



LOCAL WATER DONE WELL

CONSULTATION DOCUMENT

1 May - 23 May 2025



Contents

2	Mayor's Message
3	LET'S SET THE SCENE
4	What is driving Local Water Done Well?
4	Why is affordability a consideration for water services?
5	Important things to know to understand Local Water Done Well
6	What projects do we have in the pipeline?
6	How are our wastewater assets looking?
7	WHAT ARE THE OPTIONS FOR THE HAURAKI DISTRICT?
8	Option 1: Enhanced Status Quo with Regulation
8	Key points of Enhanced Status Quo with Regulation
9	Advantages of Enhanced Status Quo with Regulation
9	Disadvantages of Enhanced Status Quo with Regulation
10	OPTION 2: Waikato Water Done Well
10	What is Waikato Water Done Well?
11	Key points of Waikato Water Done Well
12	Advantages of Waikato Water Done Well
12	Disadvantages of Waikato Water Done Well
13	HOW DO THE DOLLARS STACK UP?
15	WHAT DOES THIS MEAN FOR ME?
16	FREQUENTLY ASKED QUESTIONS
18	LET'S TALK KŌRERO MAI
19	Have your say - Feedback form

Mayor's Message

New Zealand as a whole is facing considerable challenges in the delivery of water services with aging infrastructure, population growth, rising operational costs, climate change and natural disasters. Through Local Water Done Well (LWDW) the Government aims to transform the country's approach to water delivery with fit-for-purpose service delivery models and financing tools plus greater government oversight, economic and quality regulation.

We, alongside our communities, face an important decision about the future of our drinking water and wastewater services. This isn't just about the water you drink or what goes down the drain - it's about ensuring our water services remain sustainable and well-managed for generations to come.

To make this decision, we would appreciate your input. Once the future water services delivery model is decided, a Water Services Delivery Plan will be developed to present to Government by 3 September 2025.

This Plan must show that the delivery model is both financially sustainable long term and meets the changing regulatory requirements, based on the necessary investment required to deliver on projected population growth and development needs.

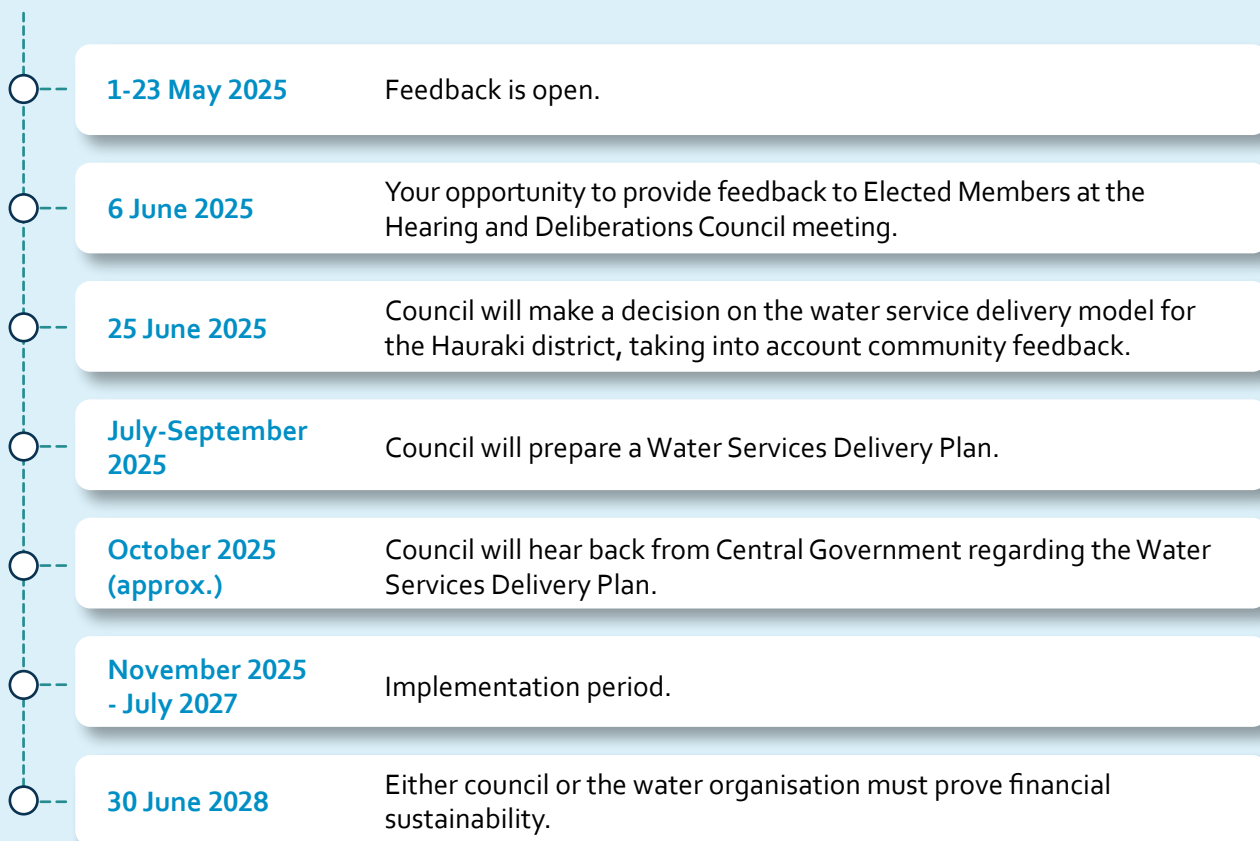
Thank you for taking the time to read our Local Water Done Well Consultation Document.



