

Three Waters Review

Minister of Local Government
presentation to the Water Summit

30 May 2018

The three waters system is facing some significant challenges

Risks to human health and the environment in some parts of the country

Affordability issues, driven by a range of funding pressures and financial challenges

Capacity, capability and sustainability challenges – particularly outside large scale organisations

Variable asset management and governance practices, and a lack of good asset information to support effective decision making

Low levels of compliance, monitoring and enforcement of drinking water and environmental regulations

Minimal central oversight and poor connections

Lack of protection, transparency and accountability for consumers, compared with other infrastructure sectors and overseas water systems

We are facing some tough questions relating to three water services and achieving priorities for the country

How do we ensure communities and visitors across the country have access to safe and affordable drinking water, and swimmable rivers and coastal waters?

How can we achieve our housing aspirations and meet the increasing demand for water infrastructure driven by urban growth?

How can communities with small or declining rating bases fund renewals of ageing infrastructure? Or cope with the pressure placed on water services by tourists?

How do we meet increasing community expectations relating to drinking water quality, and wastewater and stormwater treatment and management?

How much will it cost to meet national directions and community aspirations for fresh and coastal water quality – and how can communities pay for this?

How do we respond to big issues like emergencies and natural hazards, climate change, and infrastructure resilience?

We need to start talking about how to address these challenges

Continuing the status quo is not sustainable – the scale of the challenge is too great

A system-wide problem requires a system-wide, collaborative solution

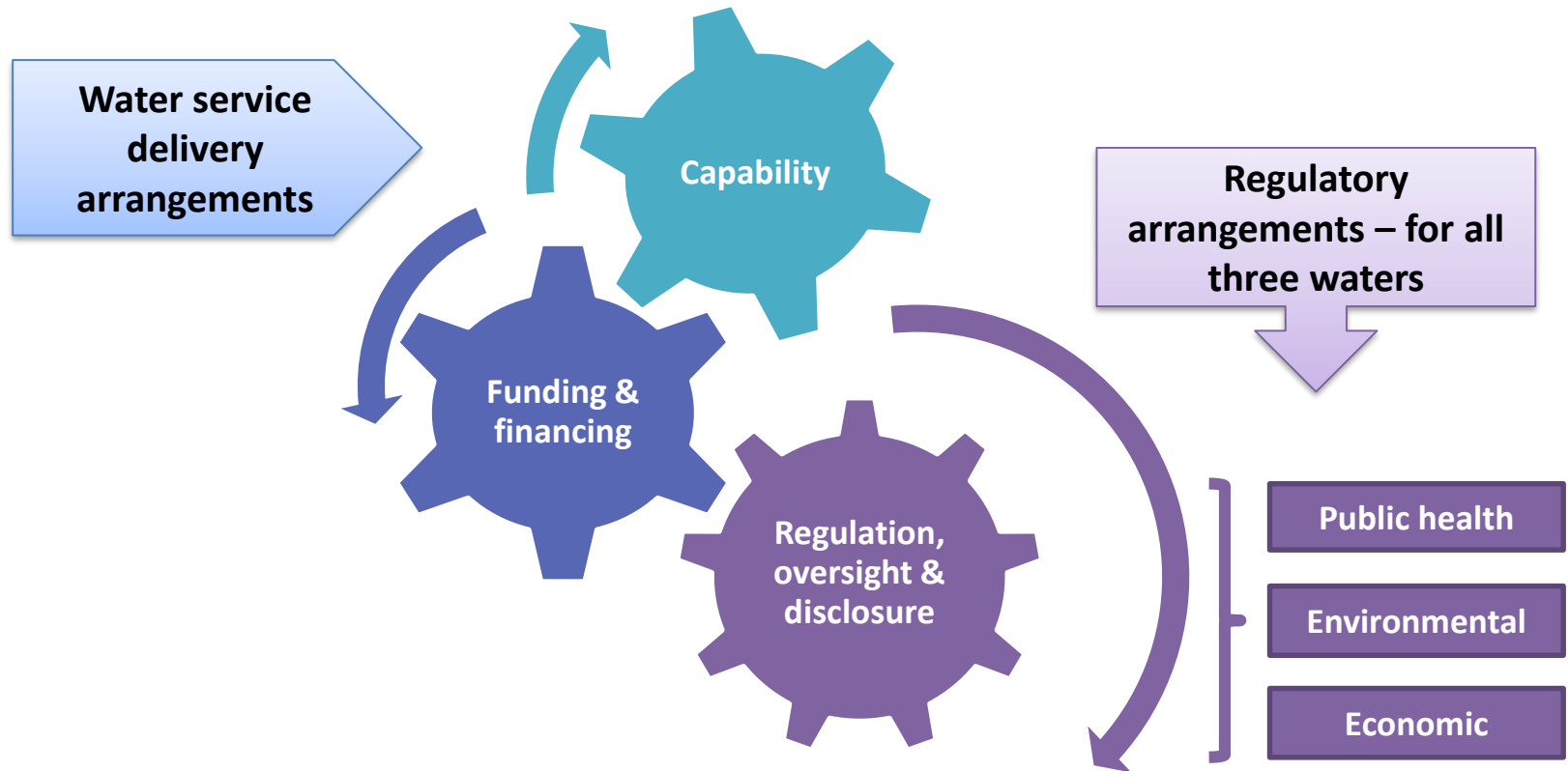
Can we do things differently – to deliver improvements across the country, and benefit all of our communities?

