

# The value of water

One of the consequences of the recent storms affecting Auckland stormwater, wastewater and water services has been considerable media comment about expectations of councils in managing our water resources. By **John Pfahlert**, CEO Water New Zealand, and **Garry Macdonald** from Beca.

**S**tormwater overflows mixed with sewage, debate around whether water bottling companies should pay for water, public debate about whether major rivers should be swimmable or wadeable, infrastructure replacement costs and the pressure on small councils – the list of topical issues surrounding the ‘three waters’ is getting quite lengthy!

And it’s not just water and wastewater that’s coming into focus, as flooding becomes an issue and debate starts about what level of protection is appropriate given more frequent extreme events – and climate changes.

The New Lynn flash floods and physical damage to properties is only the most recent example. We have seen ‘flash floods’ in other centres such as Wellington and Napier that have overwhelmed the stormwater systems designed for a 50 year annual recurrence interval (ARI) event. And this is apart from the regular flooding of households in Christchurch following the quakes, and relatively small changes in land levels that has

had a massive impact on how stormwater is managed in the city. It also raises the issue of how we ‘value’ water. We sense a growing public hardening around holding government to account for the way water is managed. And it isn’t just in this country that the issue is getting a public airing.

A new report from the USA finds that closing the nation’s gap in investment in water infrastructure would create 1.3 million jobs and generate US\$220 billion in economic activity. The analysis found a severe economic cost to inaction. At a national level, a one-day disruption in water service can lead to a loss of \$43.5 billion in sales and \$22.5 billion in GDP. The report, ‘The Economic Benefits of Investing in Water Infrastructure’, was commissioned by the Value of Water Campaign to better understand how investments in the nation’s water infrastructure affects economic growth and employment.

To maintain reliable clean water services alone, the American Society of Civil Engineers estimates that the US needs to

invest an additional US\$82 billion in water infrastructure per year over the next decade at all levels of government. Despite this increased need, the report finds that the Federal Government's contribution to water infrastructure continues to decrease, now just nine percent – down from more than 60 percent 40 years ago. The analysis falls against a national backdrop of increasingly complex water challenges that are exacerbated by overstressed and antiquated drinking water, wastewater, and stormwater management systems – as well as regulatory requirements that at times outpace the technological capabilities of the nation's water and wastewater facilities.

“The report findings make it clear that investments in water infrastructure generate high quality jobs, increases the competitiveness of American businesses, and leads to a significant injection of economic activity throughout the nation,” says Radhika Fox, executive director of the Value of Water Campaign.

“That is the message we want public officials on Capitol Hill and across the country to hear: Investing in water equals jobs. Investing in water infrastructure builds a prosperous America.”

So, there is an interesting association between the economic advantages of investing in water infrastructure (not just roads and transportation infrastructure as per our Roads of National Significance) and the consequences of loss of water services to industry and the country as a whole.

It's interesting to note that our own Government sees the

economic benefit to the country of investing in rural irrigation schemes, but doesn't appear to have the supporting data/incentive to invest in urban sector water supply schemes.

There's been plenty of talk in this country about the bow wave of investment required to replace our ageing water infrastructure.

Central Government seems satisfied to leave the financial burden with local councils to deal with – on the apparent premise that three waters services are a 'local issue' that has little or no national significance.

The Value of Water Report suggests otherwise – that all water services, and any disruption to them, have a much wider economic and social impact than just at the local level.

Local Government New Zealand continues to beat the drums on adequate financing for water infrastructure, with the launch of Water 2050 – an initiative to develop cohesive water policy across the three waters and rural sectors.

The Havelock Inquiry will also lend its voice to the debate in due course.

The challenge for the water sector is to acknowledge that what happened at Havelock North is really our 'Pike River' moment.

We need to see the Inquiry as an opportunity to improve performance, not bury the issues and pretend it was a one off that couldn't happen on 'my patch'.

Failure to learn this time around may mean that next time it happens that isn't all we'll be burying. [WNZ](#)