaia Mahuta is to go to Cabinet in July, for a decision on whether the reforms should be made mandatory for all councils. She isn't yet committing to compulsion: "We're taking the approach of continuing to

work with councils," she said. "The reform programme is based on good evidence, provided by councils themselves."

WHAT'S YOUR COUNCIL'S

POSITION? [Ashburton](#); [Auckland](#); [Buller](#); [Carterton](#); [Central Hawke's Bay](#); [Central Otago](#); [Chatham Islands](#); [Christchurch](#); [Clutha](#); [Dunedin](#); [Far North](#); [Gisborne](#); [Gore](#); [Grey](#); [Hamilton](#); [Hastings](#); [Hauraki](#); [Horowhenua](#); [Hurunui](#); [Hutt](#); [Invercargill](#); [Kaikōura](#); [Kaipara](#); [Kāpi ti Coast](#); [Kawerau](#); [Mackenzie](#); [Manawatū](#); [Marlborough](#); [Masterton](#); [Matamata-Piako](#); [Napier](#); [Nelson](#); [New Plymouth](#); [Ōpōtiki](#); [Otorohanga](#); [Palmerston North](#); [Porirua](#); [Queenstown Lakes](#); [Rangitikei](#); [Rotorua](#); [Ruapehu](#); [Selwyn](#); [South Taranaki](#); [South Waikato](#); [South Wairarapa](#); [Southland](#); [Stratford](#); [Tararua](#); [Tasman](#); [Taupō](#); [Tauranga](#); [Thames-Coromandel](#); [Timaru](#); [Upper Hutt](#); [Waikato](#); [Waimakariri](#); [Waimate](#); [Waipā](#); [Wairoa](#); [Waitaki](#); [Waitomo](#); [Wellington](#); [Western Bay of Plenty](#); [Westland](#); [Whakatāne](#); [Whanganui](#); [Whangārei](#)

To allay concerns that the expropriation sets the stage for a subsequent government to privatise the assets, she is promising a clause in the law requiring a referendum with a 75 percent majority before the assets can be sold off.

If councils ruled out the benefits too quickly then it would be ratepayers who ended up paying the price, Mahuta warned.

"Councils currently own water assets, and in the reform process I'm proposing they'll continue to own the assets.

"I can say very clearly, I've said this right from the beginning of the reform programme – we are working towards a public ownership model of water service delivery, and we are ruling out any form of privatisation," Mahuta said.

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Her determination to include all 67 councils is backed by Hamilton mayor Paula Southgate. "Hamilton City Council has been very clear the full benefits of this reform programme will not be achieved unless all councils are in," Southgate said. "Council supported the reform and would support an all-in, inclusive participation model."

Porirua chief executive Wendy Walker agreed. "We are constrained by a small ratepayer base and constraints on debt and yet we have significant residential growth and pipes that haven't lasted the distance," she said. "It would be simpler if it was mandatory. The effect of too many Councils opting out will undermine the overall reform benefits."

At Queenstown Lakes District Council, mayor Jim Boulton said he expected the reforms would be made mandatory, and he believed that was the only viable fallback. "If you have 90 percent of councils opting in, really it becomes impossible to hold out."

And in Otorohanga (which has quite manageable levels of debt) mayor Max Baxter said the reforms must not be a patchwork; councils should not be allowed to sit them out without regard for the greater good. "The Minister wants to do this by consensus. But if I'm going to speculate, she's going to have to put the hammer down and say, sorry but you all have to be in. And I would support that."

In the north, only one in four Kaipara households is connected to treated, reticulated drinking water, and ratepayers are still paying off \$60 million debt incurred in part for the construction of a trouble-plagued wastewater plant – but the big councils on either side, Whangārei and Auckland, are both talking about opting out and leaving Kaipara on its own.



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Mayor Jason Smith told Newsroom that the data indicated the water reforms would enable Kaipara to clear all its debts – but unfortunately, Whangārei's exit threw the entire reform model into disarray for the north of the country.

Mahuta has confirmed the country's drinking water, wastewater and stormwater infrastructure will be transferred to the control of four publicly-owned

entities, [as Newsroom first reported in December last year](#). She will welcome the support from councils like Hamilton, Otorohanga and Porirua, because until now the most vocal local voices have been opposed to the expropriation, amalgamation and, in particular, to making it mandatory. Phil Goff, the mayor of New Zealand's biggest city, said that while he strongly supported the government's objectives for water reform, he did not believe the model would benefit Aucklanders.

