

OUR WATER OUR WAY

**Have your say on the future
delivery of drinking water,
wastewater and stormwater
for Kaipara District.**

Contents

03	We want your feedback
04	Why are we talking to you about water?
05	What is Local Water Done Well?
06	What is a Water Services Delivery Plan?
06	Our water services - what we deliver
10	Our options
17	Submission form



Kaipara te Orangahui

**KAIPARA
DISTRICT**

Two Oceans Two Harbours

We want your feedback

Anyone can make a submission by filling out the form online at **kaipara.govt.nz/local-water-done-well**

or

- by completing the submission form at the back of this document
- picking up a submission form from our council offices or Mangawhai or Dargaville library.

You can email your submission form to **haveyoursay@kaipara.govt.nz**, or drop it off at our council offices or Mangawhai or Dargaville library, or post to Local Water Done Well feedback, Kaipara District Council, Private Bag 1001, Dargaville 0340.

You can make a submission on how we deliver water services in the future from Monday 7 April 2025 until 11.59pm on Wednesday 7 May 2025.

See the back of this document for further info on how to have your say.

Consultation timeline 2025





Why are we talking to you about water?

New Zealand is facing big challenges in delivering water services and successive governments have been considering what reform is needed since the Havelock North campylobacter outbreak in 2016.

Councils are dealing with a changing regulatory environment with its associated increase in costs, new investment to provide resilience from increasing extreme weather events and meeting expected population growth, as well as increasing infrastructure construction costs.

We are now considering how to deliver these water services for the future and are looking for your input.



What is Local Water Done Well?

Local Water Done Well (LWDW) is new legislation introduced from central government aimed at addressing New Zealand's long-standing water infrastructure challenges.

It paves the way for services and assets to be retained by council while offering new options for delivering water services and funding water infrastructure.

There are three key components of Local Water Done Well



Fit-for-purpose service delivery models and financing tools

All councils have been tasked by the Government to consider how they can best provide water services in the future, whether it is on their own, or joining up with others to create scale that can drive efficiencies.



Ensuring water services are future-proofed and financially sustainable

Regardless of what service delivery model councils choose, meeting new economic, environmental, and water quality regulatory requirements is a bottom line for the Government.



Introducing greater central government oversight, economic and quality regulation

You can read the legislation at:
www.dia.govt.nz/Water-Services-Policy-legislation-and-process

What is a Water Services Delivery Plan?

Water Services Delivery plans are a way for councils to demonstrate their commitment to deliver water services that meet regulatory requirements, support growth and urban development, and that are financially sustainable.

As part of Local Water Done Well, councils across New Zealand must provide an assessment of their water infrastructure, how much they need to invest, and how they plan to finance and deliver it through their preferred water service delivery model.

Councils must submit their Water Services Delivery Plan to the Secretary for Local Government by September 2025.

More information about what is required to be included in the plan can be found at: www.dia.govt.nz/Water-Services-Policy-and-Legislation

Our water services - what we deliver

We are responsible for planning, funding, building and maintaining the infrastructure and processes that help us provide these three services. This includes ensuring they meet our community needs, comply with the relevant environmental and quality standards, and address our challenges such as population growth. Our water services assets equate to 54% of our total assets.



Water supply



Wastewater



Stormwater



Water supply

Council owns, operates and maintains five community water supply schemes for Dargaville (including Baylys Beach), Glinks Gully, Ruawai, Maungatūroto and Mangawhai (mostly supplying the Mangawhai Heads Holiday Park and the Wood Street commercial precinct), providing them with a sustainable safe drinking water supply.

In a typical year, around 1.3 billion litres flows through our water supply network, which equates to around 520 Olympic-size swimming pools.

Outside of those on reticulated water supply networks, our communities rely on self-serviced water supplies, mainly through private water tanks.

