

# Local Water Done Well

Helping Rotorua Lakes Council  
achieve a successful outcome for  
water service delivery

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# A new approach to water services delivery

## PLANNING AND ACCOUNTABILITY FOR WATER SERVICES

WATER SERVICES DELIVERY PLANS  
PLANNING AND ACCOUNTABILITY FRAMEWORK

## WATER SERVICES DELIVERY ARRANGEMENTS

STREAMLINED PROCESS FOR WATER CCO SET-UP  
NEW WATER SERVICES DELIVERY MODELS  
FINANCING FOR COUNCILS AND WATER ORGANISATIONS  
FUTURE ARRANGEMENTS FOR STORMWATER

## ECONOMIC REGULATION AND CONSUMER PROTECTION

INFORMATION PROVIDED VIA WATER SERVICES DELIVERY PLANS  
FULL ECONOMIC REGULATION REGIME

## WIDER REGULATORY SYSTEM

DRINKING WATER QUALITY REGULATION  
STANDARDS TO HELP REDUCE WATER INFRASTRUCTURE COSTS

## ENABLING LEGISLATION

LOCAL GOVERNMENT (WATER SERVICES PRELIMINARY ARRANGEMENTS) ACT | LOCAL GOVERNMENT WATER SERVICES BILL

# Water Services Delivery Plans provide foundation for Local Water Done Well

The Local Government (Water Services Preliminary Arrangements) Act 2024 requires councils to develop Water Services Delivery Plans by 3 September 2025.

The Plans are a way for councils to reflect on their current approach to water services delivery and whether it will be 'fit for purpose' into the future, to ensure water services are financially sustainable and meet quality standards.

Plans will cover information across three key areas: financial and asset information, investment required and service delivery arrangements.

The majority of the information required for Plans is expected to come from councils' existing public documents (e.g. long-term plans, financial accounts and asset management plans).

The Act requires councils to consult on the anticipated or proposed service delivery model in a Plan, using the alternative streamlined provisions in the Act which enable councils to consult on their preferred model only compared to the status quo.

-  One-off, transitional documents
-  Cover drinking water, wastewater and stormwater
-  Have no regulatory function
-  Can be developed by individual or joint councils
-  Streamlined approach to consultation
-  10-year timeframe; may cover up to 30 years, with detailed info on first three

# Minimum requirements for water services providers

Regardless of the model chosen, all local government water service providers will have to meet clear minimum requirements set out in legislation.

All water service providers:

- Will be subject to economic, environmental and water quality regulation
- Will be subject to the planning and accountability framework for water services
- Must be financially sustainable, including ring-fencing of water services
- Must act consistently with statutory objectives
- Will be subject to restrictions against privatisation.



# Councils can choose from a range of water services delivery models

1	<b>Internal business unit or division</b>	<ul style="list-style-type: none"><li>• Status quo for many councils</li><li>• Minimum requirements for water service providers will apply</li><li>• New financial sustainability, ringfencing rules, and economic regulation will apply</li></ul>
2	<b>Single council-owned water organisation</b>	<ul style="list-style-type: none"><li>• New company established, 100% owned by the council</li><li>• Financial sustainability rules will apply, but retains a financial link to the council</li><li>• Councils with existing water council-controlled organisations will be required to meet minimum requirements</li></ul>
3	<b>Multi-council owned water organisation</b>	<ul style="list-style-type: none"><li>• New company established with multi-council ownership</li><li>• Appointment of a Board through shareholder council (or similar body) is advisable but not a statutory requirement</li><li>• Option to access Local Government Funding Agency finance with the provision of parent support or to create a more financially independent organisation</li></ul>
4	<b>Mixed council/consumer trust owned</b>	<ul style="list-style-type: none"><li>• Consumer trust established to part-own a water organisation</li><li>• One or more councils own the remainder of the shares</li><li>• Structure enables financially independent organisation to be established while retaining some council ownership</li></ul>
5	<b>Consumer Trust owned</b>	<ul style="list-style-type: none"><li>• Council transfers assets to consumer trust owned organisation</li><li>• Consumers elect trustees to represent their interests in the organisation</li><li>• Most financially independent of the available models</li></ul>

# Financing options available

**The New Zealand Local Government Funding Agency (LGFA) Limited has confirmed that it will provide financing to support water council-controlled organisations (CCOs) established under Local Water Done Well and look to assist high growth councils with additional financing.**

LGFA will extend its existing lending to CCOs to new water organisations that are CCOs and are financially supported by their parent council or councils.