"Aucklanders have invested heavily in building up Watercare's more than \$10 billion worth of assets, with a further \$11 billion invested in water infrastructure in our current 10-year Budget," he said.

"Control over those assets, and our ability to ensure that Aucklanders' needs are put first, is undermined by the reform, which proposes that Auckland Council could have less than 40 percent of the representation in the governance of the new entity."

Mahuta proposes to merge Auckland and Northland's assets together under the control of one water authority – but that has been thrown into uncertainty by Whangārei voting this week to "opt out" of the reforms.

The reforms would save ratepayers thousands of dollars, Mahuta said, and would better ensure the investment of the \$120 to \$185 billion needed to upgrade and maintain the three waters services.

"The data shows the case for change is compelling," she said. "Without these changes, Department of Internal Affairs modelling shows that even at the more conservative end of estimates, the average household bill for water services could be as high as \$1,900 to \$9,000 by 2051, which would be unaffordable for many communities.

"Under our proposal for four providers those figures range from \$800 to \$1,640, saving households thousands of dollars."

Whangārei District Council voted unanimously on Tuesday to "provisionally" opt out of the reforms that will expropriate drinking water, wastewater and stormwater assets from local authorities. Mayor Sheryl Mai said that in addition to losing control of the council's "very well managed and maintained infrastructure", residents would lose up to \$150 million in borrowing power that those assets provided.

There are fears that with Whangārei's exit, the dams may break and other councils will follow. Auckland, Christchurch, Napier and Clutha are among those to express doubt about the reforms, though they all say they are digesting the local-level data provided to them overnight before making any hasty decisions.

"I did caution Whangārei not to make a decision prematurely before we released today's information," Mahuta said.

"The benefit of reform to Whangārei ratepayers sits at around \$800 over that 30-year period – and I think that's a significant benefit. The broader benefit to Whangārei is they'll have world-class infrastructure."

Mahuta said that at present, the 67 councils provided most of the country's three waters services, a system that was often ineffective, inefficient, and not fit for purpose. "Under-investment, including deferred maintenance and renewals expenditure, has left a legacy of impending costs and poor services for future generations."

The reforms were first sparked by a tragic campylobacteriosis outbreak in Havelock North in 2016. It highlighted small councils' lack of expertise and scale to manage complex water infrastructure.

More than 5500 of the town's 14,000 residents were estimated to have become ill from drinking the infected town water; some 45 were subsequently hospitalised, an official report found, and four died. That was the genesis of the changes that are being announced this week, five years on.

More recently, Wellington has been plagued by sewer breaks and overflows, underpinning a dramatic new government advertising campaign to encourage the public to the water reforms – or else.

"We have seen the effects of a system in crisis: fatalities from bacteria in drinking water, broken sewer pipes, poorly treated wastewater running into streams and rivers, no-swim notices at the beaches, regular boil-water notices, and lead contamination," Mahuta said.

The country's city and district councils are analysing Department of Internal Affairs data, published today, that show how the reforms will affect the water rates and balance sheets in each community.

"Without this change, communities are going to either face very large bills for water services; or infrastructure will continue to degrade with ongoing health and environmental consequences. Both of these outcomes are unacceptable," said Mahuta.

Whether the proposed changes will do anything for problems with water connectivity and water quality at marae around the country remains to be seen.

"In part that will be a responsibility of the regulator who will need to consider the way marae and rural water supplies are brought into the regime of a high drinking and freshwater standard," Mahuta responded. "There will need to be

some quite serious considerations about how marae are brought in, if they're brought in and what the terms and conditions are."

WHAT DO THE COUNTRY'S MAYORS SAY?

Far North mayor John Carter: "Northlanders haven't supported past proposals to merge local government services in Northland. We need to ensure that we fully understand the advantages and disadvantages of being part of an entity that provides three waters services to 1.7 million people across a large area. We are concerned that the Bill may require councils to take over private water networks that fail to meet standards. The Bill defines a water network as any water supply that is not a single-dwelling supply, so the new standards will apply to marae and community facilities."

Whangārei mayor Sheryl Mai: "We will be reminding the Internal Affairs Department that it said participation in the three waters reform was voluntary with the ability for Councils to opt out.... In short, we are asking Government to substantiate its claims and provide the information we need to make an informed decision, and making it clear that we undertook this process in good faith and that we expect the same from Government."

Kaipara mayor Jason Smith: "The proposed water entity for Auckland and Northland will be the largest of the four, at 1.7 million people. Auckland represents 92 percent of the population ... Northland may not even get one seat at the representative group which selects the board of the Entity A, from the three Councils in the north, due to the population differences. That would be a big change for the people of Northland who are used to knowing who's making Council decisions that affect them – and I don't know how they'd like the idea of being 'done to' rather than 'done with'."

