

**6 December 2017**

## **Drinking water report lacks detail on costs to communities**

Local Government New Zealand says the second report of the Havelock North Drinking Water Inquiry is a helpful addition to the ongoing debate about the state of New Zealand's water quality and water infrastructure. It makes many suggestions for change but does not address the implementation costs associated with some of its suggestions.

The report recommends the creation of an independent drinking water regulator and calls for the treatment of all drinking water.

LGNZ President Dave Cull says LGNZ and its members share the goal of safe and plentiful drinking water for New Zealand and this has by and large been delivered consistently for decades to New Zealanders. But there are challenges on the horizon which need addressing. This is best done through collaboration between central and local government for the benefit of all New Zealanders.

While the report calls for major changes to the drinking water system it does not consider affordability and the cost to communities of significant infrastructure investment.

"The report did not consider the costs of meeting standards," Mr Cull says. "There are already challenges for some communities in paying to upgrade and maintain three waters infrastructure, so any conversation about standards needs to be accompanied by a discussion about the costs to communities of meeting those standards, and how these costs can be equitably shared by all users of water services."

Mr Cull says some communities will be happy with the systems they have and the level of risk that comes with untreated water, and if they are making informed decisions then this should be supported, not overridden, by central government.

LGNZ continues to favour the establishment of a co-regulatory body to work with water asset owners to improve outcomes over time, a recommendation made following a major 3 Waters project that concluded in 2015. While not opposed to an independent body, such entities are very expensive. LGNZ's co-regulatory model is likely to be more effective because of its collaborative nature and it will also be a more cost-effective approach.

The report also favours the creation of corporate entities to provide water services. LGNZ does not oppose such entities and in the appropriate circumstances believe that they can add value.

"However, these decisions are for the communities who own the assets to make after balancing the need to meet appropriate standards," Mr Cull says. "In the coming days LGNZ will continue to assess the report's recommendations, but at first blush the silence on affordability and the cost to communities is a gap in the Inquiry's work."

**\*Ends\***

**For more information** contact LGNZ's Deputy Chief Executive Advocacy, Helen Mexted on 029 924 1221 or [helen.mexted@lgnz.co.nz](mailto:helen.mexted@lgnz.co.nz)

### **About LGNZ and local government in New Zealand**

Local Government New Zealand (LGNZ) is the peak body representing New Zealand's 78 local, regional and unitary authorities. LGNZ advocates for local democracy, develops local government policy, and promotes best practice and excellence in leadership, governance and service delivery. Through its work strengthening sector capability, LGNZ contributes to the economic success and vibrancy of communities and the nation.

The local government sector plays an important role. In addition to giving citizens a say in how their communities are run, councils own a broad range of community assets worth more than \$120 billion. These include 90 per cent of New Zealand's road network, the bulk of the country's water and waste water networks, and libraries, recreation and community facilities. Council expenditure is approximately \$8.5 billion dollars, representing approximately 4 per cent of Gross Domestic Product and 11 per cent of all public expenditure.

For more information visit [www.lgnz.co.nz](http://www.lgnz.co.nz)