

Our future

and how we are planning to get there

Kōrero mai
Let's talk



COMMUNITY PĀNUI | UPDATE

17 APRIL 2025

Message from the Mayor and Chief Executive

Tēnā tātau katoa | warm greetings to you all, our community on behalf of Te Kaunihera ā rohe o Kawerau. We are currently consulting on the proposed Long Term Plan for 2025 to 2034.

We completed an enhanced annual plan last year due to the changes and uncertainty surrounding the Local Water Done Well reforms. We must now complete our long-term plan for the next nine years. At the same time we will be consulting with you our community regarding the Water Service Delivery Plan for the delivery of drinking water, wastewater and storm water. More information, is available on our website.

With costs at an all-time high, reviews of our services and projects has resulted in a short-term plan that sticks to 'business as usual'. This includes continuing with the renewals of the drinking water pipes and other strategic asset replacements.

Putting it simply, the cost to provide the same level of services has increased by 8.5%.

We thank those who have been able to attend consultation meetings held recently. We welcome you to join us at the Kawerau Markets on Thursday, 8 May between 9am and 1pm.

Ngā mihi nui,

Kahika | Her Worship the Mayor
Faylene Tunui

Tumu Whakarae | Chief Executive
Morgan Godfery

Mahere Iwa tau Long Term Plan 2025-2034

Topic 1: Moving to targeted water and wastewater rates nine years or five years?

Local Water Done Well legislation requires Council to review the way we deliver water services to the community.

(More information about whether to keep delivering water services in-house or via a multi-Council controlled organisation is available on our website).

The Long Term Plan has been prepared on the basis of continuing with the in-house business unit (Council's preferred option), with all revenue and expenditure on the basis it being delivered in-house.

The requirements of Local Water Done Well mean Council needs to start transitioning towards the targeted water rates funding the total delivery of water and wastewater services. The Long Term Plan proposes increasing the targeted rates gradually over a nine-year period. This is Council's preferred option.

Is the community happy with this transition (which will have a lower rates impact) or would the community prefer this to be over a shorter five year period?

Topic 2: Funding Depreciation

The Long Term Plan has been prepared with 65% of depreciation being funded on Strategic Assets in 2025-2026, with a gradual increase in this funding of 3% each year over the next 12 years back to 100%.

There is an option to increase depreciation to 70% for strategic assets in 2025-2026; and keep raising depreciation funding levels by 5% back to 100% each year after. This rebuilds the depreciation reserves quicker – but does increase rates by 0.8% to 9.4% (adding \$119,280).

Topic 3: Planning for the future – Community Library and Research Centre

Council wants to investigate and develop concept plans for a Community Library and Research Centre for our community. We aim to invest money into a plan, but would seek external funding to assist with delivery of the project.

Do you support the idea of a new research centre in the future?

LOCAL WATER DONE WELL



Local Water Done Well is the Coalition Government's plan to address New Zealand's long-standing water infrastructure challenges. Local Water Done Well covers drinking water, wastewater and stormwater.

This legislation requires all councils to establish a corporate structure to deliver water services that must be financially sustainable which includes having enough debt room to renew infrastructure. In February, Council resolved to consult with our community about retaining water services delivery via an internal (in-house) business unit. The alternative option we are consulting on is delivery water services via a multi-council controlled organisation comprising Kawerau, Whakatāne, Ōpōtiki and Rotorua Lakes Districts. Under the Government's Local Water Done Well legislation we must consult on our "preferred option" and an "alternative" option.

Option 1 Internal – An in-house business unit *(Council's preferred option)*

This means we keep delivering water services with our internal (in-house) business unit. This is our preferred option.

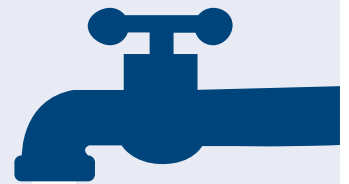
Operationally, the most significant changes are in finance. All rates revenue from water must be "ring fenced".

For the three waters team, the focus will remain on maintaining excellent service delivery to the community.

There will be an increased reporting requirement. Council currently reports to Taumata Arowai, but it would also need to supply data to the Commerce Commission.

Option 2 Multi-Council Controlled Organisation *(Alternative option)*

Join with our neighbours Whakatāne, Ōpōtiki and Rotorua Lakes District Councils to form multi-Council Controlled Organisation (CCO) and deliver water services to our districts. This is our alternative option.