Auckland mayor Phil Goff: "The proposed governance structure lacks accountability, and therefore responsiveness to Aucklanders through their elected representatives. This risks the entity not responding to public concerns and its senior management paying itself inflated salaries ... The new body will be more susceptible to privatisation as has occurred in the United Kingdom."

Hauraki mayor Toby Adams: "There's a lot of information to go through and the Council will be reviewing this and seeking feedback from its communities before making any decisions. In the meantime, we'd like to reassure our communities that all of our drinking water supplies meet drinking water standards, including our Kaimanawa supply, which has recently been connected to the Paeroa supply."

Thames-Coromandel mayor Sandra Goudie: "This is a proposal of significant local impact. I don't think there is a good understanding in our community of what it means and how it will affect people. We're carefully reviewing all the material that has been released this week to decide if community consultation is required before we commit further to the process."

Western Bay of Plenty mayor Garry Webber: "We understand the reforms are looking at beginning on 1 July 2024 but this is a long way out and a lot of water needs to pass under the bridge before then. We, like all other

councils, need to ask the question, ‘what are the long run implications for our residents if we don’t join the new grouping?’ Our infrastructure is in a good state and this reflects the major investments we have made in the past. Our assets are modern and well maintained and we are committed to ensuring this continues now and into the future. We are elected by our residents to make decisions in their best interest and that is what we will continue to do.”

Tauranga commission chair Anne Tolley: "We are confident that we have invested sensibly in our waters services, and will continue to do so. As our performance currently stands, we are amongst the very best service providers in New Zealand, but we acknowledge that by international standards there is still considerable work to do. Tauranga City Council is willingly participating in the Three Waters reform process and is working closely with councils throughout the central North Island on potential models for the future delivery of waters services. In our view, the reform process offers an opportunity to create an effective delivery model, while ensuring that the required national investment is available to build a better water future for New Zealand."

Whakatāne mayor Judy Turner: "We’ve received a wealth of information from Government, and we expect to receive more detail before the end of the month. Our Leadership Team and Council need time to absorb the proposals and carefully consider the impact on all our communities, our partners and ratepayers. Given that, it’s unwise to determine where we will land at this stage and we will keep an open mind."

Kawerau mayor Malcolm Campbell: “The first priority is to get all the information and facts and see how this will impact on our district. Then we can talk to our community and Iwi and see what they want. During the recent Long Term Plan 2021-2031 consultation process, Council heard clear support from the community to retain and independently manage its Three Waters infrastructure. One of the proposals in Kawerau District’s Long Term Plan 2021-2031 is to replace 48km of the old drinking water pipes over the next six years. Council currently has no debt, but to fast track the replacement project, it will borrow \$12 million to complete the project. With a long-term loan of 90 years, this will ensure those who benefit from the asset now and into the future will contribute."

Waikato mayor Allan Sanson: “Waikato District Council looks forward to continuing to work with central government and neighbouring local authorities on the future of three water services, which we know from modelling through our long-term plan are rapidly becoming unaffordable for our communities."

Hamilton mayor Paula Southgate: "The most important feature of this reform programme is ensuring equitable and affordable three waters services throughout New Zealand. This reform will provide outcomes which are better for our environment, better for our communities and better for our future. Council absolutely supports the Government’s commitment to ensuring these assets remain publicly-owned.... Our pipes, treatment plants and stormwater systems have been established to serve our communities and they will continue to serve

our communities. Essentially we look after these assets on behalf of our city. New entities will do exactly the same thing."

Matamata-Piako chief executive Don McLeod: "We now have the information packs and this will allow us to continue to constructively engage with Central Government on the final shape of the reform, at which point we will make a decision."

Waipā Mayor Jim Mylchreest: "I do have concerns that won't be allayed until I have more information around issues like the transfer of Waipā assets and the retention of a local voice for the people of our district. I accept the notion of national good and accept our sector must do what is best for New Zealand overall. I support that but do note that the vast majority of councils, including Waipā, have done a pretty good job with water. It is disingenuous of any government to bemoan a lack of investment in infrastructure when I can point to multiple examples of government under-investment over many years in sectors like health and education."

South Waikato mayor Jenny Shattock: "We need to consider future water, wastewater and stormwater legislative requirements that will impact this change. South Waikato's urban communities have good three waters infrastructure, particularly in the water supply and wastewater area. Our council has already committed significant additional funding to infrastructure improvements over the coming years that is reflected in the previous and current long-term plan, adopted just yesterday to cover growth, quality and the impact on our environment."

