

How do the options compare?

To plan for the future of our water services, we've assessed our infrastructure and how well we can meet new government regulations.

We've listened to our communities and know that cost, control, ownership, and quality of our water services matter most. These priorities have guided our decision-making and form the basis for comparing each option.

The following tables show how each model measures up, helping you understand the benefits and trade-offs.

Control

Will we still have a say?

Retaining the Current Model	<ul style="list-style-type: none"> Financial challenges would put pressure on future service improvements.
Single Council Water Services Organisation	<ul style="list-style-type: none"> Council retains ownership, meaning it still has a role in monitoring and oversight, but operational decisions are made by the organisation. Under this model governance control shifts to an independent board.
Multi Council Water Services Organisation PREFERRED	<ul style="list-style-type: none"> Shared governance ensures local decision-making alongside partner councils. Council retains ownership oversight, meaning it still has a role in monitoring, even if operational decisions are made by the CCO. The independent board would be appointed jointly by participating councils on a competency basis. Councils would set the multi council organisation's objectives and performance expectations.

Ownership

Retaining the Current Model	<ul style="list-style-type: none"> Council retains full ownership. 	<ul style="list-style-type: none"> Legal protections would be in place to prevent privatisation under all options.
Single Council Water Services Organisation	<ul style="list-style-type: none"> Council retains full ownership of a single organisation. 	
Multi Council Water Services Organisation PREFERRED	<ul style="list-style-type: none"> Council shares full ownership of organisation with other councils. 	

Quality

Retaining the Current Model	<ul style="list-style-type: none"> Increasing difficulty in meeting new standards and growth pressures due to funding limitations, risking compliance issues and potential service disruptions.
Single Council Water Services Organisation	<ul style="list-style-type: none"> Some improvements possible, but financial constraints may delay necessary upgrades and maintenance, or require higher charges.
Multi Council Water Services Organisation PREFERRED	<ul style="list-style-type: none"> Greater investment ensures compliance with national standards, improved resilience, and better service outcomes for the community. Pooling resources enables effective and efficient infrastructure upgrades and maintains levels of service to support growth. The multi council organisation will be monitored to maintain high service quality, with councils setting clear performance expectations. Regular reporting, audits, and compliance with statutory objectives ensure accountability and effective service delivery. Creates opportunity to consider regional-based climate investment, including potential to strengthen interface with Bay of Plenty Regional Council flood management.

Cost

What will this mean for water charges?

Retaining the Current Model	<ul style="list-style-type: none"> The current model does not meet the new legislative requirements for long-term financial sustainability, which means we can't choose to keep things as they are. High costs due to limited financial capacity, borrowing constraints, and inefficiencies. Rates and charges are likely to rise significantly, putting pressure on households and businesses.
Single Council Water Services CCO	<ul style="list-style-type: none"> This option could offer more borrowing capacity but then much more limited operating efficiencies. Council would still bear full financial responsibility. Rates and charges would also rise, but greater debt would mean we could spread that cost.
Multi Council Water Services CCO PREFERRED	<ul style="list-style-type: none"> Lower costs through economies of scale, shared expertise, and better access to funding, reducing financial pressure on ratepayers. A multi council approach enables greater investment capacity while keeping costs more affordable. We do expect charges would continue to rise but at a much lower rate than our current model over 10 years. Efficiencies would build over time, likely generating further savings for our community that can fund much needed investment. More financial capacity means we can invest more in water infrastructure. Greater efficiencies are likely at scale, providing financial benefits to customers. Partnering with neighbouring councils can support better growth planning and coordination.

Breaking down the cost

The cost of delivering water services is **increasing**.



Under the current model, the average household water charge is projected to exceed \$4300 (approx.) per connection annually (in today's terms) over the next 10 years.

- This huge increase is necessary to keep investing in pipes, treatment plants, and infrastructure.
- When we spread these costs across multiple councils in a joint CCO, charges drop to \$3000 (approx.) per connection – a 31% reduction.
- Over 10 years, this could save each household \$4000-\$5000 (approx.) compared to staying on our own.

A multi-council model allows us to:

- Borrow more affordably, spreading costs over time.
- Reduce financial pressure on households.
- Deliver services through a specialist entity, increasing efficiency and long-term sustainability.



We know water services can be a complex topic. While we've summarised the key points, the analysis behind these options is detailed and may evolve as further assessments are completed.

If you're interested in the full financial data and technical reports, visit our Your Place Tō Wāhi page for independent analysis and more information (link below).



Find out more and have your say yourplace.westernbay.govt.nz/local-water-done-well