

# Three Waters Reform



## Community Engagement

What is Three Waters Reform and how could it affect Westland?

## What is Three Waters?

- Three Waters are the communities drinking water, stormwater and wastewater services.

## What Westland owns

### 9 Drinking Water Supplies

- 2,763 ratepayers connected to a Council drinking-water supply

### 4 Wastewater Supplies

- 2,149 ratepayers connected to a Council wastewater scheme

### 1 Reticulated Stormwater Supply

- 508 ratepayers connected to a Council stormwater supply

## Westland's 3 Waters Assets – Drinking water



Council has relatively new assets in our Water Treatment Facilities.

Current technology to ensure compliance monitoring.

Current upgrades in storage capacity.



## Westland's 3 Waters Assets – Wastewater treatment



Hokitika WWTP – new plant targeted to be complete by 2024.

Franz Josef WWTP – new facility with 15 + Years of operation.

Fox WWTP & Haast – require upgrades and desludging within the next 20 years.

Risks – discharge to water ways may need to be addressed if regulation changes require this.

# Westland's 3 Waters Assets – Stormwater & Underground infrastructure



## **Stormwater:**

Only significant stormwater infrastructure is within Hokitika.

Significant investment made in the last 5 years to address capacity.

We have future investment plans for further upgrades within the next 3 years.

## **Underground infrastructure:**

Highest point of risk for council.

Ageing infrastructure that will require replacement over the next 30 years.

## Why Three Waters Reform?

- New legislation following the 2016 Havelock North gastroenteritis outbreak.
- New national regulator – Taumata Arowai.
- Deliver services to communities consistently around the country.
- Improvements and cost savings.



## Financial impacts

**\$117 million**

Total value of Westland three waters infrastructure managed by Westland District Council

**\$11.15 million**

Government Support package proposed for reform transition

**\$6 million**

Current revenue from 3 waters<sup>^</sup>

<sup>^</sup>Excluding GST & inflation

## Financial impacts – Our figures

\$1,079

Current **average** annual 3 waters rates  
for domestic ratepayers\* ^

\$3,105

Projected 2051 **average** annual 3 waters  
rates for domestic ratepayers\* ^

## Financial impacts – Government projections

\$1,640

Projected 2051 **average** annual 3 waters  
cost per household under the  
Government reform^

\$8,690

Projected 2051 **average** annual 3 waters  
cost per household if Council opts-out of  
the reform^

\* The average rate calculated is for Domestic users only and excludes all charges to Commercial ratepayers