Otorohanga mayor Max Baxter: "As a council we have no external debt and we've brought forward \$8m of capital works to get ahead of the curve, but even so, we can't afford to do the things we'd like to, like provide reticulated sewerage for our coastal community of Kawhia, where they're on septic tanks. If we're going to meet the level of environmental protection that the Government is going all-out to achieve, we can't do that on our own. To bring the benefits the Government is promising, we need to be all in this, as one."

Ruapehu mayor Don Cameron: "Up until now we have supported the Three Waters reform process in return for funding that is allowing us to upgrade our water systems in-line with the new compliance standards. Without further financial support however meeting the government's new compliance standards for water would see our debt balloon to over \$100m. While our ratepayers have supported Council undertaking an accelerated capital works program to meet these new standards within five years they are very uncomfortable with the debt implications."

New Plymouth mayor Neil Holdom: "Like other councils across Aotearoa, we are carefully considering the details of the Government's announcement on the proposed Three Waters reform. There is much to digest and consider. Based on the data presented it is clear the status quo is not an option as the cost to deliver to smaller communities does not look sustainable out to 2050 and beyond."

South Taranaki mayor Phil Nixon: “The South Taranaki District Council in many ways is ahead of the game, having spent many tens of millions of dollars on our water infrastructure. I’m always wary when people claim centralisation will save you money and improve service. Bigger is not always better and personally I think the benefits of consolidating water services have been overstated – the underlying assumptions certainly seem very optimistic. We also need to have a better understanding as to how central Government arrived at the figures it came out with and the rationale behind those calculations. This is a big decision with huge implications.”

Gisborne mayor Rehette Stoltz: “What the Government is telling us is that if we don’t opt into this reform, ratepayers in Tairāwhiti will be paying up to \$8690 each per year for water services, compared with \$1260 if we do opt in. We need to understand how Government arrived at these numbers, so we’ve got some work to do to know the rationale that was applied.”

Napier mayor Kirsten Wise: “Now that we know the proposed boundary for Napier’s water entity, what is most important to me is having the assurance that Napier would have a voice on our water entity’s governing board. I am supportive of the co-design approach with mana whenua ... but there are still many unknowns about the Government’s proposals including how effective the protection against privatisation will be. Until there is further clarity I am not prepared to put my support behind either remaining in the new water entity or opting out.”

Hastings mayor Sandra Hazlehurst: "Safe drinking water remains our council’s number one priority, and that will continue irrespective of government reform. We look forward to working with the government as the Three Waters reform work progresses."

Central Hawke’s Bay mayor Alex Walker: "As a rural council with large infrastructure needs and a small population, we have significant affordability challenges when it comes to Three Waters infrastructure, so, we are taking a very open-minded approach to the reform proposal. It is clear to me that the current model of funding and financing has not delivered the best outcomes for communities like ours and there are far bigger opportunities for local government in how we work at a local level on the things that truly matter to our sense of place, community and wellbeing."

Palmerston North mayor Grant Smith: “ All Councils must acknowledge there is backlog of underinvestment, regardless of where each individual Council views themselves. It’s the future work that needs to be taken into account and not pushed aside. From a Palmy perspective we are keen to work with the Govt and other Councils to see where efficiencies and improvements can be made, for not only the people of Palmerston North but the wider Eastern and lower North Island regions, now and into the future.”

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seriously damaged trust and collaboration between central and local government. The water asset proposal makes the ability to nationalise water services in the future much easier for future governments."

– Alex Beijen, South Wairarapa

Tararua mayor Tracey Collis: "Government, through the collection and analysis of data from local authorities, has informed us that every local authority will be in a better financial position under the proposed reform. Through the new service delivery entities representative group, communities will have a voice in decision-making – the challenge will be ensuring that *all* of our communities are heard fairly and decisions are made transparently."

Masterton mayor Lyn Patterson: "Elected members have not yet had a chance to discuss the detail of proposals as a Council and will not make a public comment before that has been done."

Carterton mayor Greg Lang: "At this stage the Council has not been provided enough information to make an informed decision and therefore we are not willing to state a position until we have more information and have evaluated what it means for our district."