Mayor Toby Adams
Hauraki District Council

LET'S SET THE SCENE

TIMELINE



WANT TO FIND OUT MORE?

Check out the Frequently Asked Questions on page 16.

What is driving Local Water Done Well?

Central and Local Government know that we can't keep things as they currently are. Aging infrastructure, population growth, affordability and rising operational costs to meet compliance standards, means it's not sustainable for things to remain the same long term. Local Water Done Well aims to future-proof the way water services are delivered throughout New Zealand. It'll mean some changes to who we are as a Council too.

There are a number of options available to Hauraki district moving forward. Whichever option is chosen, following the community providing feedback, will be included in the Water Service Delivery Plan.

The Government identified a variety of models for councils to consider:

1. A multi-council controlled (CCO) water organisation
2. A single council controlled (CCO) water organisation
3. An internal business unit or division
4. Mixed council/consumer trust.

The Local Water Done Well reform is guided by key principles:



Water services must be financially sustainable, with sufficient revenue for long-term investment.



Delivery models should be fit-for-purpose with the right structure and governance to meet both the mandated requirements and local needs.



There is an expectation that new, stricter rules for water services and infrastructure quality, discharge limits, and fresh water requirements will drive investment.

Why is affordability a consideration for water services?

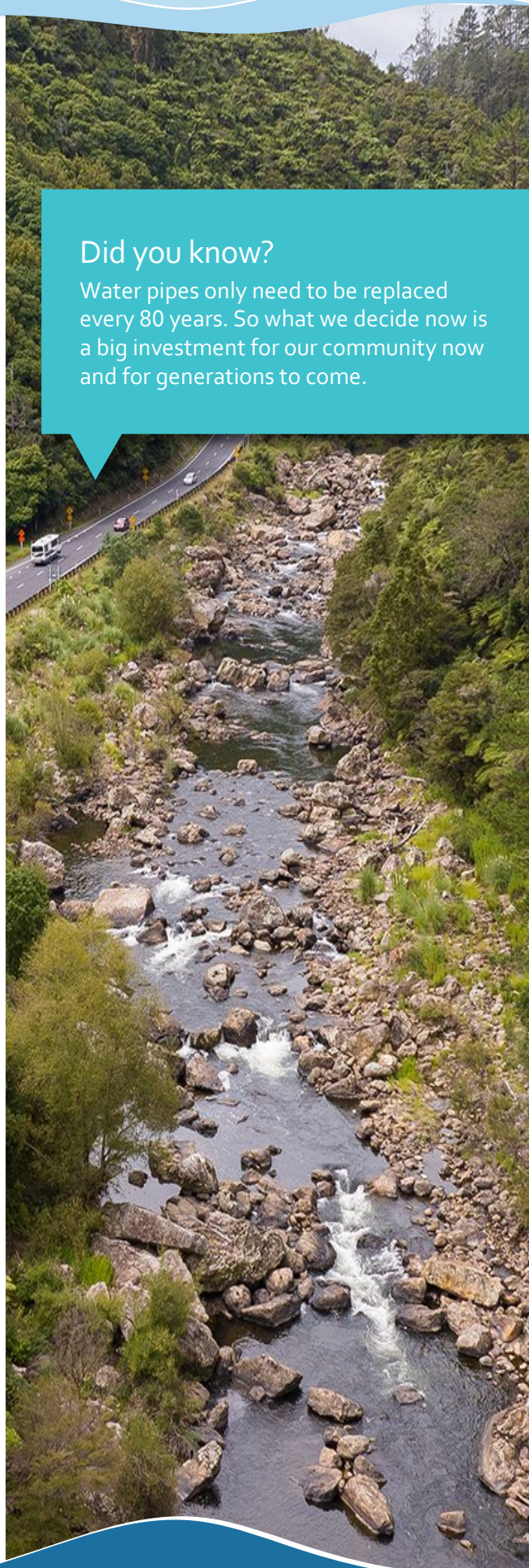
In our current position and over the next 10 years the cost of water services, particularly wastewater, is expected to increase significantly. This will impact ratepayer's discretionary income and put pressure on paying basic living costs.

Research suggests that households start to struggle to afford rates bills when they exceed 5% of the household's income. In 2021, 38% of Hauraki district home-owning households exceeded this threshold.

The 65+ demographic age group for the Hauraki district is estimated to be the fastest growing group. By 2053, it is estimated that 37% of the population of our district will be aged 65+ years. Many of this group will be on lower fixed incomes, be more cautious with their income and vulnerable to any market shocks.

Did you know?

Water pipes only need to be replaced every 80 years. So what we decide now is a big investment for our community now and for generations to come.



