Info Sheet

Myth Busting

Learn more about Southern Water Done Well, visit **www.goredc.govt.nz/water**

MYTH: "We'll lose local control over our water."

FACT: Local Water Done Well ensures the local voices stay front and centre. In the preferred joint-council Council Controlled Organisation (CCO) option, councils would be shareholders and have some say in how services are delivered. Local priorities are still considered, and councils' plans and agreements influence decisions. So, you get the best of both worlds: local knowledge plus the strength of working together regionally.

If service delivery was retained in house, the new legislation means Council would no longer have full control over the timing of delivery, and charges required for water services delivery and infrastructure upgrades. These would be determined by Taumata Arowai.

MYTH: "The in-house options means we can keep delivering water services the same as we have done for years. Councils just need to cut costs and work smarter."

FACT: How we do things now (aka status quo) isn't an option under the Government's new laws. Our current operating model would not meet Local Water Done Well requirements, including financial sustainability.

Many councils are already stretched thin trying to maintain ageing pipes, treatment plants, and pumping stations designed for smaller populations and lower standards than we need today to comply with new regulations.

Some are facing a perfect storm of:

- Pipes badly in need of repair, some that are leaking up to 49% of water before reaching homes
- Treatment systems that struggle to meet Taumata Arowai regulatory standards
- Growing populations putting more strain on existing systems
- Climate change bringing more extreme weather events
- Rising environmental standards that ageing systems weren't designed to meet

Councils have been trying to "work smarter" for years, but there's a limit to how much you can optimize systems that fundamentally need replacement.

As for "just cutting costs" - that approach is what got many councils into trouble in the first place. Years of keeping rates artificially low by deferring maintenance and new investment have created a massive infrastructure backlog that's only getting more expensive the longer councils wait to address it.

What seems like saving money now often leads to much more significant emergency costs later - like when a main water pipe bursts and an entire area loses water, rather than being replaced before it fails.

MYTH: “Our water bills will go through the roof!”

FACT: Let’s be honest – the cost of water services is going to increase in the next decade. That’s due to the need to renew or maintain ageing infrastructure and to meet stricter regulations by both Taumata Arowai and the Commerce Commission as part of Local Water Done Well. The preferred joint CCO option means those increases won’t be as high as if we keep delivering services in-house or a stand-alone CCO.

By working together, costs are spread out, operations become more efficient, and you generally end up with more predictable bills over time.

MYTH: “The council is selling off our community assets!”

FACT: That’s not what’s happening if a jointly owned CCO is chosen. While water assets will be transferred into the jointly owned CCO, the company is a Council-owned organisation specifically designed to manage water and water services. There are rules preventing privatisation.

Everything still belongs to the community (that’s you), but it will be managed by people specialising in water services.

MYTH: “Small communities will get ignored while all the attention goes to bigger towns.”

FACT: Good water service delivery organisations are designed to be fair to everyone. In fact, smaller communities and rural water schemes are often winners because costs and resources are shared across regions. Many small communities would struggle to pay for infrastructure renewal and maintenance on their own. The rules require service standards to be met everywhere - not just in the more populated centres.

MYTH: “A CCO is just there to make profits from water services”

FACT: A CCO’s job would be to deliver water services, not to make a profit. Income would be spent on maintaining and improving water infrastructure. This will be regulated by the Commerce Commission to ensure fairness and transparency.

MYTH: “A new CCO will just waste our money on establishment, paying Directors instead of paying for infrastructure”

FACT: Establishing a CCO will mean there’s an organisation, with the required skills and expertise, solely focused on delivering water services and complying with both Taumata Arowai and the Commerce Commission regulations.

Water charges would be paid to the CCO and used to deliver water services and infrastructure upgrades.

MYTH: “The councils are rushing consultation to get these changes through before local body elections in October.”

FACT: The four councils have been considering options for water services as the reform programme has evolved, carefully assessing how best to provide safe, reliable, and affordable water services for their communities.

The Government deadline for submitting a Water Services Delivery Plan is 3 September 2025.

The October election deadline is not driving decision-making - this September deadline is.

All councils must deliver a Water Services Delivery Plan. If they don’t, the Government will send someone to ensure they do, and the council will have to pay for it.