South Wairarapa mayor Alex Beijen: "The South Wairarapa has water assets in need of considerable investment to bring them up to standards currently recognised as fit-for-purpose.... The Government proposes a drastic and destabilising solution for a simple problem of allowing Councils to remove water assets from the balance sheet, and borrow to provide sustainable solutions. The media campaign appears nothing more than propaganda, and has seriously damaged trust and collaboration between central and local government. The water asset proposal makes the ability to nationalise water services in the future much easier for future governments. At this stage we are unlikely to be able to avoid being forced into the reforms, but in the absence of a discussion about better options, would work to make the best of the planned changes."

Horowhenua chief executive David Clapperton: "The Horowhenua District population is expected to grow from 36,000 to 60,000 in the next 30 years. Our infrastructure needs to keep up with the pace and scale of growth. Investment in new infrastructure, (particularly for water, wastewater and stormwater) has long-term consequences for Horowhenua's future, and will

determine how we can keep ahead of the expected demand. Should Council opt in to the Government's Three Waters reform we will want assurances that the entity in our region can deliver the new infrastructure required and not just focus on fixing the infrastructure renewal deficits in other parts of the country."

Kāpiti Coast mayor K Gurunathan: "Our ratepayers, who have invested heavily and proactively in our water services and are well positioned for the future because of it, will end up bearing the costs of an entity that will need to prioritise addressing failing infrastructure in other areas over any work in our communities. We are a rapidly growing district and our issues aren't that we lack the size or scale to do things well. It's always been access to funding and clear direction and focus that we need to make things happen.... The proposed model of quasi-ownership lumps us with all the responsibility and accountability, but absolutely no control or influence. Kind of like if I let you have my car but I'm still responsible if you crash it."

"We need to make sure it's right for all New Zealand. We don't live solely within our council boundaries. We need to make sure there's good clean drinking water across the board, and that our rivers are swimmable, and that we don't have sewage going across the streets anywhere."

– Campbell Barry, Hutt City

Porirua chief executive Wendy Walker: "Removal from the Council's balance sheet is the right approach. Porirua City is likely to prefer Crown ownership rather than the collective Council ownership approach the Government is proposing. We will have little to no influence in the new arrangement but with collective Council ownership the public are likely to want us to intervene. We think this is unworkable. We see ourselves as kaitiaki for these assets so as long as we are compensated for the associated debt we think that is fair."

Upper Hutt mayor Wayne Guppy: "We'll be looking at the facts and figure closely. We need to understand the detail, including the impact on our community. They'll have a big say on whether handing over our assets is the right thing to do. I also have concerns about the governance structure. Things do need to change, but we don't want to see a whole lot of inflated bureaucracy."

Hutt mayor Campbell Barry: "As councillors we're elected to strongly represent our communities and our cities – rightly so. But this is a bit bigger than that. We need to make sure it's right for all New Zealand. We don't live solely within our council boundaries. We need to make sure there's good clean drinking water across the board, and that our rivers are swimmable, and that we don't have sewage going across the streets anywhere. My plea is to my local government colleagues. to have a mature fact-based conversation which is focused on the best result for all New Zealanders. And I'm hopeful that is possible."

Wellington mayor Andy Foster: "From our point of view, we have bitten the bullet and are now fully funding the renewal of infrastructure for the first time since the first pipes went in the ground more than 150 years ago. We've got ourselves, in budgetary terms, to a place where we can actually do the job required of us. There are some big assumptions being made about the efficiency gains. We need to make sure individual communities can get the services that they need. If we use the illustration of Wellington, we will need more resilient infrastructure than others because of our seismic challenges. We don't want a one-size-fits-all entity."

Marlborough Mayor John Leggett: "From what we have seen so far there appears to be economies of scale and benefits for ratepayers and residents in the proposals. The numbers presented by the Government look appealing from a cost-to-ratepayer and infrastructure investment point of view. But it's important that our Council thinks hard about what is best for our community for the long term – that is the priority. Marlborough has relatively good Three Waters infrastructure and that reflects the major investments we have made over the last 20 years or so."

Nelson mayor Rachel Reese: "I sit on the steering committee for the reform programme, as does Nelson City Council's chief executive. As a Council, we are supportive of the reform and believe the case for change has been made. The status quo is not viable across New Zealand. Delivering value for water customers throughout the country and ensuring no council is worse off works best when every council participates. We are pleased that the government has clearly signalled that the boundaries in our region are up for discussion, which is particularly important for mana whenua and our neighbouring councils. We acknowledge our responsibility to play our part."