Important things to know to understand Local Water Done Well

Local Water Done Well (LWDW)	Is the Government's approach to managing drinking water, wastewater, and stormwater services. It replaces the previous Three Waters reform programme and its objective is to increase opportunities for efficiencies and economics of scale through working together with other councils to achieve greater buying power and making projects more attractive to suppliers.
Why is change necessary?	New Zealand's water infrastructure faces significant challenges, including aging assets, increased regulatory standards, and transparency in terms of the cost of water. LWDW ensures water services are financially sustainable, compliant with new regulations, and able to meet long term community needs.
Waikato Water Done Well (WWDW)	This is a group set up by the Waikato Joint Mayors and Chairs Forum seeking to support individual councils to make informed decision on the merits of aggregating water services, regionally or sub-regionally.
Waikato Waters Ltd	Waikato Waters Ltd is the proposed name of the jointly owned company managing the participating council's drinking water and wastewater infrastructure, with independent governance, delivering regional water services efficiently. Hauraki District Council would be a shareholder of the CCO.
Who owns and governs Waikato Waters Ltd?	The CCO is owned by participating councils and governed by an independent board. Councils retain influence through a shareholders' forum, Statement of Expectations, and oversight roles.
Water Service Delivery Plan (WSDP)	All councils must develop a Water Services Delivery Plan (WSDP) by 3 September 2025, detailing their infrastructure status, investment needs, and their service delivery model that will meet the new national standards. Before WSDPs are submitted to the Department of Internal Affairs, councils must decide on their delivery model for the future. In short, councils can choose between an internal business unit or a Council-Controlled Organisation (CCO), either on their own, or with other councils, for water services.
Water Infrastructure	Councils, via the WSDP, will 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. The plans are to be prepared individually or with other councils, by 3 September 2025 (unless an extension is granted).
Ring-fencing	Water services revenue and expenditure must be separated from general council finances. This ensures financial transparency. Hauraki District Council ring-fenced water services some time ago in our financial accounts but you will have noticed that from 1 July 2025 we're separating out the wastewater portion of your property rates bill and moving it to your water bill.
Charging	Wastewater charges will move to the water invoice from 1 July 2025. For communities that don't have a water charge but do have a wastewater charge, they'll start to receive the wastewater charge on a new invoice from 1 July 2025. If Hauraki district decides to go with the sub-regional CCO, once it is operational and capable of charging customers, Hauraki District Council property owners will be invoiced separately from council, much like gas, phone or power companies do. Stormwater charges will remain on Council's property rates invoice.
Staff	The Local Government (Water Services) Bill provides legislative protection in place for staff that any changes to their working relationship needs to be the same or similar conditions as the current agreement. Hauraki District Council is keeping the unions informed and engaged.

What projects do we have in the pipeline?

Our Long Term Plan (2024-34) outlines our proposed projects, and costs, for our water services over the next decade. We're proposing to spend \$147M on water services over this period. The bulk of this is on wastewater treatment plant upgrades.



\$73M

**District-wide
Wastewater
Treatment Plant
Upgrades**



\$3.6M

**Wastewater
improvement
works**



\$20M

**Improving
drinking water
on the Hauraki
Plains**



\$3M

**Improving water
resilience in
Waihi**



\$1M

**Responding
to Ministry
of Health
requirements**

These projects need to happen, and some are legally required due to compliance, others are for growth or improving community needs. Remaining with status quo will challenge our district affordability in future years.

Water reform has been on the agenda for sometime. Council has been solidly working on a strategic services delivery programme with the intention of setting up for the future that we knew would involve increased regulation and environmental compliance.

How are our current drinking water assets looking?

- Our water treatment plants have recently been upgraded to ensure they have the required processing capacity and resiliency to avoid water restrictions in summer months.
- In Hauraki district, metered water connections are already in place including smart meters for high users. This makes it easier for users to understand their actual water usage and cost through approximately six monthly billing. This ensures that private leaks are identified early so they can be fixed by the home owner, minimising water wastage. This isn't the case for a number of councils.

How are our wastewater assets looking?

- Previously there was a growing concern for aging glazed earthenware pipes in the Paeroa and Kerepēhi wastewater networks. In recent years we have spent nearly \$2M relining many of these pipes in Paeroa.
- Paeroa currently has a wastewater plant upgrade underway which is challenging our financial position. This is on top of keeping up with the renewal programmes and providing allowance for climate change impacts long term.
- All wastewater plants (seven in total) require upgrades of some sort to meet compliance and changing environmental expectations to improve effluent quality.
- Several plants can be amalgamated with the new Paeroa plant over the next 10 years to improve environmental impacts and meet Iwi partner expectations.

We would appreciate knowing what you think

WHAT ARE THE OPTIONS FOR THE HAURAKI DISTRICT?

We did a lot of work and analysis to fully understand the Government's suggested options and identified some viable variations to investigate further for the Hauraki district.

OPTION 1

Enhanced Status Quo with Regulation (mandatory)

What's a CCO?

A CCO is an organisation owned by participating councils that delivers services on their behalf – like Council is currently involved with Destination Hauraki Coromandel and the Hauraki Rail Trail.

