

# Local Water Done Well

Management & Delivery of a new Water  
Services Framework in Aotearoa New Zealand

A Pacifecon Research Team Presentation



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## **Section 1**

### Local Water Done Well

# The story so far

Local Water Done Well is the Government's plan to address long-standing water infrastructure challenges

Implementation is in 3 stages:

1. Repeal of previous legislation was completed Feb 2024. Timing was just before Councils were consulting on Long Term Plans (LTP's)
2. Local Government (Water Services Preliminary Arrangements) Act (enacted Sept 2024)
  - Sets framework & preliminary arrangements for new water services system
  - Makes it easier to set up Council Controlled Organisations (CCOs)
3. Further legislation coming:
  - Omnibus Bill introduced December 2024
  - New regulatory framework for water services delivery
  - Expected to be passed by mid-2025



# What happens next

## LOCAL GOVERNMENT (WATER SERVICES PRELIMINARY ARRANGEMENTS) ACT

### Water Services Delivery Plans (WSDP)

1. Council's must have a WSDP (individually or with other councils)
2. A one-off transitional requirement
3. Outline a council's intended water services delivery & implementation arrangements for their district.
4. Don't have to consult on the WSDP but do have to consult on:
  - Preferred model for delivering water services
  - Analysis of model + at least one other option
5. Must submit WSDP to Minister by 3 September 2025

# What happens next

## TYPES OF SERVICE DELIVERY ARRANGEMENTS

Councils must deliver water services by:

1. Providing services itself (eg. ring-fenced business unit)
2. Transferring responsibility to a water organisation
3. Contracting another party
4. Entering into a joint arrangement (eg. joint CCO)
5. Become a shareholder in a water organisation established by council
6. Another type of arrangement (but not a franchise or concession agreement).

# What happens next

## NEW WATER SERVICES BILL

Brings all the changes together. Currently with Finance & Expenditure Select Committee

- Water service delivery models for councils to choose from
- Minimum requirements for all water service providers
- Ability to borrow up to 500 % of operating revenues (approx. x2 available now to councils)
- New approach for stormwater

# What does this mean for NZ organisations?



- Short term uncertainty for three waters capital intentions
- 'Mixed bag' of different water service arrangements
- New relationships
- Three waters activities in current Long Term Plans will be amended
- New planning & reporting documents for water services:
  - Statement of expectations (Prepared by shareholders & issued to water organisation/s they own)
  - Water services strategy (Prepared by water service providers)
  - Water services annual report (Prepared by water service providers)
- Delivery arrangements for stormwater may differ from wastewater & water supply



# North Island

Who's potentially looking at working together?

Northland Councils?

Hamilton & Waikato District

Tauranga & maybe Western Bays

Thames-Coromandel?

Rotorua Lakes?

Waipā, Waitomo, Ōtorohanga, South Waikato, Taupō, Matamata-Piako, & Hauraki

Other east coast councils?

New Plymouth, Stratford & South Taranaki

Whanganui, Rangitikei & Ruapehu

Manawatū, Palmerston North, Horowhenua & Kapiti Coast

Central Hawke's Bay, Hastings, Napier & Wairoa

Carterton, Masterton, South Wairarapa & Tararua

Wellington City, Upper Hutt City, Hutt City, Porirua City, and Greater Wellington Regional (GWRC) councils



# South Island

Who's potentially looking at working together?

Tasman, Marlborough & Buller

Waimakariri, Hurunui & Kaikōura

Christchurch City (preference for in-house model)

Ashburton?

Central Otago, Clutha, Gore, Timaru, Mackenzie, Waimate & Waitaki

Dunedin City (preference for in-house model)

Invercargill City (preference for in-house model)

Grey District?

Westland District?

Queenstown Lakes?

Selwyn District (preference for a Selwyn District CCO)

Southland District?





