

Waikato councils leading the way

12 May 2015

The Hamilton City and Waipa and Waikato district councils should be commended for looking at innovative ways to improve services to ratepayers at lower costs, says Stephen Selwood of the New Zealand Council for Infrastructure Development.

The three councils agreed to co-fund the independent study into different wastewater, water supply and stormwater management options in 2014.

The Cranleigh authored report released yesterday identifies close to half a billion dollars of savings over the next thirty years and \$107 million over the next decade, if the three councils were to transfer water assets and management to a council controlled organisation.

These three councils are planning to spend \$764 million on water services over the next ten years, so a saving of \$107 million or 14 per cent is very significant.

Savings would come on top of better water services for residents. The report found that the CCO model would contribute to:

- a stronger and much more resilient waters network across the sub-region;
- improved compliance with environmental and drinking water standards;
- a greater likelihood of attracting and retaining key waters staff;
- the creation of a regional water centre of excellence; and
- the ability to better harness and maximise the economic potential of the region.

The findings are consistent with experience elsewhere, including in Scotland, Tasmania and Auckland.

In Scotland, a publicly owned special purpose water company has achieved 40 per cent savings in operating costs whilst dramatically increasing capital investment in water infrastructure to provide better services to users.

Closer to home, Watercare has realised \$104 million in savings per annum following its consolidation of water services in Auckland, at the same time as scale has enabled upgrades to Rodney and Franklins infrastructure that was not affordable under the former council structure.

Its encouraging to see Waikato councils front-footing emerging challenges and seeking out new opportunities, Selwood says.