OPTION 2

Sub-regional CCO (Waikato Water Done Well)

OUR PREFERRED OPTION

After careful consideration, options 3 and 4 were outweighed, by the advantages/disadvantages of options 1 and 2. Within this consultation document we have presented our preferred model, the sub-regional Council Controlled Organisation (CCO), and have presented this as a comparison against the status quo (with a bit of tweaking to make sure our status quo reflects the expected legislation). And we are hoping you will let us know what you think.

Scan the QR code to find out more about the options investigated in the business case.



OPTION 3

Shared Services

HDC would continue to own and manage water services and assets with possible transitioning to a Regional/Sub-regional CCO at a date to be confirmed between 2028 and 2031 via a shared operational business unit with another Council for supervisory control and data monitoring service.

OPTION 4

Commercial

HDC would continue to own and manage water services and assets via an internal Business Unit, however drinking water and wastewater operations and maintenance services would no longer be undertaken by Council.

Option 1: Enhanced Status Quo with Regulation

Key points of Enhanced Status Quo with Regulation

The Enhanced Status Quo with Regulation would see Hauraki District Council retain the ownership and delivery of water services in house, as a water services provider, similar to existing arrangements, via a 'ring fenced' model.

- **Ownership and Governance:** Council retains full ownership and oversight of all water service assets. Governance would likely be through existing governance arrangements, being a Committee or the full Council, with the option to have independent involvement such as an independently chaired committee with industry and iwi representation.
- **Decision-Making:** Council remains responsible for decisions, with regulatory oversight.
- **Service Delivery:** Council continues to provide water services to the community while managing capital works, procurement, and project management.
- **Organisational structure:** Water services would continue to be delivered directly by Council 'in house' through an internal business unit or division, with planning and budgeting integrated into Council planning and budgeting processes.
- **Financial Structure:** All water service expenditures are ring-fenced and funded separately through targeted rates, volumetric water charges, and financial/development contributions.
- **Iwi Involvement:** Council will continue to be committed to maintaining and strengthening relationships with iwi and mana whenua.
- **Civil Defence:** Emergency response and resilience planning remain unchanged.
- **Debt Limitations:** The debt-to-revenue ratio will remain the same as the current 280%.
- **Community Engagement:** Public input will be gathered through legislative consultation procedures.





Advantages of Enhanced Status Quo with Regulation

- **Council employees:** A core strength of Hauraki District Council is its staff, their knowledge and role within the community. There is a strong recruitment programme for school-leavers and there is a successful cadetship and apprenticeship programme that ensures there are future plant operators and enables succession planning, which would continue.
- **Ownership:** Council maintains full responsibility for day-to-day decision-making, although economic regulation will restrict some council decisions.
- **Community input:** Having your say on water services would continue to happen through current consultation processes.
- **Familiarity:** Familiar and well-understood model.
- **Legal compliance:** Complies with the water legislation.



Disadvantages of Enhanced Status Quo with Regulation

- **Wastewater affordability for community:** Our district's population median income is below national median household income, yet the cost for providing water services is relatively high.
- **Limited resources:** Additional resources will be required for Information Disclosure to the new economic regulator.
- **Scale:** Does not provide economies of scale and efficiency.
- **Vulnerability to major events:** As a small council, a major event like a natural disaster could overwhelm our water services, causing costly infrastructure damage and forcing sudden rate hikes or debt increases to fund emergency repairs.
- **Workforce issues:** Attracting and retaining skilled staff may become harder as regional water service organisations are formed that offer more attractive career development opportunities.
- **Environmental outcomes:** Limited ability to achieve enhanced environmental outcomes due to a lack of scale and ability to take a catchment-based approach.

If this option was to proceed, when would it take place?

If Council decides to proceed with the Enhanced Status Quo with Regulation following the consultation period, Council will continue to be responsible for water service delivery or when economic regulations come into force.

While the Enhanced Status Quo with Regulation option offers continuity and familiarity and allows Council to retain direct control, it presents financial and regulatory risks that could impact long-term service affordability and environmental sustainability. The costs of maintaining infrastructure, meeting compliance standards, and investing in water services may exceed what the district can afford in the long term, and because of this – Enhanced Status Quo with Regulation is not our preferred option.

OPTION 2: Waikato Water Done Well

What is Waikato Water Done Well?

In 2023 Waikato councils identified common “waters” issues they were facing. These include:

- Funding future (and in some cases urgent) infrastructure requirements – and the affordability issues this raised for communities;
- Delivering large capital projects like treatment plant upgrades – that all pull on the same pool of contractors;
- Responding to weather-related events and rising insurance costs;
- The impacts of growth;
- Retaining and developing a skilled workforce;
- Meeting tougher resource consent conditions and new government regulations.

Their response to this was to co-design a joined-up approach for water and wastewater services, being Waikato Water Done Well (WWDW). In late 2024, seven district councils signed a Heads of Agreement to investigate further this joined-up option. The councils are: Matamata-Piako, Otorohanga, Waipā, Waitomo, South Waikato, Taupō and Hauraki.

A Council Controlled Organisation (CCO) would be established to provide the services.

Under this model, the CCO would manage drinking water and wastewater. The CCO would be responsible for everything from sourcing and treating water to maintaining infrastructure, planning for future upgrades, and ensuring high environmental standards are met.

