

# **Property Council New Zealand**

# **Submission on**

# Waipā District Council's Local Water Done Well

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For more information and further queries, please contact

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Waipā District Council

By consultation website: https://haveyoursay.waipadc.govt.nz/

## Waipā District Council Local Water Done Well

#### 1. Summary

- 1.1 Property Council New Zealand Central Committee ("Property Council") welcomes the opportunity to submit on Waipā District Council's Local Water Done Well plan.
- 1.2 Property Council supports the proposal for Waipā District Council to establish Waikato Water Done Well, with Matamata-Piako, Hauraki, Ōtorohanga, Waitomo, South Waikato and Taupō. The proposal would see the 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 second largest industry in the Waikato. There are around \$197.5 billion in property assets across the Waikato, with property providing a direct contribution to GDP of \$2.9 billion and employment for 22,100 Waikato residents.
- 2.4 Property Council is the collective voice of the property industry. We connect property professionals and represent the interests of 74 Waikato based member companies across the private, public, and charitable sectors.

## 3. Background

- 3.1 In November 2017, Property Council New Zealand submitted in favour of the proposal to form a Shared Waters Management Company for Hamilton City Council and Waipā District Council. In our submission we stated the importance of having Waikato District Council join the Shared Water Management Company in the future. We note that the decision to join was declined by Waipā District Councillors who voted the decision down 7-6 votes.<sup>1</sup>
- 3.2 Property Council's position has not changed since 2017, as we continue to favour the establishment of joint water companies between councils. However, we acknowledge the financial modelling that states a joint CCO with Waikato District Council and Hamilton City Council will have 10% higher costs per year, for the first eight years of operations. Thus, we support Waipā District Council's preferred option to establish a CCO with other rural and provincial councils.

<sup>1</sup> https://www.waipadc.govt.nz/our-council/news?item=id:26ziha2fu1cxbyr63uqk











#### 4. Property Council support for a joint waters company

- 4.1 We support the establishment of a CCO between Waipā District Council, Matamata-Piako, Hauraki, Ōtorohanga, Waitomo, South Waikato and Taupō to enhance governance standards and enable strategic, coordinated decision-making for water infrastructure.
- 4.2 Decades of underfunding water infrastructure across New Zealand have created today's funding and financing challenges. The creation of a CCO would establish a separate balance sheet dedicated for infrastructure upgrades that is spread more fairly over generations and removes constraints of individual council debt limits. This will mean there is more infrastructure delivered under the CCO for the same level of capital programme investment under an in-house arrangement which greater supports population growth.
- 4.3 The complexity and capital intensity of a three waters network system needs specialised technical expertise, procurement power to reduce contract costs and fiscal ability to curb rising costs. A CCO is better resourced and uniquely positioned to deliver these efficiencies more effectively.
- 4.4 A CCO will also help ensure standardised asset management and asset planning to replace existing assets. A CCO will enable improved and coordinated capacity upgrades across the network. This integrated approach will future-proof critical infrastructure by enhancing resilience against climate impacts while ensuring infrastructure adapts sustainably to population growth.

#### 5. Stormwater

5.1 We support a fully integrated approach to all water services under the proposed CCO, combining wastewater, drinking water and stormwater. Combining all three waters under a single entity would enable coordinated flood mitigation strategies that address climate change impacts and reduce service inefficiencies and complexities for Waipā District Council. An integrated system allows for investment decisions that account for the interrelated nature of three waters and delivers better outcomes for both ratepayers and the environment.

#### 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 can assist high growth councils (like Waipā District Council) with additional financing to undertake non-water related projects.
- 6.2 We encourage Waipā District Council to access this funding for projects that support new growth opportunities for Waipā, supporting Wāipa to become a vibrant community were people want to live, work and play.

#### 7. Waipā District Council's Long-Term Aspirations

7.1 Property Council endorses Waipā District Council's long-term vision of having one CCO water service entity, thus merging the two CCOs established in the Waikato region. This strategic alignment would enable more efficient service delivery while providing a clearer prioritisation of Waikato's regional infrastructure and investment goals.











#### 8. Conclusion

- 8.1 Property Council supports the establishment of a CCO between Waipā District Council and other regional and local councils. Effective management of all three water networks is essential to building sustainable, thriving and liveable communities.
- 8.2 Property Council members invest, own, and develop property in Waipā. We thank Waipā District Council for the opportunity to provide feedback on Local Water Done Well. Any further enquires do not hesitate to contact Bella Leddy, Junior Advocacy Advisor via email: bella@propertynz.co.nz or cell: 029 778 6114.

Yours Sincerely,

Morgan Jones

Central Committee Chair





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