FAQ Sheet

Rural water – the 'fourth water'

Rural water schemes play a vital role in provincial communities. While they operate differently from urban water systems, they're just as important. They are the lifeblood of many rural communities and underpin much of our agricultural and horticultural productivity.

The councils that are coming together under Southern Water Done Well have a deep understanding of the importance of water to provincial communities. That's why we are proposing to formally recognise rural water schemes as a 'fourth water' within the foundational documents of the Southern Water Done Well organisation.

What will the proposals actually mean?

Local Water Done Well legislation is still being finalised but doesn't have many specific provisions relating to rural water. However, there are some key areas in the draft legislation that allow us to treat rural water differently.

First, we will most likely enshrine rural water as a fourth water through the shareholders' agreement and constitution for the organisation.

Secondly, and most importantly, because of its recognition as a 'fourth water' the Statement of Expectations issued to the WSO will need to specifically consider issues relating to rural water.

Why treat rural water differently?

Rural water is different. The way the water is used, and the levels of service that rural water customers receive is different to our urban communities. While our people and communities may also rely on rural water schemes to provide their drinking water, there are some key differences in the way that water is delivered, these include:

- The level of treatment can vary, especially if the water isn't intended for drinking.
- Certainty of supply for our farming community is critical and can mean reductions in quality of water for temporary periods.
- Most of the water is used for things other than drinking.
- Many rural schemes use low pressure, trickle-feed systems rather than on-demand supply. This means water is used to refill tanks on farms and homes – this can have important implications when there is contamination in the network.
- The networks cover large areas but serve fewer people per kilometre of pipe.
- A small number of users consume large amounts of water.
- Charging is often based on entitlement units rather than fixed or metered pricing.
- Management is often more hands-on, with local committees overseeing the system.

All of this means that the expectations about how water is delivered, how contractors work on the network, and the level of investment needed in the schemes, can be quite different to urban communities.

What is the Statement of Expectations?

The Statement of Expectations is a powerful document that will allow councils to set out reporting requirements, service standards and expectations regarding community and stakeholder engagement for the WSO.

The statement is prepared jointly by all four of the shareholding councils, through a shareholders' committee. This means councils will need to collectively agree on the content of the statement of expectations.

The WSO will be required to prepare a Water Strategy that responds to the Statement of Expectations and will be required to give effect to that strategy.

This means councils may be able to set different levels of service for rural schemes, provide guidance around how prices are set, or require the WSO to engage with rural stakeholders around future investment. Rural water will also be priced differently.

Specifically, what will be contained in the Statement of Expectations

The short answer is, we don't yet know. Consultation for the preferred SWDW model is still ongoing, and no decisions have been made yet. Even then, we've proposed a start date for the WSO of 1 July 2027. That gives us plenty of time to make sure we've thought through these decisions, and their implications, thoroughly.

One thing we do know now is that we are committed to continuing our engagement with rural water scheme users going forward, to make sure that our first statement of expectations meets the needs of our communities.

Will rural scheme committees, or Corriedale Water Management continue to have the same role going forward?

Probably not. Rural scheme committees in the Clutha District are often involved in decision making around investment, pricing and unit allocation across their rural water schemes. Corriedale Water Management also has a similar role in scheme management in the Waitaki District.

It's unlikely the full breadth of this role will be able to be maintained in a new entity.

However, we expect the new organisation will have some requirements placed on it to engage with scheme users on a regular basis. From a practical perspective, this will probably be easiest through scheme committees or a similar group of scheme representatives. Access to local knowledge and insight will still be important in any future delivery model.

Corriedale Water Management also has a more hands-on role in the operation of the rural schemes in Waitaki. This includes organising physical works on the network when needed. Ultimately, whether this relationship continues will be something for the WSO to work through. In making that decision the WSO will have to have consider things like cost, quality, local knowledge, and health and safety requirements.

What about other rural water schemes in the area?

At this stage, we are only considering schemes that are owned by Councils. Any private rural water schemes in the area won't be transferred to the SWDW organisation when it is established.

At a later date, it is possible that other privately owned rural water schemes may want to join the WSO. If that happens, the terms and conditions of that transfer will need to be agreed between the scheme users/owners, and the board and management of the WSO.

How will this change the price I pay for my water?

Pricing arrangements still need to be agreed and formalised.

However, the SWDW proposal already assumes that some local pricing will need to be maintained by the WSO. This local pricing could be extended to rural water.

Will this change the level of service I receive?

Only for the better. In the short term, we expect that the WSO will rely on the same local workforces and knowledge that is already used by councils. We haven't proposed big budget cuts or savings targets that mean levels of service should drop for any of the water users in our districts.

Over time, we think that improved asset management, investment planning, and financial and organisational resilience means that we should be able to expect more from the WSO. By treating the rural water as a fourth water, we can be really clear about what rural water users want.