The CCO would be a separate legal entity, owned by the shareholding councils and operated by an independent board. While councils would no longer be directly involved in water service delivery, they would set a statement of expectations, which lays out responsibilities and performance standards, to guide the CCO’s decisions, with regular monitoring and reporting back to the councils.



If we proceed, when would this transition take place?

If Council decides to proceed with the Waikato Water Done Well option following the consultation period, the transfer of assets and responsibility of delivery would not take place until 1 July 2027. This means that for the next two years, Council will continue to be responsible for water service delivery.

If we choose not to join the CCO until later or are required to by Central Government, we may face significantly higher costs and miss the opportunity to help shape its establishment and operations.

Key points of Waikato Water Done Well

- **Iwi involvement** - We know iwi play a strong role in water management. It is essential that Treaty Settlements, Memorandum of Understanding, and existing partnerships are upheld and strengthened.
- **Catchment-based approach** - In this context “catchment” refers to a geographical area where water is collected by the natural landscape, typically including rivers, lakes, and groundwater systems. Managing water at a large, regional scale allows for a more holistic approach to improving water quality, protecting our natural resources, and enabling innovative solutions for resource consents and service delivery.
- **Who would own the assets?** - The Council Controlled Organisation (CCO) would own and manage drinking water and wastewater assets, but Council will be a shareholder of the organisation, with a shareholding relative to our services delivery size.
- **Capital works** - If we go with Waikato Water Done Well, it would be up to the water organisation to determine the timing of the capital works depending on a prioritisation framework.
- **Who makes the decisions?** - The CCO would be led by a board of independent directors, appointed by the shareholding councils. Councils would influence key decisions through their statement of expectations and oversight role, ensuring accountability.
- **Long term vision** - Initially, councils may provide some support services during the transition, but the goal is a fully independent and efficient organisation, focused on delivering high-quality water services that is best for our community in the long term.
- **Civil defence** - In the event of an emergency, councils and the CCO would work together to ensure water services are maintained. The CCO would manage the water network, while councils focus on supporting and protecting the community.
- **When** - The Waikato Water Done Well CCO is assumed to be incorporated on 1 July 2025 and will not be operational until 1 July 2026. Some councils will transfer their water services as of 1 July 2026. Hauraki district would be in the later group of councils to transfer water services on 1 July 2027.
- **Transition** - A fundamental expectation of the councils participating in Waikato Water Done Well is that the transfer of responsibility for water services to the Waikato Water Done Well CCO from each council will be seamless for customers. Councils will transfer their water services business into the Waikato Water Done Well CCO in a staged manner, rather than all coming together on day one. Establishment costs of those Councils that enter the CCO after day one will be required to ensure financial equity amongst participating councils.

What about stormwater?

Whilst stormwater is included in the LWDW programme, the service can be delivered separately from drinking water and wastewater. Council has determined that Stormwater will remain a Council activity.

Our stormwater assets are linked across various council activities such as roading and parks and reserves and Council, like many other Councils have deemed it too complex to separate at this stage due to the association with other the Council activities.



Advantages of Waikato Water Done Well

- **Scale:** Achieving efficiencies of scale is a key objective of the Council Controlled Organisation (CCO). This includes long term opportunities for service and delivery improvements through the consolidation of operations and maintenance, procurement, workforce optimisation, and enhanced relationships.
- **Community affordability:** This is the most affordable option in the long term if rates harmonisation occurs.
- **Debt capacity:** The CCO has the greatest debt capacity of either option. When several councils with different debt profiles come together, the increased borrowing capacity available to the CCO can be leveraged. Councils on a standalone basis do not have access to such high debt ceilings and must retain lower debt to revenue ratios.
- **Value alignment:** This CCO is made up of primarily rural/provincial councils, this means doing what is best for our communities for the future will remain a top priority.
- **Smart consenting:** Ad hoc consent applications will move to integrated consents that address the health of a waterbody.
- **Resilience through shared resources:** By partnering with larger councils, we can pool resources and share the financial burden of major unforeseen events, ensuring quicker recovery and minimising the impact on water services, costs, and rates.
- **Iwi engagement:** This model provides opportunity for development of economic partnerships, investment, and workforce opportunities.
- **Legal compliance:** Complies with the water legislation.
- **Climate change mitigation:** With enhanced efficiencies and increased borrowing capacity, there is greater potential for improving climate change mitigation.
- **Workforce:** Sustainability, attraction, and retention issues of skilled staff are expected to be greater with a regional model compared to rural and provincial councils standing alone.



Disadvantages of Waikato Water Done Well

- **Perception of a loss of control:** Residents and ratepayers may feel they no longer have a say in how assets, funded by their rates, are managed or may not feel the upgrades of a smaller council like Hauraki district are a priority.
- **Stranded costs:** If water services are transferred to the CCO, Hauraki District Council will lose that portion of funding, but the costs for the essential services will remain e.g. we still require computer systems for whatever staff numbers we have.
- **Conflicting priorities:** Regional goals may compete with local council needs, leading to potential disagreements.
- **Efficiencies:** Expected efficiencies of the CCO are not projected to be fully realised until 2042, the impact of the Waikato Water Done Well CCO on affordability needs to be considered through a long-term lens.
- **Establishment risk:** Councils will transfer their water services business into the Waikato Water Done Well CCO in a staged manner, rather than all coming together on day one. Establishment costs of those councils that enter the CCO after day one will be required to ensure financial equity amongst participating councils.
- **Pricing:** Local Water Done Well does not require prices to be harmonised across communities. The Waikato Water Done Well CCO has not confirmed if they will harmonise pricing, it will be a function of the established board when they are appointed. A key benefit for Hauraki district is improved pricing for water and wastewater.