Buller mayor Jamie Cleine: "We've got about seven standalone water supplies for seven communities, sometimes just 250 households connected. And all of them are separated by many kilometres, sometimes an hour's drive. And they're looking at \$1.5-\$2.5 million to meet the new Taumata Arowai regulations. That has to be funded somehow. If aggregation doesn't happen through the reform, we'll have to look at some form of aggregation of our own, in terms of how we charge and fund it. But that is really, really unpopular. And that would be only circling the wagons another few years and then you'll be looking at the same affordability issue. So we see the reform, absolutely, as a

really good thing on the face of it.... The Minister has to ensure sure no one is left behind."

Grey mayor Tania Gibson: "At this stage I and our councillors are not convinced and if it went to the vote now with the information we have I am very much doubting it would be adopted.... It has been indicated that rural areas of the country such as the West Coast will have higher costs than metro areas which our ratepayers can simply not afford. Ratepayers own these assets and the Grey District is in a pretty good space with its drinking and waste water, stormwater is our issue. We are very concerned about the timeframes, we are concerned for our local contractors, our staff and losing our local voice. Creating new entities and structures also costs money when entities are in place, just underfunded. With such a large entity in the South Island we would be lucky to even get representation on the governance group. The advertising campaign that the government has spent \$3m on has also been an abysmal effort that does not help the general public in their understanding."

Kaikōura chief executive Will Doughty: "Kaikōura has benefited from significant investment in the Three Waters infrastructure post-quake and as our infrastructure strategy for the draft Long-Term Plan identifies, we are not anticipating huge expenditure in the Three Waters for growth or renewals in the short to medium term. In terms of the entity proposed we have always supported that should we choose to remain in an entity, that it should be one that aligns with the Ngāi Tahu takiwā. It is good to see that the Department of Internal Affairs has responded to the common view held by the Canterbury councils and other south island councils."

Hurunui mayor Marie Black: "Forced nationalisation of the three waters assets which belong to the ratepayers of this district does not form part of our agreement with the government to engage and if it was to be the path taken by the government it would be strongly resisted by this Council on behalf of our ratepayers. The government believes it has built a compelling case nationally for three waters perform and has launched a nationwide campaign to sway the public sentiment to support this reform.... Hurunui District Council has entered into this process in good faith based on the information provided by the government at the time and it expects the government to honour its undertakings particularly with respect to allowing local people to make this decision locally."

Waimakariri mayor Dan Gordon: "I'm concerned the information provided only paints part of the picture. Like all councils we recognise the need to invest more in Three Waters. This isn't anything new. We take great pride in providing our communities with safe and reliable drinking water. Over the past 20 years we've invested over \$100m in water infrastructure which is high quality and have a planned programme to ensure it stays this way.... I question how they've worked out the huge efficiencies available given the proposal says it's going to increase staffing by thousands of people. Our own financials and modelling doesn't support their underlying argument."

Christchurch mayor Lianne Dalziel: "Looking at the dashboard for Christchurch it is difficult to yet see a compelling case for change.... The Government has said that it will provide Councils with more information on the financial implications of transitioning to the new entities at the end of July. Once we have that information, we will then need to engage with our communities and get their feedback on whether they want us to continue with the reform process or opt out."

Selwyn koromatua Sam Broughton: "We haven't been convinced as yet that there is a strong case for change.... We will be taking the time to carefully and thoroughly consider the proposals. That is something we owe the people of Selwyn to ensure we are making the best decision on their behalf. We will continue to meet and work with other South Island Councils, mana whenua and Internal Affairs to discuss these reforms. Our focus is seeking the best options for Selwyn, so that whatever system operates in the future they receive the best possible water services and representation in the management of that system."

"I have real concerns that this is going to be forced through against our local community's will. This concern was reinforced by the surprise launch of the ... ill-timed, ill-informed and ill-mannered advertising campaign which insulted and alienated what was meant to be one of the partners in this process, and shows a serious lack of judgement on behalf of the department."

– Nigel Bowen, Timaru mayor

Ashburton mayor Neil Brown: "This is a big decision for our Council and community, and we need to better understand the data, and our position, including the impact on our community in terms of what's best for our ratepayers. We do recognise the need to invest more in three waters, which is evident by our recently adopted Long Term Plan."

Waimate mayor Craig Rowley: "We're extremely concerned with the timeframes that have been placed around this process – first coming off the back of a once-in-a-generation global pandemic and second, the extreme

pressure and resources called on under time-critical deadlines.... We believe that the data that has been used to determine the non-reform cost is seriously flawed, and doesn't present a true picture of the future costs of water to the Waimate District. It has been my experience that the centralisation of services does not tend to create local employment, with most being centred beyond our district. Council does have challenges around the delivery of rural drinking water, this is due to these schemes originally being built as stock schemes and as such 85 percent of water is not for human consumption."