Our water supply assets



5
networks



3,703
connections



148km
of pipes



5
pump stations



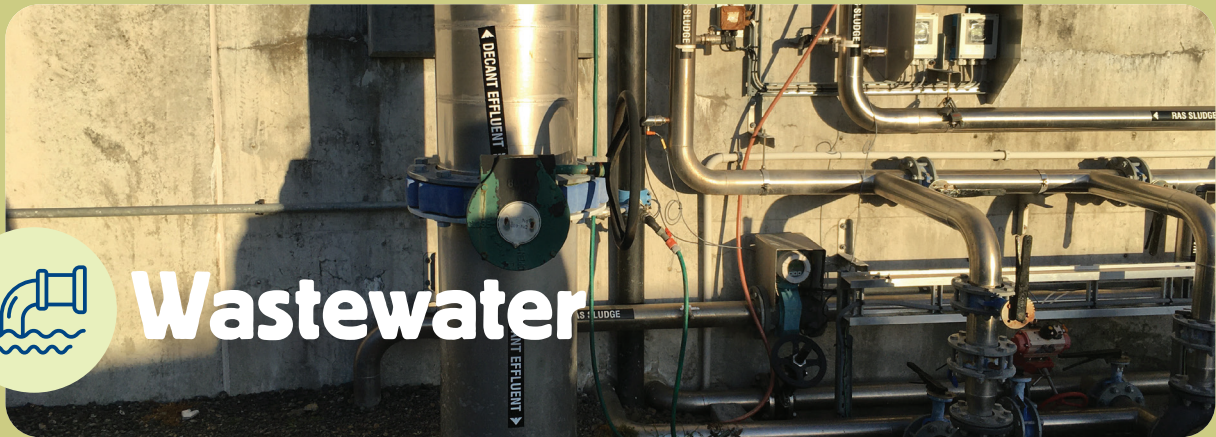
18
reservoirs



1.3 billion
litres



Wastewater



Council owns, operates and maintains six community wastewater schemes in Dargaville, Glinks Gully, Kaiwaka, Maungatūroto, Te Kōpuru and Mangawhai providing reliable wastewater services that minimises adverse effects on the public and environment.

There are also a number of smaller wastewater treatment facilities, generally servicing campgrounds and other community facilities such as public toilets.

Our wastewater assets



6
networks



5,786
connections



221km
of pipes



30
pump stations



1.1 billion
litres



19.6%
of rates



Stormwater

We manage five community stormwater drainage schemes – Dargaville, Baylys, Te Kōpuru, Kaiwaka and Mangawhai. The level of service for the schemes is to protect habitable floors from flooding by removing and discharging stormwater. Stormwater drainage systems in Whakapirau, Glinks Gully, Kelly's Bay, Pahi, Tinopai, Paparoa, Maungatūroto and Matakoho are mostly incorporated into our roads network. There are several open drain systems that exist throughout the district.

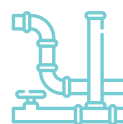
Our stormwater assets (not including roading assets)



5
networks



6,172
connections



101km
pipes



1
pump station



78km
of open drains



5.7%
of rates



We know that the costs of delivering water services will continue to increase and we've budgeted for increased investment in three waters infrastructure in the Long Term Plan 2024 – 2027.

We have estimated around \$240 million in capital expenditure over 10 years is needed for water and wastewater services in Kaipara.

Government legislation requires that we consult on at least two options for our future water service delivery. We have investigated several options and have evaluated three water service delivery models in more detail to determine how well they align with Kaipara District Council's goals for providing water services, and to ensure they comply with the Local Water Done Well reform.

This is our preferred option.

Option 1 / Multi council-controlled organisation



A multi council-controlled organisation (CCO) with Whangārei District Council and Far North District Council.

As our preferred option, this model involves Kaipara District Council joining forces with Whangārei District Council and Far North District Council to form an external, multi council-controlled organisation.

This is the option that provides the best benefits for Kaipara and is the only one that achieves the Government's stated aims.

Once established, this organisation would be responsible for the delivery of all water services for all three districts – managing approximately 130,000 water connections.