Scan the QR code to find out more about Waikato Water Done Well at <https://www.waikatowaters.co.nz/>



HOW DO THE DOLLARS STACK UP?

Whichever option we choose, the cost of water services will go up.

We know there are going to be increased costs to councils to meet the compliance and economic regulation requirements and additional reporting requirements that have not yet been taken into account.

We don't have actual figures to include just yet, as things such as the proposed wastewater environmental performance standards are still under consultation which makes some of what we need to budget for uncertain. However, we have made assumptions in our modelling to prepare for this. We know that short-term, the cost of any of the options we considered in detail are very similar. We know in the long-term, the Waikato Water Done Well approach will be more affordable – potentially by up to 40%.

How will the preferred option affect our rates and debt levels?

Under the Enhanced Status Quo with Regulation option your annual rates bill will drop by approximately \$800 or so (the average wastewater charge), and your annual water bill will go up by that amount. It's the same charge, just appearing on a different invoice. It will be the same under Waikato Water Done Well (preferred option) but potentially, until the new CCO gets on its feet, Council will still be invoicing and collecting water charges but with a new letterhead and name called Waikato Waters Ltd.

As mentioned earlier the cost of water services is going to increase under all options. Expected charges for Water and Wastewater for the 2025/26 financial year as per the draft Annual Plan are:

Criteria	Water	Option 1	Option 2
		Enhanced Status Quo with Regulation*	Sub Regional Waikato Water Done Well (WWDW)*
Rates 2025/26	Water	885	873
Rates 2025/26	Wastewater	848	786
Rates 2025/26	Total	1733	1659

In 10 years time when just looking at Hauraki district, these charges are expected to be:

Criteria	Water	Option 1	Option 2
		Enhanced Status Quo with Regulation	Sub Regional Waikato Water Done Well (WWDW)
Rates 2033/34	Total	4447	4361

**These figures have been adjusted as per the draft Annual Plan 2025/26 which is being developed in parallel to LWDW. Timing between documents, such as the business case, may vary.*

What is 'ringfencing'?

No matter which one of the water services delivery models is chosen for Hauraki district, Local Water Done Well reform states that 'ringfencing' of water services is critical for financial sustainability and revenue sufficiency. It requires that all water revenues be spent on water services and all water services charges and expenses be transparent and accountable.

What does financially sustainable mean?

A financially sustainable water services delivery model means the revenue from the delivery of water services is able to ensure long-term investment in delivering water services and all regulatory standards and requirements are able to be met for the delivery of those water services. The Hauraki district is already 'ringfencing' our water services, however you will note in recent correspondence that we are now adding wastewater to your water services bill for greater transparency.

Ensuring we are meeting wastewater regulations is the major reason for this increase.

A benefit of WWDW is that in 10 years time if harmonized across the Waikato, water services charges could be significantly lower at an **estimated \$2,754**. This will be a decision of the Waikato Water Done Well Board of Directors and communicated to the community through a Water Services Strategy. Councils will have influence over the strategy through a Statement of Expectations.

Debt

The debt measurement for LWDW is the percentage of debt of water services operating revenue. HDC has a debt cap of 280%. Waikato Water Done Well will have a debt cap of 500%. The Enhanced Status Quo with Regulation, in 2026/27 is predicted to have debt of 536% of water services operating revenue. This hefty amount is borrowed from the whole of Council who will still be within their debt limit (at 196% of an allowed 280%). By 2033/34 Councils water services debt is predicted to be 257% with Council debt predicated at 117% due to increased water charges. The borrowing headroom is estimated to be \$99,622,000.

For the same period 2026/27 Waikato Water Done Well will have a far higher percentage of net debt to operating revenue, predicted to be 801%, well above the 500% limit. The government has recognised this will be the case and given the CCO some leeway for the first few years. By 2033/34 through efficiencies and economies of scale, the CCO will have an estimated percentage of 234% with an estimated borrowing headroom of \$747,318,000.

Why is debt important?

Any debt comes at a cost and whilst debt is healthy for infrastructure growth and upgrades, it is not healthy to over burden future generations with large water charges to service the debt.

Levels of Service

Both options presented in this document, are based on maintaining the same or improving on current levels of services.

We know that there will be additional requirements placed on Council such as increased reporting and compliance monitoring, a burden that will stretch our resources, however with our preferred option we want to ensure we have taken the opportunity to grow, collaborate and take advantage of the benefits that the Waikato Water Done Well CCO offers to ensure our levels of service are compromised.

Charges for Water Services

Hauraki District is already at an advantage with separate drinking water billing and in the new financial year separate wastewater billing.