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## **Section 2** Pacifecon Project Insights

# Planning pipeline for Local and Central Government

Projects with a water component



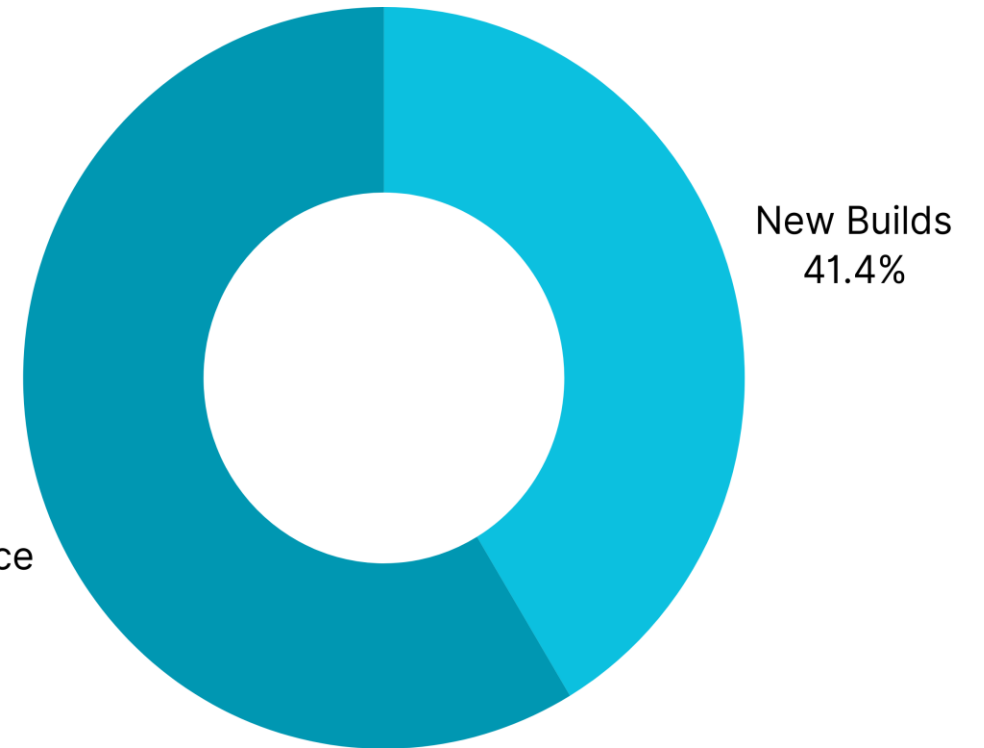
Pacifecon has a further 5056 projects with a total value of \$45.68bn at planning stages in the private sector that have a water component