Timaru mayor Nigel Bowen: "My current position on the new Three Waters proposal is that we will opt-out until we can be convinced that our community will benefit from joining, and that we won't become a back-water when it comes to development.... At the end of the day it is important that there is a strong local voice in making the best long term decisions for our community, and it isn't mandated by Wellington. We agreed to take part in the Three Waters reform conversation in good faith. Following yesterday's proposal we do not feel that our good faith has been reciprocated. A key part of us agreeing to the initial stages of this process was that we were to retain the decision whether to opt in or not. The Minister's position has seemingly hardened on this topic recently, and I have real concerns that this is going to be forced through against our local community's will. This concern was reinforced by the surprise launch of the ... ill-timed, ill-informed and ill-mannered advertising campaign which insulted and alienated what was meant to be one of the partners in this process, and shows a serious lack of judgement on behalf of the department."

Waitaki mayor Gary Kircher: "Although I have some serious doubts about the numbers used for Waitaki, I am sure there will be some benefit financially for our ratepayers, though that relies on the potential new entity being as efficient as possible. The downside is the potential for our community to lose its voice in what happens to our water assets and service.... I want to make it very clear to Government that they will be very courageous to make aggregation of water compulsory. They have not made the case with our communities, and there will be very strong resistance if they take water without making that case."

Mackenzie mayor Graham Smith: "Council is pleased that the interests of mana whenua have been provided for, and that local people will continue to have a voice on the issues that matter to them most. More detail is required, but we will work with the newly created water entity and government to ensure a smooth transition in due course."

Queenstown Lakes mayor Jim Boulton: "I think it's probably going to be compulsory. But our efforts will be going into ensuring that first, our ratepayers get a fair deal for their investment in their current infrastructure; secondly for protection from whatever happens in the future like Havelock North, and thirdly, quality of the end product. Good drinking water, adequate treatment of stormwaters and waste. Like everything there are areas we can improve. We're fortunate we have two very large natural reservoirs, Lakes Wakatipu and Wanaka! I think one of the bigger challenges is going to be all the privately

owned water supplies; there's myriad of them and the majority of them are very keen for council to take over supply. We're interested, but we don't want to take on liability without being very sure we have adequate financial cover. I was surprised to discover that around 800,000 of our 5 million Kiwis get their water from a private supply."

"I wrote out a cheque for the sewerage and the water to my house. It was my money, it came out of my bank account. So I concede that legally, the state may own the water infrastructure – but most people feel they own it because they paid for it."
– **Bryan Cadogan, Clutha**