If we recognise and take up the opportunities for change – what might this involve?

Continued public ownership of existing infrastructure assets – as the basis of any options for reform

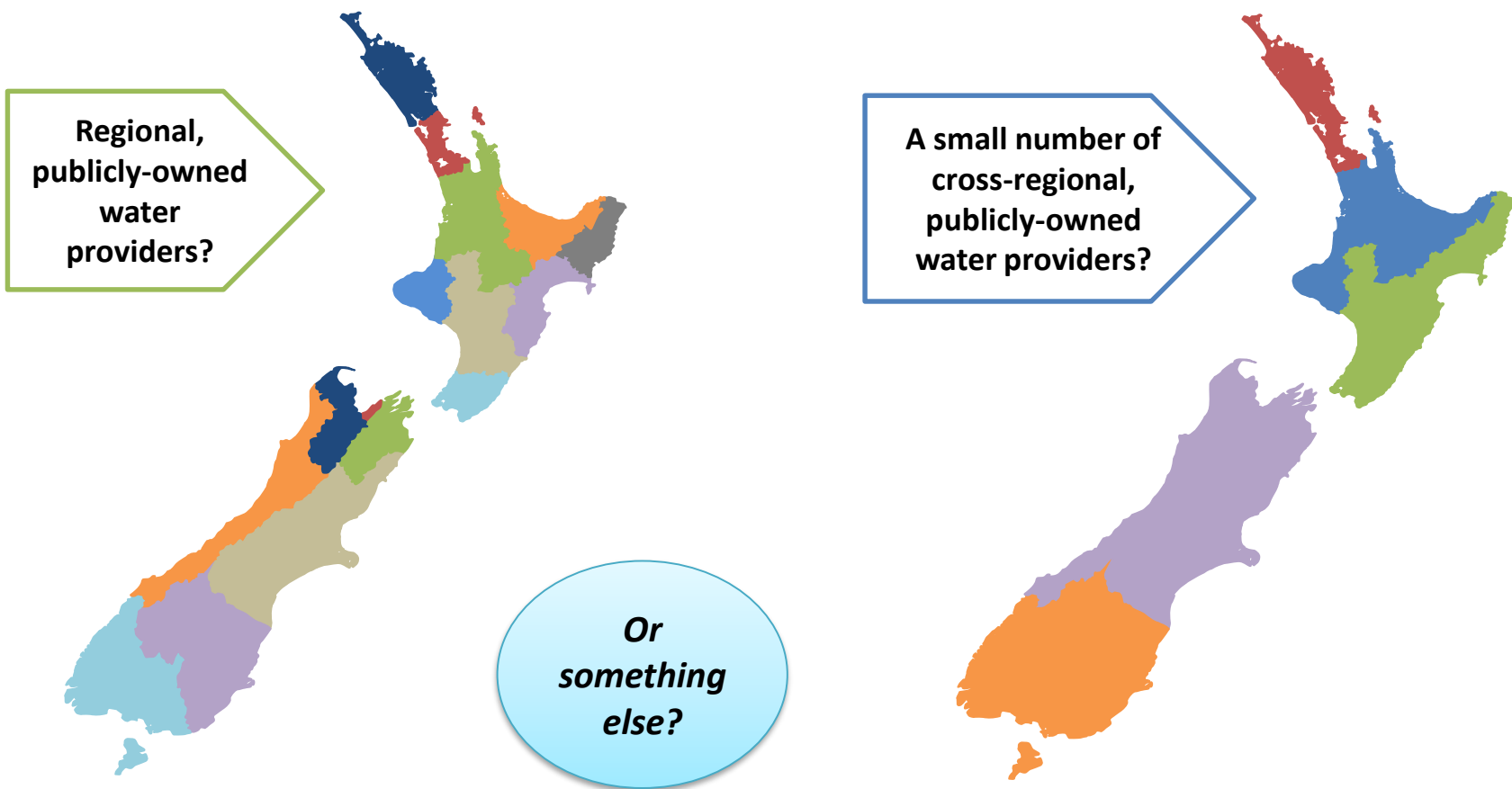
Larger urban populations helping smaller areas