# Water planning pipeline by project types

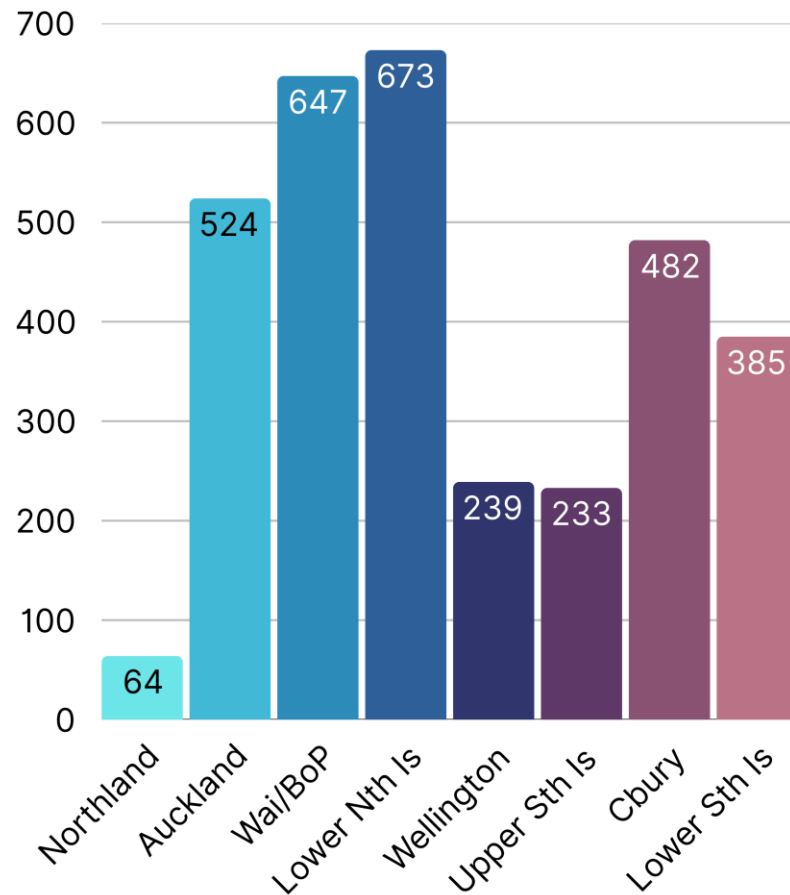


Alterations/Additions/Repair/Maintenance  
58.6%

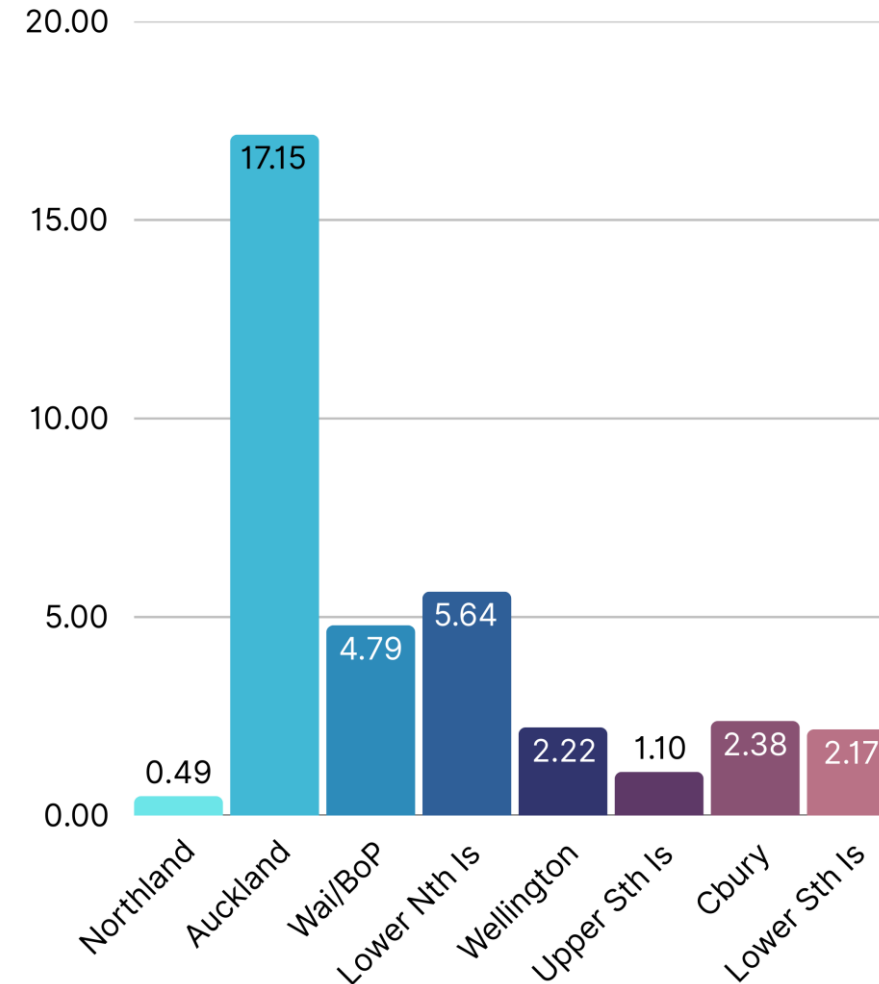


# Water planning pipeline by Regions

Number of Projects

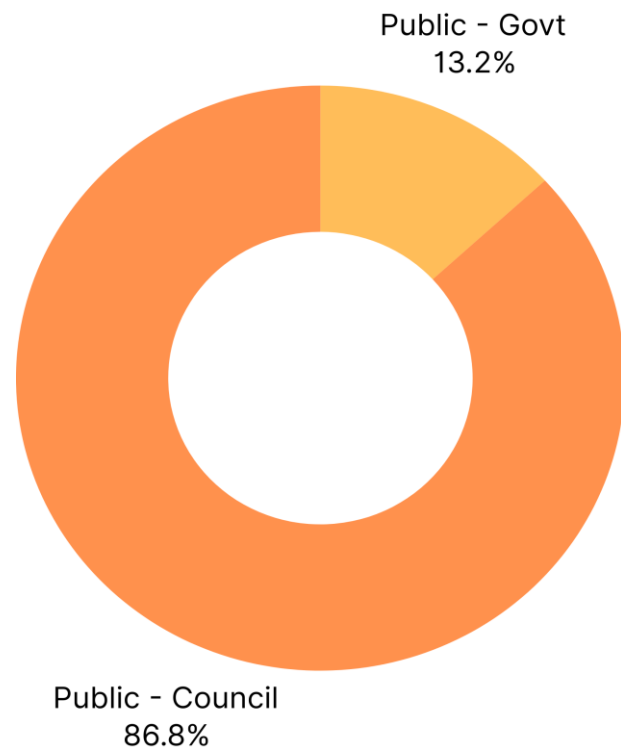


Value of Projects (\$bn)