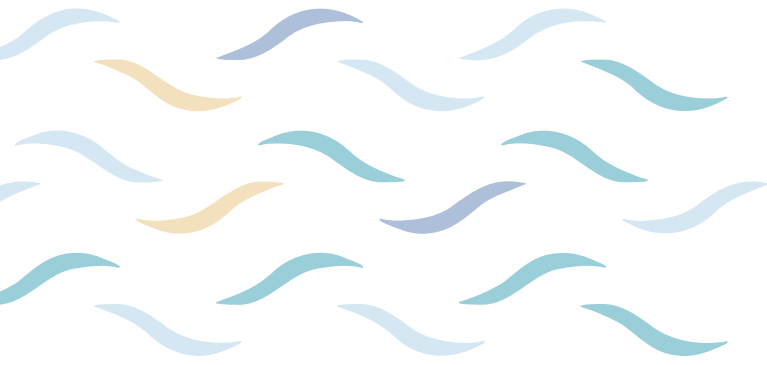
A CCO would have its own board of directors independent of all participating councils and it would own and manage all the assets associated with public water and wastewater services that Kaipara District has. The directors would be working in the best interests of the organisation rather than for any particular district or community.

The organisation would be responsible for the provision of water services, preparing its own strategy, and asset management plans. Governance of this organisation would be independent from us, with a competency-based board. The three councils would make up 100% of shareholdings meaning the assets owned by the CCO would still be publicly owned.

We think this is the option that provides the best benefits for the Kaipara community and is the only one that achieves the governments stated aims.

Stormwater assets would remain council-owned with the CCO likely managing the services on our behalf. This is because there are many stormwater assets shared across or owned by our other services like roading, parks and reserves, and land drainage.

Note that this option does not preclude us from further discussions with Auckland Council from September 2025 onwards.



Option 1 / continued

Advantages

- 💧 Provides for a greater level of capital investment
- 💧 Demonstrate financial sustainability by June 2028
- 💧 Increased borrowing through the Local Government Funding Agency up to 500% of the annual operating revenue, nearly double the traditional council debt limit
- 💧 The debt is separate from councils own borrowing limits enabling the CCO to secure funding for infrastructure projects without directly impacting the parent council's finances
- 💧 Retain control through a Statement of Intent
- 💧 With water services managed by a multi council-controlled organisation, Kaipara District Council would have increased ability to focus on other community priorities such as roading, parks and reserves, rubbish and recycling
- 💧 More and united political influence achieved for Northland through representing more people, more councils, and a bigger land mass

Disadvantages

- 💧 No day-to-day involvement in how water and wastewater services are delivered, as the CCO will be governed by a Board of Directors
- 💧 Significant increase in debt levels that the multi council-controlled organisation will carry
- 💧 Highest set up costs of the three options

Option 2 / In-house model



Under this option, Kaipara District Council would maintain responsibility for water services through an in-house delivery approach.

This means we would continue to directly manage and provide water supply, wastewater, and stormwater services to our Kaipara community. With this model, all aspects of water services, including strategic planning, day-to-day operations, and infrastructure management would remain within council control. We would also retain full accountability for ensuring that these services meet the community's needs and comply with all relevant regulations.

The in-house model is not a complete continuation of the status-quo, as it would need to meet the new Government requirements of the reform, including financial ringfencing by establishing a business unit separate from the rest of council activities.

Advantages

- 💧 Maintain local ownership and full control of assets
- 💧 Water and wastewater costs are ring-fenced. This prevents Council from accessing funds for other purposes
- 💧 Is the simplest and least disruptive option, not requiring structural changes that would be necessary for transitioning water services to another entity

Disadvantages

- 💧 Unable to access increased borrowing through the Local Government Funding Authority
- 💧 The capital investment programme would require a significant reduction from the \$240 million, otherwise the current water and wastewater charges would double or triple by 2034
- 💧 Will not be able to demonstrate financial sustainability by June 2028
- 💧 The council would hit its debt ceiling by 2029 which would limit our future borrowing capacity

Option 3 / Our other option



A shared service contract model with Whangārei District Council, and possibly Far North District Council.

Under this option, a shared service would see the three Northland district councils create efficiencies by sharing internal services like asset management, technologies, procurement or contractor panels. A managed service would involve outsourcing, either to the same third-party contractor, or for one council to manage water service delivery for other councils.

