

Property Council New Zealand

Submission on

Tauranga City Council's Local Water Done Well

17 April 2025

For more information and further queries, please contact
Katherine Wilson Katherine@propertynz.co.nz 0278708150

Tauranga City Council

By email: submissions@tauranga.govt.nz

Tauranga City Council Local Water Done Well

1. Summary

- 1.1 Property Council New Zealand Central Committee (“Property Council”) welcomes the opportunity to submit on [Tauranga City Council’s Local Water Done Well](#).
- 1.2 **Property Council supports the proposal for Tauranga City Council to form a multi-Council Controlled Organisation (CCO) potentially with Western Bay of Plenty District Council and/or other councils.** The proposal would see an establishment of a Council-Controlled Organisation (CCO) governed by an independent Board of Directors.

2. Introduction

- 2.1 Property Council is the leading not-for-profit advocate for New Zealand’s most significant industry, property. Our organisational purpose is, “Together, shaping cities where communities thrive”.
- 2.2 The property sector shapes New Zealand’s social, economic and environmental fabric. Property Council advocates for the creation and retention of a well-designed, functional and sustainable built environment, in order to contribute to the overall prosperity and well-being of New Zealand.
- 2.3 Property is the largest industry in the Bay of Plenty. There are around \$144.5 billion in property assets across the Bay of Plenty, with property providing a direct contribution to GDP of \$2.0 billion and employment for 13,700 Bay of Plenty residents.
- 2.4 Property Council is the collective voice of the property industry. We connect property professionals and represent the interests of 66 Tauranga based member companies across the private, public, and charitable sectors.

3. Property Council support for a multi-Council Controlled Organisation (CCO) to manage water services

- 3.1 We support the establishment of a CCO between Tauranga City Council, Western Bay of Plenty District Council and/or other councils. The establishment of a CCO to manage water services will allow for improved governance and a more strategic approach to decision-making and asset management.
- 3.2 Councils across New Zealand have historic underinvestment in infrastructure, resulting in today’s funding and financing challenges. The establishment of a CCO would allow a separate balance sheet to borrow the money needed for infrastructure upgrades and spread it more fairly over generations. Furthermore, international separate water entities have delivered cost savings to communities’ overtime.
- 3.3 The establishment of a CCO will also create more efficiencies through specialised expertise. Given the complexity and capital intensity of three waters networks scale, it is important to make best use of technical expertise, help in negotiating better contracts through improved

purchasing power, and to control and manage rising costs. A CCO would have access to a wider range of specialised expertise and provide the necessary input required.

- 3.4 With Tauranga City Council expecting water projects to make up 40 per cent of Council's proposed capital work programme in the next 10 years, improved planning and implementation for increased network capacity is vital. The establishment of a CCO will help ensure a consistent approach to asset management and asset planning to manage and replace existing assets. This should result in a more resilient, flexible and cost-effective system.

4. Stormwater

- 4.1 We support having an integrated approach to water services, with the CCO managing all three waters – drinking water, wastewater and stormwater. Having the CCO provide all three water services ensures good stormwater management to mitigate the impacts of climate change and reduces complexity if stormwater was separately managed by Tauranga City Council.

5. Population Growth

- 5.1 Tauranga City Council needs to plan for future growth and the impact that this will have on infrastructure and current network capacity. Establishing a CCO aligns with Tauranga City Council's strategic direction and principles within SmartGrowth.
- 5.2 We note that the multi-CCO efficiencies will also mean that there will be more infrastructure delivered under the CCO for the same level of capital programme investment under an in-house arrangement. This will better support population growth and increased needs for water infrastructure.

6. Local Government Funding Agency

- 6.1 The Local Government Funding Agency (LGFA) has said it will provide financing to support water CCOs established under the Government's Local Water Done Well initiative and will assist high growth councils (like Tauranga City Council) with additional financing so the council can also undertake non-water projects to support the city.
- 6.2 This is an important incentive of which we encourage funding received by Tauranga City Council be spent on projects that support new growth opportunities for Tauranga. This is particularly of importance, given that Tauranga City Council expected 1.5 per cent growth in their rating base for this year's Annual Plan, but only received 0.5 per cent growth. As stated in the Annual Plan, increased growth results in increased rates take for the city and adds to the vibrancy of Tauranga.

7. Conclusion

- 7.1 Property Council supports the establishment of a multi-CCO between Tauranga City Council and other councils (potentially Western Bay of Plenty District Council and/or others). Efficient and effective drinking water, wastewater and stormwater systems and their management are crucial to liveable and prosperous cities and towns.
- 7.2 Property Council members invest, own, and develop property in Tauranga. We thank Tauranga City Council for the opportunity to provide feedback on Local Water Done Well. Any further enquires do not hesitate to contact Katherine Wilson, Head of Advocacy via email: katherine@propertynz.co.nz or cell: 027 8708 150.

Yours Sincerely,



Morgan Jones

Central Committee Chair