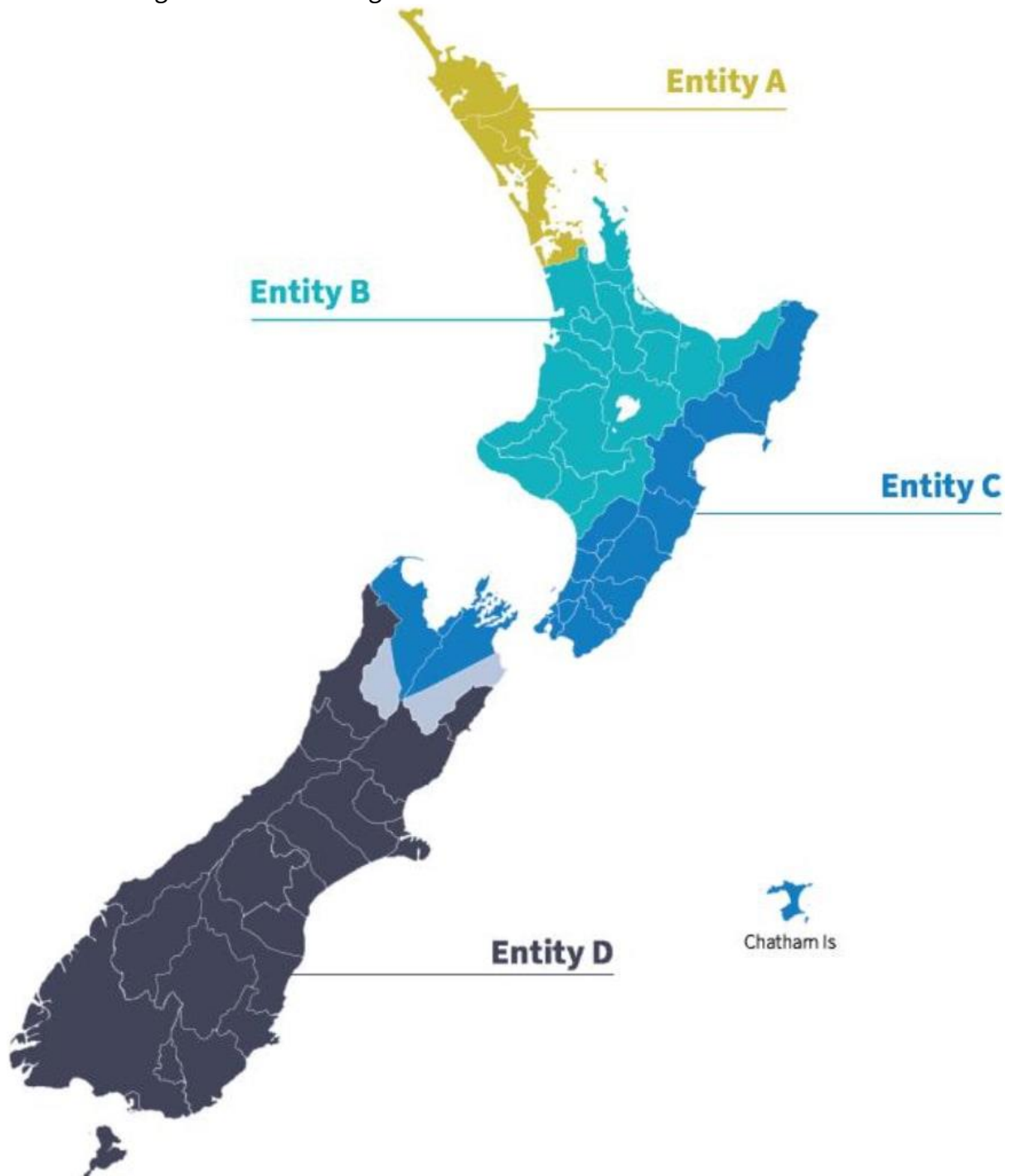
Central Otago mayor Tim Cadogan: "From the moment the Water Services Bill becomes law, there will be no status quo. We, council and the community, therefore have to look very carefully at how the changes that are coming are going to affect us and the people of Central Otago for generations to come and to consider the best way to meet those changes. Because of the enormity of the decision ahead of us, and because the time for that decision is not upon us yet, and because there is still a lot of information to come yet, this is not the time for making decisions. This is the time for getting as clear an understanding as possible of the pros and cons."

Dunedin mayor Aaron Hawkins: "Asides from setting up the architecture for future privatisation, separating the provision of water services from our spatial planning role is of great concern to me. If you're in a growing area, and you have to provide for greater residential development capacity, you should do that in the places that it makes the most sense to, not in the places where its most convenient for a water service provider to put pipes in the ground."

Clutha Mayor Bryan Cadogan: "I wrote out a cheque for the sewerage and the water to my house. It was my money, it came out of my bank account. So I concede that legally, the state may own the water infrastructure – but most people feel they own it because they paid for it."

Gore mayor Tracy Hicks: "I will be interested to learn what the benefits will be for our residents by sharing the cost with the rest of the South Island.... On the face of it, opting into the reforms looks attractive. However, we need to be confident about the reliability of the forecasted costs."

Invercargill chief executive Clare Hadley: "Council's debt position has shifted materially since the information was provided as part of the Three Waters RFI process in February. At that time Council debt for the start of the 2022 financial year was anticipated to be about \$110 million. ICC reviewed its investment portfolio and the opening debt position is now roughly \$56 million. This has a significant impact on Council's ability for future borrowing and lowers the financing costs forecast against Three Waters and other services."



The four new water authorities will range in population, from the 1.7m people connected to water in Northland and Auckland, to between 800,000 and 1m in the other three authorities. Image: DIA

Today's comprehensive release is part of a package of proposed reforms including the recent establishment of Taumata Arowai, the new water services regulator, and the planned introduction of economic regulation. It includes the proposed boundaries of the four water providers, further details on the proposed water services entities, including governance arrangements, the role of iwi, and how they would be regulated.

Mahuta said the Government would continue to work with the sector, iwi and industry on some of the details to give these transformational reforms the best chance of success. She would make further announcements in the coming weeks, including a three waters reform support package for councils and their communities.

“Now that Councils have received this data they can now assess the impact of these proposed reforms. We now need to ensure that ratepayers and households understand the beneficial health, environmental and cost impacts so we can move forward with greater confidence.”

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