Advantages

- 💧 Minor savings estimated to be approximately <\$500k through joint procurement and operational activities

Disadvantages

- 💧 Unable to access increased borrowing through the Local Government Funding Authority
- 💧 The capital investment programme would require a significant reduction from the \$240 million, otherwise the current water and wastewater charges would double or triple by 2034
- 💧 Will not be able to demonstrate financial sustainability by June 2028
- 💧 The council would hit its debt ceiling by 2029 which would limit our future borrowing capacity



Options assessment

We know that the costs of delivering water services will continue to increase. We've budgeted for further investment in three waters infrastructure in our Long Term Plan 2024 – 2027. This is due to the increasing regulatory and compliance requirements, the costs of maintenance and renewals rising along with the need to invest to allow for growth and the resilience for increasing extreme weather events.

How each option would impact debt levels, water charges, rates and levels of service is considered in the table below:

	Option 1 Northland CCO <i>(water and wastewater only)</i>	Option 2	Option 3
	This is our preferred option.	In-house business unit	Shared service arrangement with WDC, and possibly FNDC
Approach to debt	Maximise debt to fund all infrastructure needs across Northland	Risk-averse debt approach	Risk-averse debt approach
Water charges	Decreasing water charges by increasing debt to address infrastructure challenges	Highest increase in charges to fund more capital investment than the debt ceiling allows	Increases in charges to fund more capital investment than the debt ceiling allows
Level of service	Same or better than it is today	Same as it is today	Same or better than it is today
What this means for you	Lowest water charges More investment for growth and resilience	Higher water charges Less investment for growth and resilience	Some efficiencies but still higher water charges Less investment for growth and resilience
Overall impacts on council	Water and wastewater assets transferred to CCO Guarantor of CCO obligations	All water assets, costs and revenues ring-fenced from other council operations	All water assets, costs and revenues ring-fenced from other council operations

Financial analysis

As a Northland multi council-controlled organisation, the initial analysis suggests that the capital expenditure required may result in the current water and wastewater charges increasing by Consumer Price Index (CPI) or less by 2034. This modelling used a lower capital investment profile than we have been planning for and further scenario analysis will be completed.

You can read additional information about some of the indicative financial modelling that has been prepared at [*kaipara.govt.nz/local-water-done-well*](https://kaipara.govt.nz/local-water-done-well)

As a standalone business unit or in a shared service arrangement, the initial analysis indicated that the capital expenditure would result in the current water and wastewater charges doubling or tripling by 2034, depending on the rate of growth and how growth charges are managed. This will be further analysed and detailed when we prepare our Water Services Delivery Plan for September.

Additional financial analysis is also progressing with the Department of Internal Affairs to explore further optimisation of the KDC capital programme and financing options for growth-related projects.



Kaipara te Oranganui

**KAIPARA
DISTRICT**

Two Oceans Two Harbours

LOCAL WATER DONE WELL SUBMISSION FORM

OUR
WATER
OUR WAY

It's time to
have your say.

Submissions close at 11.59pm Wednesday 7 May 2025.



Online (recommended) at
kaipara.govt.nz/local-water-done-well
or head straight there with this QR code.



Fill out this form and deliver to any council office or library across the Kaipara District



By email at **haveyoursay@kaipara.govt.nz**



By post at Local Water Done Well feedback
Kaipara District Council
Private Bag 1001
Dargaville 0340.

Please ensure you provide appropriate contact details so we can contact you easily if you wish to speak to your submission. Emails are our preferred form of communication.

First name (s): Last name:

Are you submitting as an individual or on behalf of an organisation? ☐ Individual

☐ Organisation/iwi/business Organisation/iwi/business name:

Street number: Street name:

Town: Email:

Phone: Are you a ratepayer and/or resident of Kaipara District? ☐ Yes ☐ No

Council's preferred option is 1 – multi council-controlled organisation. Tell us which option you prefer (1 - multi council-controlled organisation, 2 - in-house model, or 3 - shared service contract model with one or more councils) and why:

Other comments:

Would you like to speak to your feedback at a hearing? ☐ Yes ☐ No
(Hearings for Local Water Done Well will be held in May)



Please note all feedback is considered public under the Local Government Official Information and Meetings Act 1987.

Your name and feedback may be published and made available to elected members and the public. Your contact details will not be made public.



Kaipara te Oranganui

KAIPARA
DISTRICT

Two Oceans Two Harbours