^Excluding GST & inflation



## Our financial review



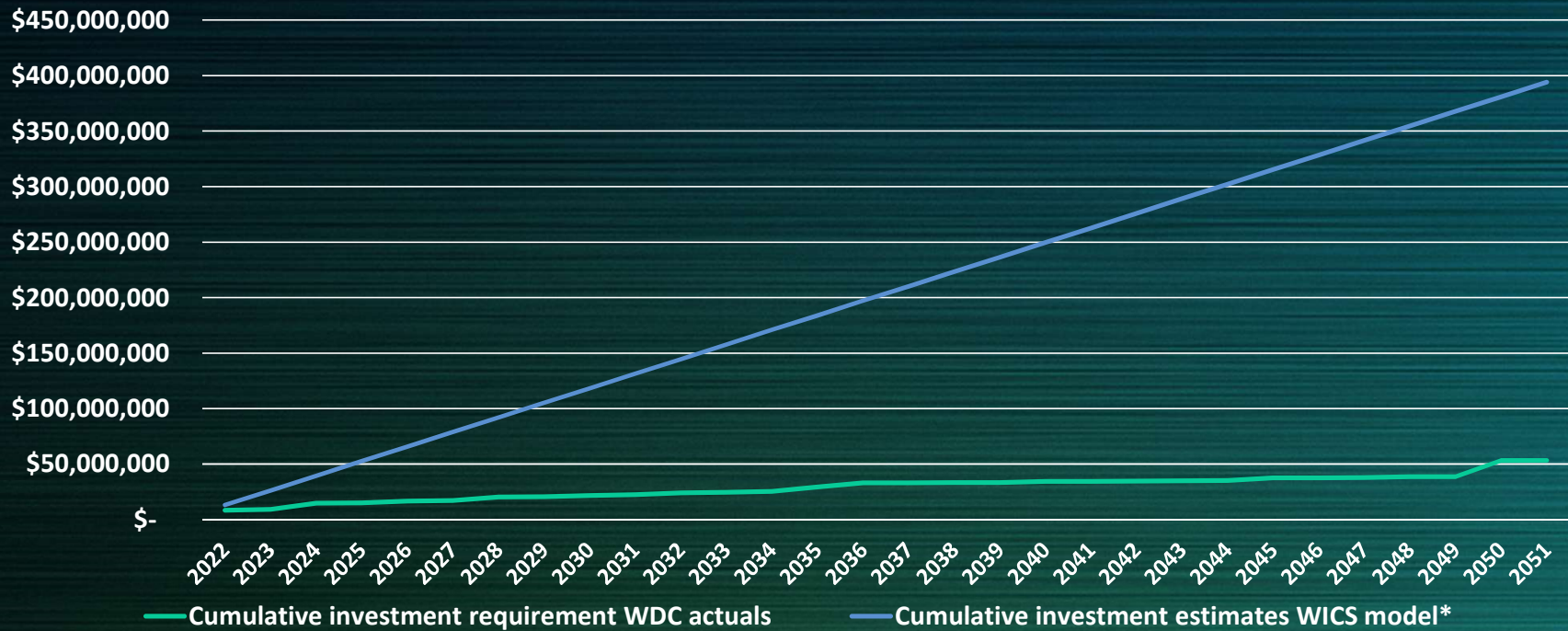
### Major financial matters that Council is reviewing:

- Stranded overheads.
- Debt funding.
- Retained depreciation reserves.
- Council balance sheet after three waters assets and reserves are transferred.



# Westland's 3 waters capital plan to 2051

Actual WDC required capital spend to 2051 compared to government modelled spend requirements



\*Water Industry Commission for Scotland

# Capital Investment Plan

We plan to invest \$28m in three waters over the next 10 years.



## Drinking Water \$10m

- Hokitika watermains replacement \$1,372k
- Hokitika water treatment plant improvements \$1,811k
- Franz Josef new water treatment plant \$3,610k

## Stormwater \$2.8m

- Hokitika stormwater mains replacement \$887k
- Livingstone Street pump upgrade \$1,603k

## Wastewater \$15.2m

- Hokitika wastewater lines replacement \$596k
- Fox Glacier wastewater mains \$594k
- Hokitika wastewater treatment plant \$10,167k
- Hokitika wastewater mains replacement \$2,245
- Haast wastewater treatment plant upgrade \$970k

## How will the transition work?

Transition likely to start at the end of 2021 or early 2022.

- Council will still be responsible for water delivery and operational policy.

There is a lot of work for Councils, the Government and new water entities.

### **Key issues for Councils:**

- Preparation for transfer of assets to new entities
- Council's finances
- Staff
- Bylaws and other Council documentation

## Impacts of transition

We do not know exactly what the impacts will be.

Potential impacts:

- Future of Local Government Review and RMA reform.
- Government compensation
- Efficiencies
- Cost
- Growth
- Governance
- Natural hazard response
- Integrating 67 different Councils into 4 large entities

## What the community has told us so far



- The majority of people do not want to opt-in to the Three Waters reform.
- People believe that:
  - Communities will lose their democratic say in the way the services are provided.
  - They want the services to be managed, built and operated locally.
  - They don't believe that the reform will improve efficiencies.
- Concerns raised:
  - Previous consolidation of assets has not improved the provision of services.
  - Each region has different needs – this takes away the control from ratepayers.
  - The process is undemocratic and being forced on Councils.
  - Does the Government have proof that Councils cannot manage the assets themselves?
  - The assets are being taken to give control to Maori.

## What happens next?

Council provides feedback to the government in October 2021.

Following this period of engagement the government will make decisions on next steps in the reform process including mechanisms for community consultation.