Evidence suggests we will need to address regulatory and service delivery arrangements to achieve system-wide improvements



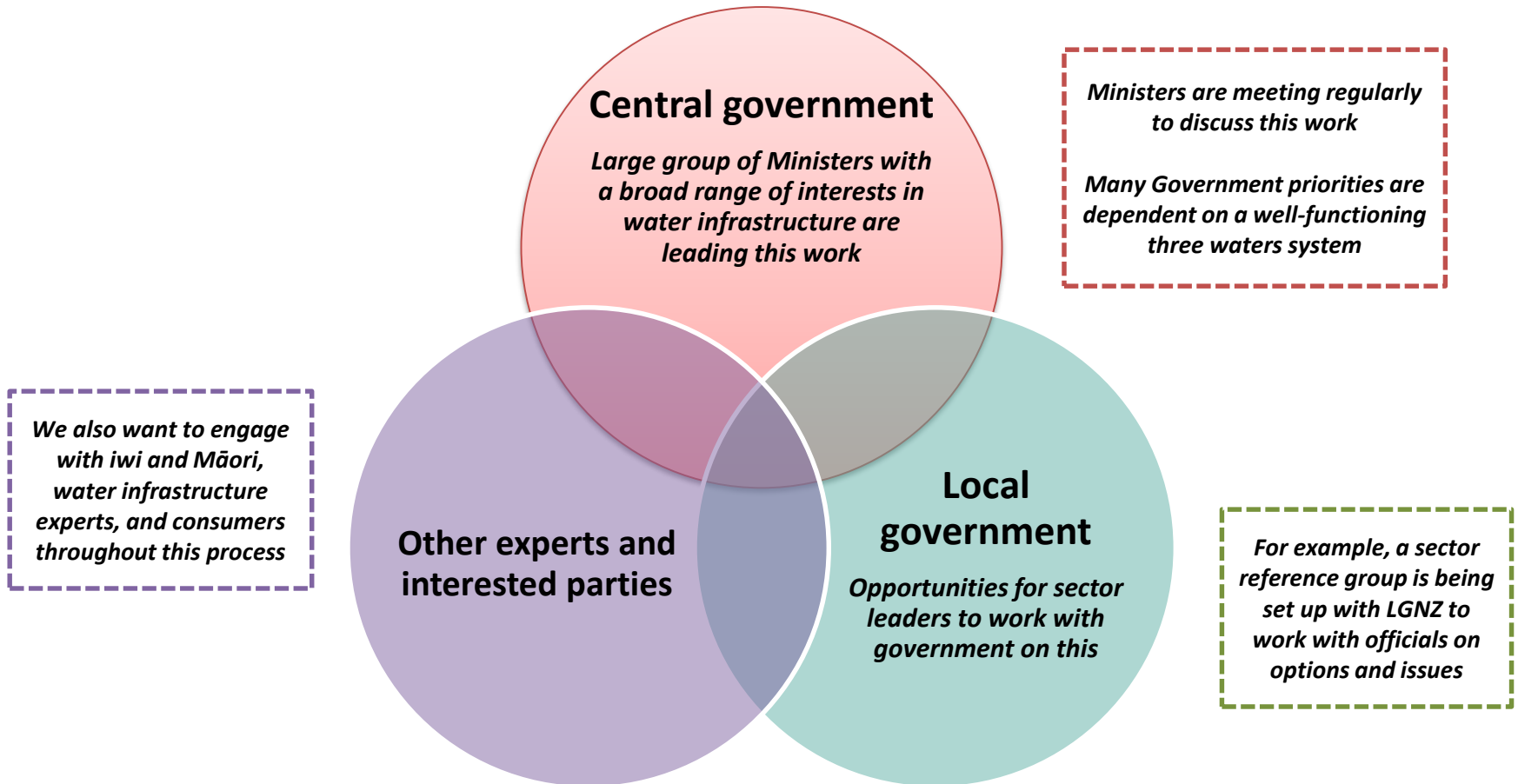
The Havelock North Inquiry recommended moving to a system of aggregated, dedicated water providers

If we were to consider a new model, what might the options look like?



What next?

Identifying the right approach will require leadership and collaboration



Indicative timeframes

- **We are still at the conceptual policy stage – lots of work needs to happen to identify, discuss, and develop options**
- **There will be ongoing engagement – including a dedicated reference group, discussions at sector events, iwi and Māori engagement, and meetings with technical experts**
- **Ministers are due to report back on high-level reform options/proposals later in 2018**
- **In 2019 we will signal the direction of reform and work through detailed design of options – possibly followed by legislation**