Scan the QR code to find out more.



WHAT DOES THIS MEAN FOR ME?

	Under the Enhanced Status Quo with Regulation model	Under the Waikato Water Done Well (WDDW) preferred model
Who provides the water from my tap?	Water services continue to be delivered by Hauraki District Council.	Water services would be provided by WDDW.
Who looks after wastewater (the stuff that goes down the sink and through the toilet)?	Wastewater services continue to be delivered by Hauraki District Council.	Wastewater services would be provided by WDDW.
Who looks after stormwater?	Stormwater services continue to be delivered by Hauraki District Council.	Stormwater is not part of WDDW, it will remain with Hauraki District Council.
Our household is not connected to water services, what does this mean for us?	There is little to no impact on residents who are not connected to water or wastewater services than the current situation.	There is little to no impact on residents who are not connected to water or wastewater services than the current situation.
Who do I call if I have a problem?	Hauraki District Council.	Eventually WDDW – once this part of the business it is up and running. The changes will occur over time but you will always be able to call Council.
Who would make decisions on what infrastructure is needed?	The Mayor and Elected Members.	The Board of the Council Controlled Organisation (CCO) (independent, professional and qualified directors approved the shareholding councils).
What will it cost?	Costs will increase – while this option will be slightly less expensive in the short term costs and infrastructure upgrades will likely become unaffordable as prices increase.	Costs will increase – these costs are going up no matter what. But under the CCO model, savings begin to be made after 10 years.
Will I get charged differently?	No, although separate invoices are already provided for drinking water, as of 1 July 2025, these wastewater services will also be included on this invoice. This is to ensure water and wastewater services can be 'ring-fenced' as required by the legislation. This change is underway already and you may have already seen communication about this.	
Will I be able to have a say on water and wastewater services?	Yes, through the Long-term Plan process, as you do now.	Yes, through councils and their shareholder Statement of Expectations and new Water Services Strategy prepared by the CCO.

FAQS



FREQUENTLY ASKED QUESTIONS

Were there any other options the Council looked into?

Yes, multiple. However, we focused in detail on a shared services option with another council and a commercial option. These are detailed in the Business Case.

These options were not progressed due to the analysis result being similar to the Enhanced Status Quo with Regulation, the lack of support from neighbouring councils and the increased risk to water services delivery without significant gain.

Why is Waikato Water Done Well (WWDW) the preferred option?

WWDW offers cost efficiencies, better borrowing power, shared expertise, and enhanced service delivery. It provides a regional approach to water services, while individual councils are still involved in key decisions as a shareholder.

How does the Enhanced Status Quo with Regulation model compare?

Under this option, the council maintains full control but faces higher long-term costs and limited borrowing capacity. Over time, this model may become unsustainable.

Will water services become more expensive?

Yes. In order to meet Central Government legislation, new delivery standards and economic regulation, there will be new monitoring fees, compliance costs, and infrastructure investments, resulting in increased water service costs under any model. However, a CCO can provide alignment across all councils, cost efficiencies and access to better borrowing options.

How does borrowing work under each model?

Borrowing for assets allows councils or CCO's to spread the debt over many years and multiple generations of asset users. Rather than one generation paying for something that lots of generations will use. Councils have a borrowing cap of 280% debt-to-revenue ratio, while a CCO can borrow up to 500%.

If the preferred option is WWDW, Shareholding Councils will operate at an arm's length from the

CCO but will be required to put in place guarantees (or uncalled capital) that is proportionate amongst shareholders.

So, how do we move forward with so much uncertainty?

We know that water services delivery is going to become increasingly unaffordable for our communities in order to meet future requirements. If we choose WWDW, our modelling has indicated that our community won't be worse off financially than they would be under the Enhanced Status Quo with Regulation model, however, there are increased benefits in WWDW, financially and non-financially for staff and community.

Who owns and governs the Waikato Water Done Well CCO?

The CCO is owned by participating councils and governed by an independent board. Councils retain influence through a shareholders' forum, Statements of Expectations, and oversight roles.

Can the Waikato Water Done Well CCO be privatised?

No. Share in the CCO can only be held by a council, they cannot sell or transfer ownership.

How will community voices be heard?

Councils will continue to have input into the relationship they expect the CCO to have with their customers, by setting the strategic direction via the accountability framework. This includes the preparation of a combined Statement of Expectations which can include expectations regarding community or consumer engagement and the contents of that engagement.

What are the Long-term planning implications?

The Local Government (Water Services) Bill requires a water service provider (currently HDC) to prepare and adopt a water services strategy. Until this strategy is in place, our Long Term Plan 24-34 continues to apply.

If the preferred option WWDW is selected and our transition date is prior to 1 July 2027, we may be required to amend our Long Term Plan 24-34 to reflect the new legislation requirements.



If Council chooses to go with WWDW, will there be a possibility for land rates to increase with the water and wastewater rates removed from Council income?

If Council chooses to go with WWDW, there will be work undertaken to determine what Council may look like without drinking water and wastewater services.

This work will be done in conjunction with negotiation of the transfer agreement with Waikato Water Done Well, what will be transferred and what will be staying with Council. HDC is already aware of potential stranded overheads (approx. \$1 - 1.8M) that are currently paid for by water services. If these stranded overheads are realised there may be an increase in land rates to cover them.