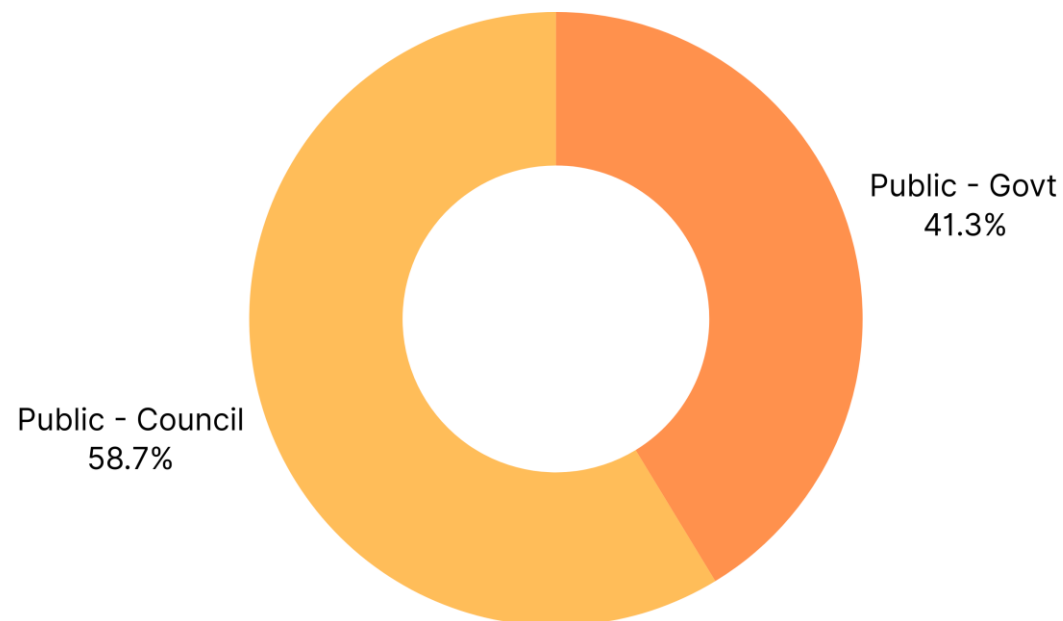


# Water planning pipeline by Initiator

Number of Projects



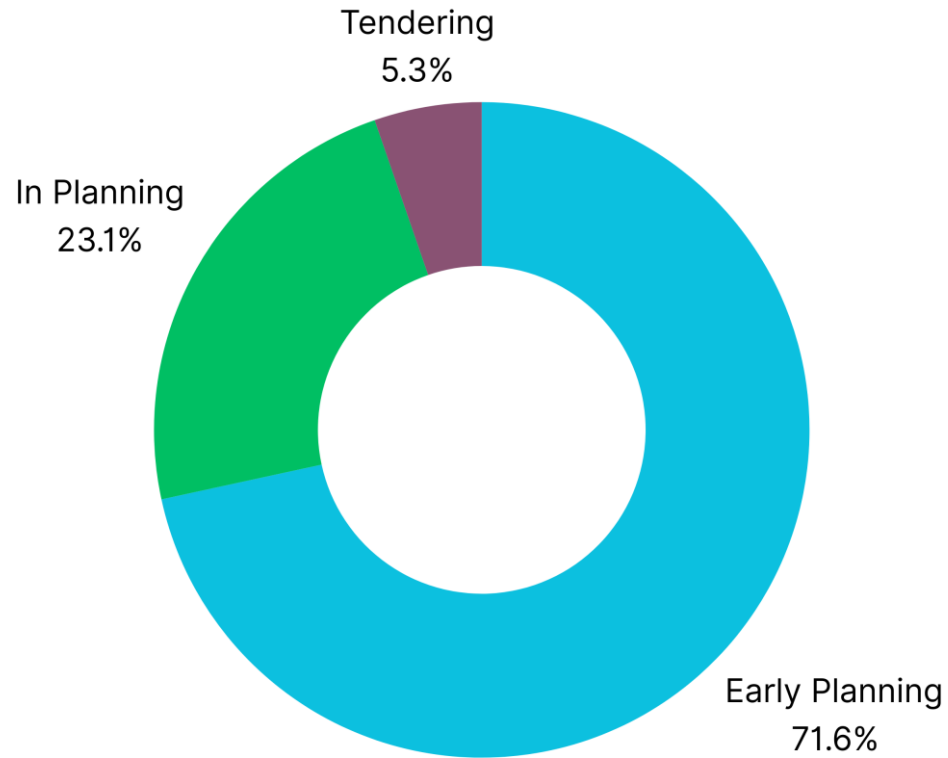
Value of Projects



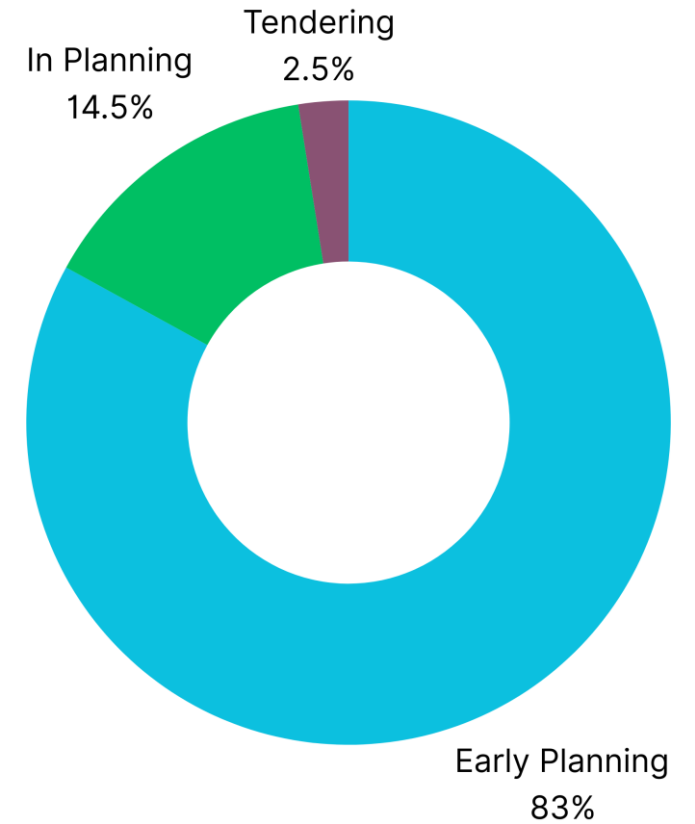
Central govt projects only  
13.2% in number account  
for 41.3% in value

# Water planning pipeline by Stage

Number of Projects



Value of Projects







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The background is a blurred image of a server room with rows of server racks. Overlaid on this are various digital elements: glowing blue and orange lines, data points, and abstract shapes that suggest a complex network or data flow.

# About the data

This report is based on projects known to Pacifecon and other publicly available information as at mid February 2025. Some projects may not be entirely focused on water but will have a water infrastructure component.

For graphs including past \$\$, all \$\$ are in \$ of the day, no adjustments have been made for inflation.

In the Pipeline: projects at any of the following stages: Early Planning, In Planning, Tendering Phase.

With the release of local government Ten-Year Plans, Pacifecon introduced a new stage: 'Capital Intentions' to cover these more general statements of proposed forward capital expenditure. These \$amounts are not included in our pipeline of forward work – they are more strategic than specific construction work, but they will be on our research radar and will be reported once projects are approved by councils.

Lower Central North Island: Gisborne/Hawke's Bay, Taranaki, Manawatu/Whanganui and Wairarapa.

Upper South Island: Nelson/Marlborough and West Coast. Lower South Island: Otago and Southland.

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