Pros and cons for an internal business unit versus the multi-council controlled organisation...

	In-house business unit	Multi Council company (CCO)
Upgrade new drinking water infrastructure faster and cheaper	✓	–
Complete an \$11.5 million upgrade of wastewater network using depreciation reserves over coming nine years	✓	–
Maintain better value for ratepayers	✓	✓
Maintain excellent service response	✓	–
Meet the demand for growth in the district	✓	✓
Independent organisations monitor water quality and charges	✓	✓
Ability to sell off water assets (privatise)	✗	✗
Elected Members keep decision-making authority of water services delivery	✓	✗
Requires targeted rates for waters in 2025-2026 and beyond	✓	✓

✓ YES – SOMEWHAT ✗ NO

Submissions close Friday 23 May 2025. A hearing for submitters to talk with the Mayor and elected members will be held on Wednesday 18 June 2025.

Open for feedback and submissions

You can make a formal submission, which will be tabled with the Councillors and be considered in the decision-making process.

You can make a submission:

- Online kaweraudc.govt.nz
- **Facebook submissions** – if you wish to make a formal submission, you will need to do so via messenger or inbox.
- **Email** submissions@kaweraudc.govt.nz
- **Drop in the hard copy** submission form from this Pānui to the Council Offices, isite or library weekdays.
- **Post** the submission form to us: Chief Executive Officer, Kawerau District Council, Private Bag 1004, Kawerau 3169

Kōrero mai
Let's talk

LOCAL WATER DONE WELL SUBMISSION FORM

NOTE: As part of the consultation process, Council must make all submissions available for public inspection.

Name

Organisation (if applicable)

Postal address

Telephone

Email

Signature

☐

Tick if you are a Kawerau resident.

☐

Tick if you wish to speak in support of your submission on 18 June 2025.

Closing date
to receive your
feedback
23 May 2025

scan to make
an online
submission



Local Water Done Well

TICK YOUR PREFERRED OPTION

SUGGESTIONS OR COMMENTS

☐

Option 1

Internal – an in-house business unit to deliver water services.

☐

Option 2

Join a Multi-Council Controlled Organisation to deliver water services.

General Comments:

Email: submissions@kaweraudc.govt.nz **Drop off:** Council Office, isite or library.

Post: Chief Executive Officer, Kawerau District Council, Private Bag 1004, Kawerau 3169 www.kaweraudc.govt.nz

Mahere Iwa Tau Long Term Plan 2025-2034

SUBMISSION FORM

NOTE: As part of the consultation process, Council must make all submissions available for public inspection.

Name

Organisation (if applicable)

Postal address

Telephone

Email

Signature

☐ Tick if you are a Kawerau resident.

☐ Tick if you wish to speak in support of your submission on 28 May 2025.

Closing date
to receive your
feedback
12 May 2025



Mahere Iwa Tau Long Term Plan 2025-2034

CONSULTATION TOPIC	TICK YOUR PREFERRED OPTION	SUGGESTIONS OR COMMENTS
Timeframe to transition to targeted water and wastewater rates (as part of Local Water Done Well) See page 10 for details	<input type="radio"/> Option 1 – 9 year transition <input type="radio"/> Option 2 – 5 year transition	
Funding of Depreciation for strategic assets (roading, water and wastewater networks and infrastructure) How quickly should we rebuild our depreciation reserves to replace strategic assets in the future? See page 12 for details	<input type="radio"/> Option 1 – Remain at 65% funding levels in 2025-2026 (and then increase by 3% each year for the next 12 years). <input type="radio"/> Option 2 – Increase funding to 70% in 2025-2026 an additional 0.8% increase, or 9.3% overall rates increase (and then continue to increase funding by 5% each year until 2031-2032).	
Planning for the future We want your feedback to develop concept plans for a new Community Library and Research Centre See page 14 for details	<input type="radio"/> Option 1 – Budget \$60,000 in year two 2026-2027 to investigate and develop plans for a Community Library and Research Centre. <input type="radio"/> Option 2 – Delay the investigations into the Community Library and Research Centre until the next Long Term Plan in 2027-2028, or are there other areas you would prefer Council focus on?	
Any other feedback - attach extra pages as required.		