

# **A Consensus Plan to Improve Water Management in New Zealand**

The Three Waters debate has become divisive and lost sight of the key ambitions for better water in New Zealand.

The debate has been fierce, but some common ground has been found. We believe we can unite as a country and find a consensus plan that we all support to deliver New Zealanders safe and reliable drinking water and wastewater services.

Water services rely on long term investment, and we believe it is in all our interests to have an agreed policy - that is beyond political debate and not subject to significant change, from General Election to General Election.

This will meet the ambitions of all New Zealanders for their water to be delivered to the best health and environmental standards. We want to ensure that services are delivered efficiently and effectively in a sustainable, affordable, and accountable way.

As civic leaders in New Zealand, we believe all parties should support these common principles to improve water treatment in New Zealand. The ambition is to provide high quality, well governed and maintained water infrastructure for New Zealanders.

## **Our principles**

1. We support and endorse the new water regulator, Taumata Arowai.
2. We support the local ownership and control of water treatment and reticulation to ensure local accountability.
3. Ownership and management of stormwater assets should be retained by local councils to ensure clear management alongside transport and drainage assets.
4. We encourage local government entities to consolidate, where sensible, into Regional Water Organisations (RWOs) which would be unable to be sold outside local authority ownership.
5. Affordable finance should be provided to qualifying Three Waters asset owners to ensure high quality investment in these assets to provide a higher standard of water treatment.

Because of New Zealand's unique topography and population distribution, we believe there are limited network benefits from integrating the diverse water systems that provide water and wastewater services across New Zealand. However, where it does make sense and efficiencies can be gained, this should be facilitated.

By forming or being recognised as a Regional Water Organisation - these entities would have access to the investment capacity of the Water Infrastructure Fund.

## **Ensuring Better Investment**

Our plan to improve water treatment for all New Zealanders.

Access to affordable and well-structured finance will facilitate better investment in future water and wastewater assets.

- a new **Water infrastructure Fund (WIF)** to be established by **Crown Infrastructure Partners**.
- Will provide high quality access to equity and investment in new water treatment assets for large councils or RWOs. The WIF will be the primary provider of long term investment / funding in water and wastewater assets for councils and RWOs. It will have access to debt markets.
- The WIF will operate on commercial lines but only able to be subscribed for equity by the NZ Government, ACC, NZ Superfund or Iwi, who will be attracted by the inter-generational nature of the investments.
- The WIF could enter financing structures with Councils and RWOs for schemes in excess of an agreed threshold.
- Would act like the LGFA and manage debt and financial arrangements. Could hold debt off the council balance sheets.
- Would ensure compliance with green investment principles. They can access international bond markets but will ensure NZ ownership of assets.

## Mana Whenua

Three Waters asset owners would be required to engage with mana whenua on what role in investment decision-making best reflects and promotes the roles and responsibilities of mana whenua mana moana, including kaitiakitanga. It encourages local arrangements between Three Waters asset owners and mana whenua to be co-designed locally so that they are more direct and meaningful.

## Support Vulnerable Water Schemes

The most vulnerable schemes are those run by smaller entities, often in remote locations. It is difficult for these schemes to benefit from the economies of scale. These schemes would not be a focus for large multiregional entities.

We recommend that future additional capital investment is targeted at the most at-risk systems. We realize that these are largely smaller systems in dispersed geographic locations. Significant investment is not easily organised given the small numbers of users

For these smaller schemes under the agreed threshold, they would be able to access a “*Vulnerable Water Schemes*” programme, which is modelled on Labour’s earlier “*Drinking Water Assistance Programme*” later supported by National in government. This acts like the Waka Kotahi Financial Assistance Rate for roading.

Highest risk schemes in smaller areas would be able to apply for a subsidy to support their replacement or enhanced schemes. Management of this scheme would involve the Water Infrastructure Fund, MfE and Te Whatu Ora. The water regulator could provide input into this process.

Capital projects will be ranked and funded with the most vulnerable funded first. Over time it would work to ensure the most vulnerable communities are given the same access to quality water.

Mayor of Auckland  
Mayor of Christchurch  
31 October 2022