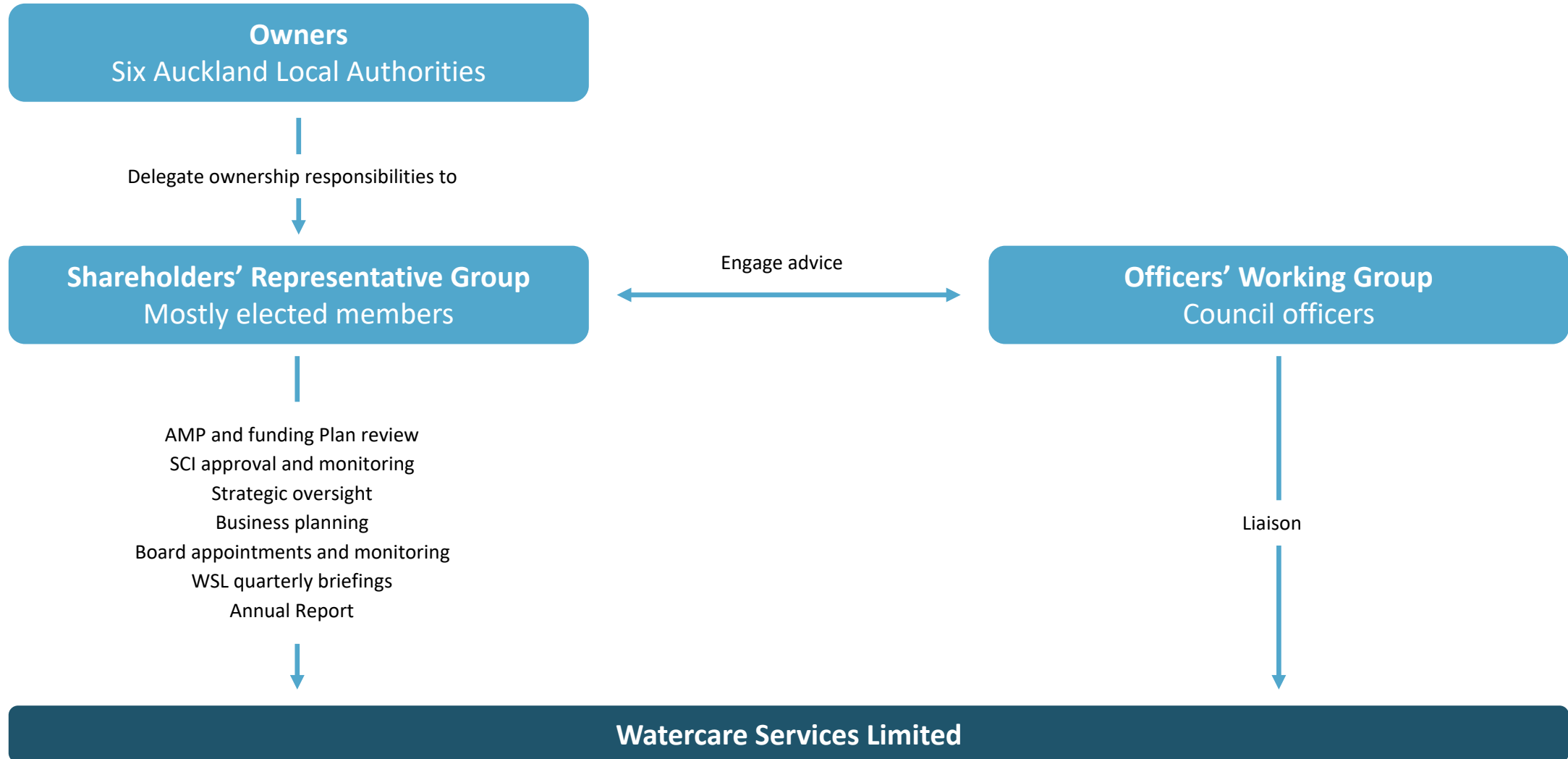
LGFA will support leverage for water CCOs up to a level equivalent to 500 percent of operating revenues (around twice that of existing councils), subject to water CCOs meeting prudent credit criteria.

LGFA will treat borrowing by water CCOs as separate from borrowing by their supporting parent council or councils.

Councils will also retain the ability to borrow through LGFA should they choose to keep water services 'in house' rather than establish a water organisation.

LGFA is also reviewing whether it can prudently provide additional flexibility to councils to meet the future challenges faced by the sector.

# 2001 Watercare Governance Framework – An Insight



# Questions?



**Te Tari Taiwhenua**  
**Internal Affairs**