At this stage it is difficult to be certain on what future land rates will be but we can assure you, we will keep you informed.

How will people be charged for water services?

Under WWDW and Enhanced Status Quo with Regulation there will be a separate invoice for drinking water and wastewater services. This is expected to come into effect 1 July 2025 either way.

Property owners will no longer pay for water services in council rates bills and instead will be invoiced separately, much like gas, phone or power companies do.

Who do people contact for water service issues?

- Under the CCO: Waikato Waters Ltd, with council support during the transition. Contact details will be made available closer to the time.
- Under Enhanced Status Quo with Regulation: The council remains responsible.

What does this mean for households that are not connected to water services?

There is little to no impact on residents who are not connected to water or wastewater services other than any current arrangements.

Stormwater will continue to be charged through rates.

How does each model affect council staff?

Under Enhanced Status Quo our staff will be retained, however we may struggle with workforce sustainability due to the attractiveness of the water services organisations and regulatory changes.

In the case of a transfer agreement with an organisation such as WWDW, the Local Government (Water Services) Bill requires the CE to identify the affected employees in relation to those employees that are >50% water services and those that roles may be compromised with council due to the water services transfer. When HDC transfers our water business into WWDW, relevant staff will transfer across as well. WWDW includes provisions for workforce retention and transition, ensuring job security and career development.

How will infrastructure be maintained and improved?

HDC has a significant programme of investment in infrastructure detailed in the Long Term Plan 24-34 and the Enhanced Status Quo with Regulation will continue to invest as per the Long Term Plan, updated 25-26 Annual Plan and changes to the Wastewater standards.

WWDW enables larger projects to have the benefit of scale through better borrowing and shared resources and will determine investment through a shareholder agreed prioritisation framework. New National Engineering Design Standards will also provide a common set of engineering standards in accordance with best practise to improve design efficiencies.

LET'S TALK KŌRERO MAI

Your feedback is valuable!

Your feedback on the options proposed will help inform the final decision on what the future of water services delivery looks like for the Hauraki district.

Feedback is open from Thursday 1 May 2025 and closes at 4pm, Friday 23 May 2025

You can provide feedback in a number of easy ways:

- Tells us your thoughts via the online feedback form at Kōrero Mai - <https://letstalk.hauraki-dc.govt.nz>
- Email us at letstalk@hauraki-dc.govt.nz
- Fill in the feedback form on the next page and drop it off at our service centres or post it to PO Box 17, Paeroa 3600.
- Let us know if you want to present your feedback to Council in person at a hearing on Friday 6 June 2025.
- Call the Local Water Done Well project team on 07 862 8609 or 0800 734 834 (freecall within the district) or get in touch with your Elected Members.

Want to provide feedback?

Scan the QR code to have your say online



What happens next?

- **23 May 2025:** Public feedback closes at 4pm.
- **6 June 2025:** An optional opportunity to provide feedback to Elected Members at the Hearing and Deliberations Council meeting.
- **25 June 2025:** A decision will be made on the water service delivery model for the Hauraki district, taking into account community feedback.
- **July – September 2025:** A Water Services Delivery Plan will be prepared.
- **October 2025 (approx.):** Council will hear back from Central Government to confirm acceptance or if changes are needed. The Minister can appoint a Crown Facilitator or Crown Water Specialist to provide an acceptable plan if the submitted plan isn't accepted.
- **November 2025 - July 2027:** Implementation period.
- **30 June 2028:** Either council or the water organisation must prove financial sustainability.

Want to talk with an Elected Member?

Scan the QR code for their contact details



HAVE YOUR SAY - FEEDBACK FORM

Full name:

Organisation :
(if applicable)

Address :

Email :

Phone :

Please note: For your submission to be valid, you must include your full name, a postal address or email address. All submissions (including your name, address and contact details) are provided to Council staff and Elected Members as part of a public Council agenda for the purpose of analysing feedback.

We will use your contact details to update you on the outcome of the Council decision only. If you want to be contacted about future feedback opportunities, or receive information regarding other Council matters, you can sign up to Antenno, our e-newsletter on our website, or contact our Council offices.

Do you want to speak to your submission?

If you would like to speak to Elected Members at the hearing of submissions on Friday 6 June 2025 about your feedback, please tick the box below and we'll contact you to organise a time.

☐

Yes, I would like to speak to my submission.

Do you agree with our preferred option or do you support another option?

OUR PREFERRED OPTION

☐

OPTION ONE ENHANCED STATUS QUO WITH REGULATION

Internal business unit.

OR

☐

OPTION TWO WAIKATO WATER DONE WELL

Asset-owning sub-regional Council Controlled Organisation (CCO), with other rural/provincial councils in the region.

☐

Please tick this box if you or an immediate family member is employed by Hauraki District Council.

Is there anything else you would like us to know?



William Street, Paeroa 3600 PO Box 17, Paeroa 3640 • P 07 862 8609 or 0800 734 834 (*from within the District*)
E info@hauraki-dc.govt.nz • www.hauraki-dc.govt.nz • MDN: 3847877 - May 2025